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# GENERAL ASSEMBLY



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Agenda item 38

## REPORT OF THE WORKING GROUP ON THE FINANCING OF THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

### CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
Letter of transmittal . . . . .		4
I. INTRODUCTION . . . . .	1 - 11	5
A. Establishment of the Working Group . . . . .	1 - 10	5
B. Composition of the Working Group . . . . .	11	7
II. INITIAL ACTIVITIES OF THE WORKING GROUP . . . . .	12 - 19	8
A. Interim report to the General Assembly . . . . .	12 - 17	8
B. General Assembly resolution 2728 (XXV) . . . . .	18 - 19	10
III. SUBSEQUENT ACTIVITIES OF THE WORKING GROUP . . . . .	20 - 74	12
A. Approaches to regional groups and organizations . . . . .	23 - 36	12
1. Regional groups . . . . .	24 - 25	12
2. Regional organizations . . . . .	26 - 36	13
(a) Organization of African Unity . . . . .	26 - 31	13
(b) League of Arab States . . . . .	32 - 34	14
(c) Organization of American States . . . . .	35 - 36	15
B. Consultations with the Commissioner-General and host countries, and visits to camps and UNRWA installations . . . . .	37 - 38	15

# CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
C. Approaches to agencies and programmes of the United Nations system . . . . .	39 - 61	16
1. FAO and the World Food Programme . . . . .	40 - 43	16
2. International Labour Organisation . . . . .	44 - 45	17
3. World Health Organization . . . . .	46 - 47	17
4. Economic and Social Council resolution 1565 (L) on emergency assistance to Palestine refugees . . . . .	48 - 49	18
5. Attendance at the twenty-fourth session of the World Health Assembly . . . . .	50 - 55	18
6. United Nations Development Programme . . . . .	56	19
7. Further contacts with specialized agencies and organizations of the United Nations family . . . . .	57 - 61	20
D. Approaches to individual Governments . . . . .	62 - 64	21
E. Approaches to other sources . . . . .	65 - 72	21
1. Holy See . . . . .	65	21
2. International Committee of the Red Cross . . . . .	66 - 68	22
3. Non-governmental and private sources . . . . .	69 - 72	22
F. Report of the Commissioner-General of UNRWA to the Working Group . . . . .	73 - 74	23
IV. RESULTS OF FUND-RAISING ACTIVITIES ON BEHALF OF UNRWA DURING 1971 . . . . .	75 - 85	25
V. CONCLUSIONS AND RECOMMENDATIONS . . . . .	86 - 101	28

## ANNEXES

### I. REPLIES FROM ORGANIZATIONS OF THE UNITED NATIONS SYSTEM TO THE WORKING GROUP'S REQUEST FOR INFORMATION AND SUGGESTIONS

International Labour Organisation  
International Bank for Reconstruction and Development  
United Nations Development Programme  
World Health Organization  
United Nations Children's Fund  
World Food Programme  
United Nations Educational, Scientific and Cultural Organization

CONTENTS (continued)

- II. CONTRIBUTIONS TO UNRWA FOR 1970 AND PLEDGES AND EXPECTED CONTRIBUTIONS FOR 1971
- III. PAPER PREPARED BY THE COMMISSIONER-GENERAL OF UNRWA SHOWING THE FINANCIAL EFFECTS AND OTHER IMPLICATIONS OF REDUCTIONS IN UNRWA SERVICES

LETTER OF TRANSMITTAL

20 October 1971

Sir,

We have the honour to submit the report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, prepared in compliance with General Assembly resolutions 2656 (XXV) and 2728 (XXV).

Accept, Sir, the assurances of our highest consideration,

Dr. Nuri Eren, Chairman  
(Turkey)

R.M. Akwei, Vice-Chairman  
(Ghana)

J. Arvesen, Rapporteur  
(Norway)

Henri Servant  
(France)

Kunio Katakura  
(Japan)

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Frank O. Abdullah  
(Trinidad and Tobago)

Michael C.S. Weston  
(United Kingdom of Great Britain  
and Northern Ireland)

Robert G. Mahon  
(United States of America)

President of the General Assembly  
United Nations  
New York

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## I. INTRODUCTION

### A. Establishment of the Working Group

1. By a letter of transmittal dated 5 September 1970 addressed to the President of the General Assembly, the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) submitted his annual report to the General Assembly at its twenty-fifth session, covering the period from 1 July 1969 to 30 June 1970.<sup>1/</sup> The report sought primarily to make Member States aware of UNRWA's critical financial situation and to warn them that a breakdown in the services provided by the Agency was inevitable, sometime in 1971, unless substantial additional resources became available soon.
2. The annual report of the Commissioner-General was referred to the Special Political Committee of the General Assembly, which discussed it at 17 meetings held between 18 November and 4 December 1970.
3. The Commissioner-General informed the Committee that the services which had been performed by UNRWA for the Palestine refugees were vital to their lives, health and welfare. He expressed the hope that no further reduction in those services would become necessary and that reductions which had already been made could be restored. He stated, however, that to achieve that goal the Agency would require an increase of from \$5 to \$7 million in its estimated level of income.
4. On 25 November 1970, the Chairman of the Special Political Committee made an appeal to Member States as well as to the international community for further support for the Palestine refugees. He pointed out that all delegations had agreed that grave consequences would ensue from any reduction in those services in future years. He therefore appealed to all delegations to draw the attention of their Governments to that grave situation before the annual pledging conference was held.
5. Following the annual pledging conference, on 30 November 1970, the Commissioner-General of UNRWA, on 1 December 1970, informed the Committee of the results of that conference and accordingly of the financial situation of the Agency. He said that the contributions pledged should lessen the estimated deficit for 1971 to between \$5.5 and \$6 million. Nevertheless, it would be extremely difficult for the Agency to operate its services on such a basis and the Committee

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<sup>1/</sup> Official Records of the General Assembly, Twenty-fifth session, Supplement No. 13 (A/8013).

should, therefore, either consider finding a means of increasing UNRWA's income or alternatively of applying measures to reduce expenditure. He again expressed the hope that the Committee would find a way of eliminating UNRWA's deficit without necessitating a reduction of services.

6. At the 740th meeting, on 2 December 1970, the Secretary-General of the United Nations addressed the Special Political Committee on the gravity of UNRWA's financial position. After pointing out that any further reduction in the already reduced services of UNRWA would add to the difficulties and tensions in the Middle East, he said that the only alternative was to provide adequate financial support for UNRWA. He hoped that the appeal launched by the Director-General of UNESCO on behalf of educational services for the refugees would meet with a generous response. He finally appealed to all Governments to consider and most urgently to make further contributions to UNRWA.

7. After the Secretary-General had spoken, the representative of Norway proposed the establishment of a working group to study the financial situation of UNRWA, to examine the Commissioner-General's suggestions and to make recommendations aimed at preventing a recurring crisis by giving the Agency a firm financial base.

8. On 4 December, the representative of Norway submitted to the Committee the following draft resolution entitled "Establishment of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East":

"The General Assembly,

"Having considered the report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East covering the period from 1 July 1969 to 30 June 1970,

"Noting with grave concern the acute financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East and its serious implications for the future work of the Agency,

"Bearing in mind the appeal made by the Secretary-General on 2 December 1970 at the 740th meeting of the Special Political Committee as well as the appeal made by the Chairman of the Special Political Committee on 25 November 1970 at the 733rd meeting of the Committee, and taking into account the suggestions made in the course of the debate concerning possible means of securing additional income,

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"1. Decides to establish a Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, consisting of nine Member States, to study all aspects of the financing of the Agency;

"2. Requests the President of the General Assembly, in consultation with the Secretary-General, to designate the Member States which will compose the Working Group;

"3. Requests the Working Group, in consultation with the Secretary-General and the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, to present an interim report to the General Assembly, not later than 14 December 1970, containing its recommendations on possible measures to be taken to prevent the reduction of the Agency's services in 1971;

"4. Also requests the Working Group, in the interval between the twenty-fifth and twenty-sixth sessions of the General Assembly, to assist, as appropriate, the Secretary-General and the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in reaching solutions to the problems posed by the Agency's financial crisis;

"5. Further requests the Working Group, in consultation with the Secretary-General, the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East and the specialized agencies, to present a comprehensive report on all aspects of the financing of the Agency to the General Assembly at its twenty-sixth session."

9. On the same day the Committee proceeded to vote on the draft resolution and adopted it by 85 votes to none, with 9 abstentions.

10. On 7 December, the draft resolution was adopted unanimously by the General Assembly, as resolution 2656 (XXV).

#### B. Composition of the Working Group

11. In paragraph 2 of resolution 2656 (XXV) the General Assembly requested the President of the Assembly, in consultation with the Secretary-General, to designate the Member States which would compose the Working Group. In accordance with the provisions of this paragraph, the President of the Assembly, in consultation with the Secretary-General, designated France, Ghana, Japan, Lebanon, Norway, Trinidad and Tobago, Turkey, the United Kingdom and the United States as members of the Working Group.

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## II. INITIAL ACTIVITIES OF THE WORKING GROUP

### A. Interim report to the General Assembly

12. Operative paragraph 3 of General Assembly resolution 2656 (XXV) set out the initial function which the General Assembly requested the Working Group to perform in furtherance of its mandate, namely, to consult with the Secretary-General of the United Nations and the Commissioner-General of UNRWA and to present, not later than 14 December 1970, an interim report containing its recommendations on possible measures to be taken to prevent the reduction of the Agency's services in 1971.

13. Between 9 and 14 December 1970, the Working Group held five meetings, in consultation with the Commissioner-General of UNRWA. At the first of these meetings held on 9 December, the Working Group elected Dr. Nuri Eren of Turkey as its Chairman, Mr. H.R. Amonoo of Ghana as its Vice-Chairman and Mr. Arne Arnesen of Norway as its Rapporteur.<sup>2/</sup>

14. At that meeting, the Commissioner-General made a statement reviewing the financial situation of the Agency in 1970 and the projection for 1971, and suggesting possible measures to meet the serious financial crisis.

15. The Working Group had consultations with the Executive Director of the United Nations Children's Fund, the Administrator of the United Nations Development Programme, the Controller of the United Nations and a representative of the Assistant Secretary-General for Inter-Agency Affairs. As a result of those consultations, it appeared that there was no immediate possibility of lending UNRWA short-term cash assistance. It was suggested, however, that in order to be able to take advantage of short-term assistance from the Working Capital Fund, should that possibility arise in the future, the General Assembly might authorize the Secretary-General to make advances for this purpose in accordance with existing requirements.

16. In furtherance of a suggestion made by the Working Group, the statement made by the Secretary-General of the United Nations in the Special Political Committee

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<sup>2/</sup> On 5 January 1971 Mr. R.M. Akwei of Ghana and Mr. P.G. Ravne of Norway were elected Vice-Chairman and Rapporteur to succeed Mr. H.R. Amonoo and Mr. A. Arnesen respectively. On 1 September 1971 Mr. J. Arvesen succeeded Mr. P.G. Ravne as Rapporteur.



on 2 December 1970 was circulated to Member States and to specialized agencies and was distributed to over 1,000 voluntary agencies.

17. The Working Group, having considered the information at its disposal, made the following recommendations in its interim report to the General Assembly of 14 December 1970:<sup>3/</sup>

(a) The General Assembly should renew its appeal to all non-contributing Governments to contribute and should request all Governments already contributing to increase their contributions to the Agency.

(b) The General Assembly should recommend that contributing Governments endeavour to make early payment of at least a substantial portion of their contribution to UNRWA, with a view to meeting the liquidity crisis of the Agency.

(c) In order to be able to take advantage of short-term assistance from the Working Capital Fund, should that possibility arise in the future, the General Assembly should authorize the Secretary-General to make advances for this purpose in accordance with existing requirements.

(d) Consideration should be given to consultations with regional groups in soliciting additional contributions as well as to the need to adjust methods of securing additional income to specific situations.

(e) The General Assembly should include in its appeal requests to non-governmental organizations, foundations and individuals for contributions.

(f) Serious consideration should be given to the possibility of public fund-raising campaigns in the early part of 1971. All Governments, international agencies and non-governmental organizations should be urged to provide all possible support.

(g) The Secretary-General should be requested to make available to the maximum extent possible facilities of the Office of Public Information in order to disseminate information on UNRWA's humanitarian work to all news media. At the same time, it is hoped that Governments and news media will utilize this material for as wide a distribution as possible.

(h) The General Assembly should express its support for the efforts of the Director-General of the United Nations Educational, Scientific and Cultural Organization to launch an appeal for funds for the improvement and continuation of

<sup>3/</sup> Ibid., Twenty-fifth session, Annexes, agenda item 35, document A/8264.

educational services for Palestine refugees and urge all Governments to respond generously.

(i) The General Assembly should urge all organizations of the United Nations system to study ways by which they might assist UNRWA or undertake activities helpful to the refugees which would lessen the financial burden of UNRWA, to the maximum extent possible.

(j) The General Assembly should request the Working Group to continue consultations with executive heads of other international agencies and United Nations programmes during its next programme of work.

(k) The General Assembly should express the hope that the response to the appeal for additional funds will be such that it will enable UNRWA to continue its humanitarian task. Every effort should be made to avoid subjecting a large group of human beings, whose recent history has been an unusually tragic one, to further distress.

B. General Assembly resolution 2728 (XXV)

18. In paragraph 11 of the interim report, the Working Group recommended to the General Assembly the adoption of a draft resolution entitled "Report of the Working Group on the financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East".

19. On 15 December 1970, the General Assembly adopted draft resolution (resolution 2728 (XXV)), which reads as follows:

"The General Assembly,

"Having considered the report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East,

"Recalling its grave concern about the acute financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East and its serious implications for the future work of the Agency,

"Bearing in mind the need to take all possible measures to prevent a reduction of the services being provided to the Palestine refugees by the United Nations Relief and Works Agency for Palestine Refugees in the Near East,

"Taking into account the urgency to undertake such action,

"1. Approves the report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;

"2. Endorses the recommendations contained in paragraph 10 of the report of the Working Group and urges the full co-operation of all concerned for their implementation;

"3. Requests the Working Group to continue its work in accordance with General Assembly resolution 2656 (XXV) of 7 December 1970 and the present resolution;

"4. Renews its appeal to all Governments to join in a collective effort to solve the financial crisis of the United Nations Relief and Works Agency for Palestine Refugees in the Near East."

### III. SUBSEQUENT ACTIVITIES OF THE WORKING GROUP

20. The Working Group held 14 further meetings in 1971 in discharge of its mandate, in accordance with General Assembly resolutions 2656 (XXV) and 2728 (XXV).

21. In the course of these meetings it considered, inter alia, working papers on different aspects of UNRWA financing prepared by the Commissioner-General and the Secretariat.

22. On 5 January 1971, the Secretary-General of the United Nations addressed the Working Group. He said that the speed with which the Working Group had set about its task reflected the sense of urgency which was felt in the General Assembly when it established the Working Group in December 1970. He had expressed many times his own deep concern about the financial crisis which threatened the continuation of UNRWA's services. If those services had to be reduced because of lack of funds, the tragedy of the Palestine refugees would be compounded.

#### A. Approaches to regional groups and organizations

23. In accordance with recommendation (d) in paragraph 10 of its interim report endorsed by the General Assembly in resolution 2728 (XXV), the Working Group considered the possible advantages of consultations with regional groups and organizations in order to solicit additional contributions for UNRWA and broaden the base of UNRWA support.

##### 1. Regional groups

24. With this end in view the chairman of the Working Group contacted the chairmen of all the regional groups within the United Nations. On 3 February 1971, the chairman addressed the Latin American group, on 5 February the Asian, on 8 February the Western European and others, and on 12 February the African.

25. In the case of the Eastern European group the Chairman had discussions with the chairman and the representatives of the group at which he explained to them, as he had done at meetings with the other groups, the grave budgetary crisis which UNRWA faced and the Agency's urgent need for additional contributions in cash or kind. He subsequently wrote to the representatives of all members of the group individually expressing his appreciation of the interest they had shown in bilateral

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arrangements with the host Governments to assist the refugees and stressing that their contributions would be of considerable help in ensuring the success of the Working Group's endeavours. He also sent them a list of commodities required for the programme of services to the refugees.

## 2. Regional organizations

### (a) Organization of African Unity

26. The Chairman also made contact with the Secretary-General of the Organization of African Unity and arranged to visit Addis Ababa on 1 March 1971 to address the Council of Ministers of the organization, bearing a message from the Secretary-General of the United Nations. The message stated that the situation of the Palestine refugees constituted a challenge to the international community, which had already pronounced its collective will in the relevant United Nations resolutions and which should now face that challenge by translating that collective will into practical support. Even a token contribution to such support would mean a lot in the fulfilment of the responsibility of the international community.

27. Although the meeting of the Council of Ministers was, at the last moment, postponed, the Chairman made his request for assistance to the President of the Council, the Foreign Minister of Somalia, and delivered to him the message from the Secretary-General of the United Nations.

28. The Chairman subsequently wrote to the Foreign Ministers of African States individually, drawing attention to the fact that UNRWA had been in danger of financial collapse. He said that the Working Group, established by the General Assembly to avert the crisis, had decided to approach the regional organizations at their ministerial conferences to ask their support and indicated that a minimum contribution of \$2,000 from each African Government would not only help financially but would also constitute a gesture of solidarity which could influence other non-contributors to join in the effort.

29. The Chairman also addressed a meeting of fourteen representatives of African Governments stationed in Addis Ababa, (Burundi, Congo (Brazzaville), Congo (Democratic Republic), Egypt, Ivory Coast, Ghana, Liberia, Nigeria, Rwanda, Sierra Leone, Somalia, Sudan, United Republic of Tanzania and Zambia). He

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requested the representatives to explain the difficulties of UNRWA to their respective Governments.

30. Furthermore, the Chairman had an audience with the Emperor of Ethiopia and handed His Imperial Majesty a copy of the Secretary-General's message. The Chairman suggested that Ethiopia was particularly well fitted to lead other African States in making contributions to UNRWA.

31. During his stay in Addis Ababa the Chairman also had discussions with several foreign ministers and ambassadors individually, and subsequently followed up these approaches by writing to the Permanent Representatives of African States to the United Nations.

(b) League of Arab States

32. With the approval of the Working Group, on 9 February 1971 the Chairman wrote to the Permanent Representative of Lebanon to the United Nations, as the representative of the Arab group in the Working Group, regarding support from regional organizations, requesting him to contact the League of Arab States in that connexion. He suggested that it would be extremely useful for the Working Group's efforts if the Council of the League were to give its approval to those efforts at its next meeting in March. Subsequently, the Chairman addressed the representatives of the States of the League in New York and explained the reasons for his suggestions.

33. On 8 March, the Chairman had a meeting in Cairo with the Secretary-General and the Assistant Secretary-General for Political Affairs of the League of Arab States and handed them a copy of the message of the Secretary-General of the United Nations mentioned earlier. After discussion of the mode of presentation to the League, the Chairman addressed a letter to the Secretary-General to be submitted to the Council of the League explaining the objects of his mission.

34. On 17 March, the Secretary-General of the League informed the Chairman of the Committee that the contents of his letter and the message of the Secretary-General of the United Nations had been brought to the attention of the Council of the League. The Council appreciated the Working Group's efforts to overcome the difficulties of UNRWA and was deeply grateful for its desire to assist the Palestine refugees. The letter added that, while the Arab countries should not be asked to

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shoulder a responsibility that initially fell upon those who had created the refugee problem and kept it unsolved, they would continue to exert their utmost efforts to assist the Palestinian people in all fields.

(c) Organization of American States

35. The Chairman wrote to the President of the Permanent Council of OAS on 15 June requesting him to make arrangements for his appearance before one of the regular meetings of the Council. Prior to doing so, the Chairman had written individually to the Permanent Representatives of the Latin American States to the United Nations referring them to his meeting with members of the Latin American Group on 3 February and requesting an early reply to his appeal for support.

36. On 14 September, the Chairman addressed the General Committee of the Council of OAS in Washington. He explained the difficulties of UNRWA and said that, if the Latin American countries could supply sugar and certain other commodities required by the refugees, some of which were in surplus in certain Latin American countries, it would constitute a dramatic gesture of international solidarity by the Latin American group. On 20 September the Chairman forwarded to the President of the Council a list of commodities needed by the refugees in 1972 and the quantities required.

B. Consultations with the Commissioner-General and host Countries, and visits to camps and UNRWA installations

37. In the course of his visit to the Middle East the Chairman also had discussions with the Commissioner-General and the Arab host Governments. In Cairo he called on the Foreign Minister, in Beirut on the Prime Minister and the Secretary-General of the Foreign Ministry, in Amman on the Prime Minister and the Foreign Minister, and in Damascus on the Deputy Foreign Minister. He also visited some refugee camps and UNRWA installations: in Lebanon the Ein-el-Hilweh camp and the Siblin training centre, and in Jordan the Baqa'a, Marka and New Amman camps and the combined men's and women's training centre under construction near Amman. In Beirut, before and after his visits to Jordan and the Syrian Arab Republic, he had a number of meetings with the Commissioner-General.

38. On 24 March, the Governments of Jordan, Lebanon and the Syrian Arab Republic simultaneously issued formal statements on the Chairman's visits to Amman, Beirut

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and Damascus in which they endorsed the efforts of the Working Group to avert the financial crisis facing UNRWA and also reaffirmed their oral statements to the Chairman that they were unable to accept any reduction in UNRWA's relief, health and education services for the refugees.

C. Approaches to agencies and programmes  
of the United Nations system

39. In accordance with recommendation (j) read in conjunction with recommendation (f) contained in paragraph 10 of its interim report, the Working Group had consultations with the executive heads of international agencies and United Nations programmes with a view to obtaining all possible support from them.

1. FAO and the World Food Programme

40. The Chairman had discussions in Rome in March 1971 with the Executive Director of the World Food Programme and the Director-General of FAO regarding emergency food aid to the Palestine refugees. As a consequence of the discussions between the Chairman and the Executive Director of the Programme, the Inter-Governmental Committee of the Programme, acting upon a proposal of the Executive Director, included an item entitled "Possibility of WFP assistance to UNRWA" as item 12 in the agenda for its nineteenth session, from 29 March to 7 April 1971.

41. The nineteenth session of the Inter-Governmental Committee had before it a background statement on item 12 of its agenda submitted by the Executive Director of the Programme. It also heard a statement from the Chairman of the Working Group explaining the purposes of his mission and outlining the efforts the Group had been making to extricate UNRWA from its financial difficulties. He suggested that, in order to relieve the hardships of the Palestine refugees, \$2 million worth of emergency food aid and related transportation were needed from the Programme.

42. The Inter-Governmental Committee endorsed a proposal made by the Director-General of FAO to grant \$2 million in emergency food aid, within its constitutional requirements, to Palestine refugees if requests for such aid were received from the host Governments.

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43. On 13 May 1971, the Chairman wrote to the Permanent Representatives of Jordan, Lebanon and the Syrian Arab Republic to the United Nations, adverting to the decision of the governing body of the Programme and the need for a request from the host Governments for its implementation, and asking them to have their Governments expedite the necessary steps to obtain the aid from the Programme. He assured the Permanent Representatives of UNRWA's co-operation in the procedural aspects involved.

## 2. International Labour Organisation

44. The Chairman met in Geneva, on 7 April, with the Deputy Director-General of the ILO and other ILO officials. He expressed the hope that the ILO would help UNRWA with its vocational training programme which cost about \$4 million, and suggested that ILO consider undertaking to provide approximately \$1 million worth of services in that field.

45. The Deputy Director-General recognized that UNRWA was faced with a special problem and showed a desire to help. He explained, however, that a contribution of \$1 million in vocational training services would be difficult in view of the ILO's own serious budgetary problem and that the only possibility was financing from UNDP sources.

## 3. World Health Organization

46. On 7 April the Chairman had a meeting at the headquarters of WHO in Geneva with the representative of the Director-General and other officials of WHO. He informed them that the UNRWA budget provided for approximately \$6.9 million in health care and suggested that WHO could assist by contributing to a specific medical and health programme for refugees.

47. The representative of the Director-General explained that WHO had a special problem on account of its regional organization. The annual budget was broken down on a regional basis and therefore special services to UNRWA would have to be at the expense of countries in the region. There were only a few interregional projects. He added that the twenty-fourth session of the World Health Assembly would be held in Geneva from 4 to 24 May, when the question of medical assistance to the refugees could be taken up.

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4. Economic and Social Council resolution 1565 (L)  
on emergency assistance to Palestine refugees

48. On 3 May, the fiftieth session of the Economic and Social Council adopted without a dissenting vote resolution 1565 (L) entitled "Emergency assistance to Palestine refugees". In the preamble the Council recognized the acute financial situation of UNRWA which endangered the minimum services provided to Palestine refugees. It recalled General Assembly resolutions 2656 (XXV) which established the Working Group and 2728 (XXV) which approved its interim report and endorsed its recommendations. While noting with appreciation the assistance already offered by some organizations within the United Nations system in response to the efforts of the Working Group, it expressed the conviction that further contributions and assistance for the benefit of the Palestine refugees were urgently needed.

49. In the operative part of the resolution the Council welcomed in particular the decision already taken under the World Food Programme to provide emergency food aid to the Palestine refugees up to \$2 million and also welcomed the contacts initiated with the ILO and WHO with a view to obtaining services to the maximum extent possible, as well as the positive steps taken by the Director-General of UNESCO in launching an appeal for funds to maintain the educational services for Palestine refugees and the encouraging results already obtained. The Council requested the Secretary-General of the United Nations, the executive heads of specialized agencies, the Executive Director of UNICEF and the Administrator of UNDP, as well as the non-governmental organizations concerned, to continue to consider appropriate ways and means of rendering all possible assistance to the refugees. The Council also requested all organizations of the United Nations system to include in their annual reports information on their possible present and future assistance to UNRWA and on their activities that benefit the Palestine refugees.

5. Attendance at the twenty-fourth session  
of the World Health Assembly

50. On 28 April, the Working Group set up a sub-group consisting of the Vice-Chairman, the Rapporteur and the representative of Lebanon to attend the

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twenty-fourth session of the World Health Assembly with a view to persuading the Assembly to agree to a programme of \$1 million in health services to Palestine refugees.

51. The Vice-Chairman and the Rapporteur were in Geneva from 12 to 15 May to attend meetings of the session and were joined there by the Permanent Representative of Lebanon to the United Nations Office at Geneva.

52. The Vice-Chairman addressed Committee B of the Assembly giving the background of the action taken by the General Assembly, by the Economic and Social Council and by the Working Group to obtain increased assistance for the Palestine refugees and stressing the urgent need for substantial support from WHO in that important humanitarian cause.

53. At its sixteenth plenary meeting on 18 May, the World Health Assembly, which had included the question of assistance to UNRWA as an item in its agenda, adopted resolution WHA 24.32 entitled "Health assistance to refugees and displaced persons in the Middle East".

54. The resolution took note of General Assembly resolutions 2656 (XXV) and 2728 (XXV) and of Economic and Social Council resolution 1565 (L). It also took note of the report of the Director-General concerning possible means of financing outside the regular budget. It recognized the acute financial situation of UNRWA and the urgent need to alleviate the suffering of the refugees, in particular in the field of health.

55. The operative part of the resolution requested the Director-General of WHO to intensify and expand its programme of health assistance to the refugees and displaced persons in the Middle East to the amount of at least \$1 million and decided that in the meantime emergency assistance to the maximum extent possible be given them.

#### 6. United Nations Development Programme

56. On 21 May, the Chairman of the Working Group met with the Deputy Administrator of UNDP regarding possible UNDP assistance for the financing of the UNRWA/UNESCO Institute of Education in Beirut. The Chairman referred to Economic and Social Council resolution 1565 (L) and measures already taken by UNESCO, WHO and the World Food Programme and requested UNDP support for that project in a sum of approximately \$240,000.

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7. Further contacts with specialized agencies and organizations of the United Nations family

57. It will be recalled that the Working Group had recommended in its interim report to the General Assembly, inter alia, that the General Assembly should urge all organizations of the United Nations system to study ways and means by which they might assist UNRWA or undertake activities helpful to the refugees which would lessen the financial burden of UNRWA, to the maximum extent possible.

58. That recommendation of the Working Group was endorsed by the General Assembly in resolution 2728 (XXV). Subsequently, the Economic and Social Council, in resolution 1565 (L), after specifically recalling the General Assembly endorsement of the Working Group's recommendations, inter alia, requested all organizations of the United Nations system to include in their annual reports information concerning possible present and future assistance to UNRWA and/or other activities for the benefit of the Palestine refugees.

59. The Working Group considered that information which organizations of the United Nations system could provide in that regard should also be included in the report it would be submitting to the General Assembly at its twenty-sixth session in terms of operative paragraph 5 of General Assembly resolution 2656 (XXV).

60. The Chairman of the Working Group accordingly wrote to the executive heads of UNESCO, ILO, WHO, the International Bank for Reconstruction and Development, the World Food Programme, UNDP, UNICEF and the International Finance Corporation, drawing their attention, inter alia, to General Assembly resolutions 2656 (XXV) and 2728 (XXV) and Economic and Social Council resolution 1565 (L). He also drew attention to the fact that the Director-General of UNESCO had launched an appeal for funds in January 1971 to maintain the educational services for Palestine refugees and the encouraging results that had been obtained, that the World Food Programme had responded to an appeal with an offer of emergency food aid to the extent of \$2 million, that the World Health Assembly had requested the Director-General of WHO to intensify and expand its programme of health assistance to the refugees and displaced persons in the Middle East to at least \$1 million, and that the Working Group had also initiated contacts with other United Nations agencies and programmes.

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61. The letters indicated that the Working Group was at present in the process of preparing its recommendations to the General Assembly and requested each of the organizations addressed to send in information concerning its own activities for the benefit of Palestine refugees and any views it would wish to offer by the end of August 1971 to enable the Working Group to include them in its report to the General Assembly at its twenty-sixth session. The replies received are set out in annex I.

D. Approaches to individual Governments

62. When the Chairman was in Rome in March 1971, he had discussions with senior officials of the Italian Government, who undertook to approach Parliament for an extra allocation despite financial problems. In April the Chairman met with senior officials of the Government of the United Kingdom in London.

63. In June 1971, the Chairman wrote to some Latin American countries forwarding a list of commodities that were especially required by UNRWA and indicating that donations in kind would be welcome. He also contacted certain Latin American delegations personally in that connexion.

64. On 25 June 1971, the Chairman wrote to 86 Governments recalling the appeals he had made to the different regional groups, indicating that the Working Group had reached a critical point in its efforts to overcome the financial difficulties confronting UNRWA and stressing that the success or failure of the Working Group's efforts would depend on the help which Governments could offer. He said that the Working Group would be preparing its report to the General Assembly shortly and expressed the hope that the report could register an increased number of contributions to a great humanitarian cause.

E. Approaches to other sources

1. Holy See

65. On 30 March, the Chairman was received by His Eminence Cardinal Villot, Secretary of State of the Holy See. He emphasized the importance of moral

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assistance from the Holy See and requested an increased contribution to UNRWA and a greater participation by the pontifical missions in the educational field.

## 2. International Committee of the Red Cross

66. On 7 April, the Chairman met in Geneva with the President and officials of the International Committee of the Red Cross.

67. The Chairman expressed his appreciation of the help which the Red Cross had rendered to Palestine refugees during the 1967 emergency. He inquired whether it would be possible for the Red Cross to send medical supplies and medical teams to assist in the area.

68. In order that the International Committee of the Red Cross might consider the Chairman's request, it was agreed that the Working Group would furnish the International Committee with a list of specific medical supplies required for the refugees. This list was given to the International Committee on 1 June.

## 3. Non-governmental and private sources

69. The Working Group examined the possibility of increased support from private organizations including oil companies and other private concerns operating in the host countries, as well as from certain manufacturing companies for contributions in kind.

70. On 25 June, in pursuance of a request by the Working Group, the Commissioner-General of UNRWA prepared a working paper (working paper No. 6) on contributions from non-governmental sources to UNRWA.

71. The working paper analysed the contributions received in the form of cash, goods and services from the private sector in 1970. In that year more than 100 individuals, 7 companies, 20 church-orientated organizations, 2 Red Cross societies and more than 40 other non-governmental organizations had made contributions. The 19 major contributors (\$9,000 or more) provided UNRWA with a total amount of \$809,082 or 87 per cent of the total income from the private sector. Those contributors included 2 oil companies and one foundation.

72. The working paper was considered by the Working Group at its meeting held on 7 July. The consensus of the meeting was that Governments should be requested to use their influence on voluntary agencies to increase their contributions, that a list of past and potential contributors should be drawn up, and that an action-orientated programme was required.

F. Report of the Commissioner-General of UNRWA  
to the Working Group

73. At the request of the Working Group, the Commissioner-General of UNRWA submitted a report to the Working Group on 18 May 1971 on the financial situation of UNRWA as of that date.

74. At its 11th meeting, on 7 June 1971, the Working Group discussed the report of the Commissioner-General. On the basis of the information contained in the report, and in view of the gravity of the situation, the Working Group issued the following communiqué on 21 June to be circulated to Member States:

"The General Assembly Working Group on the Financing of UNRWA considered the present position of UNRWA finances at its eleventh meeting on 7 June 1971. It noted the improved situation for the current financial year with reserved satisfaction but reiterated its concern, particularly for the longer term, re-emphasized the need and reaffirmed that such a support remained imperative for avoiding collapse in the minimum services to the refugees.

"The Working Group, established by General Assembly resolution 2656 (XXV) and composed of nine members under the Chairmanship of Ambassador Nuri Eren, Deputy Permanent Representative of Turkey, had concentrated its efforts on intensifying collective support for the refugees through increasing the number of contributing countries and the amount of contributions. At the same time, it had sought to bring increased participation by specialized agencies and other organizations of the United Nations family.

"The new Commissioner-General of UNRWA, Sir John Rennie, attended the eleventh meeting and presented an interim report detailing the present position of UNRWA finances. The report indicated that the efforts deployed by the Working Group, by the United Nations Educational, Scientific and Cultural Organization (UNESCO), by the Secretary-General and the Commissioner-General have borne fruit, decreasing the estimated deficit for 1971 from \$6.5 million to about \$2.6 million. The report stated that the improvement had come about through increased and anticipated assistance promised by 23 Governments. Also, new contributions from the World Food Programme (WFP) and the European Economic Community (EEC) had helped considerably. Finally, the report expressed the hope that the Working Group would consider the Agency's longer-term financial problems.

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"The Working Group recorded its satisfaction of the recent decision of the World Health Assembly for an effort to provide health services to the extent of \$1 million. It heard a pledge from the Japanese representative for an extra contribution of \$500,000 in the form of rice, making a total of \$550,000. It recorded a unanimous vote of thanks to the Japanese Government for its additional effort and expressed the hope that other anticipated contributions would materialize with similar speed.

"The discussions in the Working Group confirmed that the immediate crisis had subsided but had not been overcome. In effect, the financial situation for the current year had been brought to a marginal point in which a further determined effort was needed to remove the remaining deficit for 1971. New contributions from Governments as well as from the United Nations family were essential. The Working Group decided to pursue the efforts initiated with African, Latin American and Eastern European countries for contributions in cash and in kind which would be of prime importance both in removing the deficit for 1971 and improving the outlook for the future.

"The Working Group voiced once again its concern for the future, and reaffirmed the necessity of securing universal collective support, large or small, from all member States, from all specialized agencies and non-governmental and private organizations in the field of international aid. The Working Group agreed that it would consider the Agency's longer-term financial problems at its future meetings."



IV. RESULTS OF FUND-RAISING ACTIVITIES ON BEHALF  
OF UNRWA DURING 1971

75. As indicated in section III of this report, the Working Group directed itself during 1971 to both existing and potential sources of financial support for UNRWA, including Governments, the United Nations family of agencies and non-governmental sources. In doing so, it stressed the seriousness of the financial crisis and the need for urgent remedial action so that the present minimal level of relief and health services, and the vital education programme for the refugees, might be continued.

76. The Working Group approached the regional groups at the United Nations and also regional organizations, emphasizing the importance of broader participation in support of the Agency by Governments in accordance with their ability to contribute.

77. The efforts of the Working Group were paralleled by an appeal conducted by the Director-General of UNESCO for funds to maintain and expand the education services for Palestine refugees, which he described as "the most ambitious educational undertaking under international administration" and in which UNESCO has been associated with UNRWA for over 20 years.

78. The Working Group directed its attention in the first instance to non-contributors. This was done multilaterally through their regional groupings in the United Nations and their regional organizations and also bilaterally through direct contact with their representatives.

79. As a result of these and other approaches, new contributions were obtained from Oman, Panama and the Republic of Korea, and the European Economic Community also made a contribution for the first time in the form of flour valued at \$206,000. Furthermore, in response to the UNESCO appeal launched by the Director-General, contributions were obtained from Bahrain, Dubai and Romania with the help of his Special Consultant, Ambassador Khaled of Sudan.

80. Thus, the new contributions obtained were:

	<u>US dollars</u>
Bahrain . . . . .	10,000
Dubai . . . . .	20,000
Oman . . . . .	10,000
Panama . . . . .	500
Republic of Korea . . . . .	5,000
Romania . . . . .	5,500
EEC (flour) . . . . .	206,000

81. The regular contributors provided the bulk of the additional funds this year. The contributions they have pledged for 1971 will exceed their total contributions<sup>4/</sup> for the previous year by the following amounts:

	US dollars	
Abu Dhabi . . . . .	100,000	additional*
Argentina . . . . .	125,000	no contribution in 1970
Austria . . . . .	value	unknown
Belgium . . . . .	44,044	additional
Canada . . . . .	68,427	"
Ceylon . . . . .	200	"
Chile . . . . .	1,000	no contribution in 1970
Cyprus . . . . .	240	additional
Denmark . . . . .	114,667	"
Federal Republic of Germany . . . . .	90,361	"*
Finland . . . . .	137,500	"*
Iran . . . . .	1,951	"*
Iraq . . . . .	25,000	"
Ireland . . . . .	10,000	"
Japan . . . . .	200,000	"
Kuwait . . . . .	180,000	"*
Libyan Arab Republic . . . . .	150,000	"*
Luxembourg . . . . .	1,000	"
Morocco . . . . .	36,737	"*
Nigeria . . . . .	600	"
Norway . . . . .	265,900	"*
Qatar . . . . .	20,000	"*
Spain . . . . .	81,213	"
Sudan . . . . .	2,316	"*
Sweden . . . . .	256,784	"
Switzerland . . . . .	370,131	"*
United Kingdom . . . . .	12,000	"*

\* Contributed in whole or in part in specific response to the UNESCO appeal.

82. The Working Group has also sought to bring about increased participation by specialized agencies and other organizations of the United Nations family. It has pointed out that many of these organizations, established for the welfare of mankind, are working in fields parallel to the relief, health and education services provided by UNRWA for the Palestine refugees. The resolution adopted by the

<sup>4/</sup> Excluding special contributions towards emergency costs in Jordan in September 1970.

Economic and Social Council on 3 May 1971 requesting the Secretary-General of the United Nations, the Executive Director of UNICEF and the Administrator of UNDP, as well as non-governmental organizations to render all possible assistance to the Palestine refugees, the decision taken by the Inter-Governmental Committee of the World Food Programme on 6 April 1971 to grant emergency food aid on the recommendation of the Director General of FAO and the Executive Director of the World Food Programme, the continuous efforts of the Director-General of UNESCO supported by the Executive Board on behalf of the educational services and discussions with UNDP on the possibility of assistance to the UNRWA/UNESCO Institute of Education, are examples of interest in and support for UNRWA's humanitarian programme offered by the United Nations family of agencies.

83. The Working Group has approached the International Committee of the Red Cross for assistance in the form of medical supplies and medical teams, and this request is now under consideration. Requests for additional assistance have also been made to voluntary agencies.

84. The immediate cash crisis facing the Agency at the beginning of 1971 was overcome, through early payment by a number of Governments of all or part of their contributions for that year, and UNRWA's income for 1971 rose by \$3.3 million over the preceding year, largely as a result of the efforts referred to above. Despite some higher costs due to inflationary trends, this increase in income and the acceptance by some Governments of greater flexibility in the use of special contributions had the effect of reducing the estimated deficit from \$6.5/\$7 million (the estimate at the time of the presentation of the Agency's budget) to the most recent estimate of \$2.4 million.

85. Annex II shows contributions for 1970 and pledges and expected contributions for 1971.

## V. CONCLUSIONS AND RECOMMENDATIONS

86. The Working Group has based itself on the assumption that no solution of all the existing problems in the Middle East, including a just and lasting settlement of the problem of the Palestine refugees, appears likely in the immediate future.
87. Consequently, the Working Group believes that it will be necessary to maintain the activities of UNRWA in the immediate years to come (for which an extension of the Agency's mandate, due to expire on 30 June 1972, would be required).
88. The Working Group's analysis of UNRWA financing has revealed that the burden of meeting the cost of services to the Palestine refugees during the last two decades since the creation of UNRWA has been consistently borne by the same contributors with a prevailing heavy imbalance among the different Member States in particular, and the various geographic regions in general.
89. The Working Group's efforts have demonstrated the difficulty of obtaining new contributors among Member States.
90. Furthermore, the Working Group's efforts directed to the United Nations family of organizations have shown that there are constitutional requirements to be satisfied before additional assistance from these sources can be received and that, in any case, the contribution from these sources can only be marginal.
91. The Working Group has identified two main problems with regard to the future activities of UNRWA: (a) the short-term problem, i.e. the financing of these activities in 1971 and 1972; (b) the longer-term problem, i.e. the financing of the activities in the years beyond 1972.
92. The Working Group has concentrated its work on the short-term problem. According to information received from the Commissioner-General of UNRWA, the UNRWA deficit for 1971, although considerably reduced compared with the original estimates, will nevertheless amount to approximately \$2.4 million, including \$1.4 million in withheld subsidies to Governments.
93. With regard to 1972, the Commissioner-General has informed the Working Group that a deficit of \$6.5 million is foreseen on the assumption that Government contributions in 1972, including special contributions, will provide the same financial support for operating expenditure as in 1971. This estimate includes \$1.4 million for subsidies to Governments for 1972. It is also assumed that flour will cost \$1.1 million more in 1972 than in 1971.

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94. The Commissioner-General has furthermore informed the Working Group that the estimated deficit for 1971 of \$2.4 million will reduce the Agency's working capital to approximately \$3.2 million by the end of 1971.

95. After having considered various suggestions which have been made to transfer all or part of the expenses of UNRWA (for example, the salaries of the Agency's international staff), to the regular budget of the United Nations, the Working Group has concluded that the present system of financing by voluntary contributions should be continued.

96. Consequently, the Working Group is duty-bound to point out and emphasize the gravity of the situation. Extraordinary efforts and exceptional measures are required to secure the maintenance of UNRWA's activities at their present level. The Working Group took note of the Commissioner-General's statement that, unless the necessary voluntary contributions are forthcoming, he will be compelled, during the year 1972, to reduce some activities in one or more of UNRWA's three main fields of operation: relief, health and education, in which case the relevant provisions of the Working Group's interim report as approved by the General Assembly in 2728 (XXV) would apply.

97. A paper prepared by the Commissioner-General showing the possible implications and consequences of such reductions is to be found in annex III. The Working Group noted those implications and consequences with concern. The Working Group also noted the opposition to reductions which host Governments have expressed.

98. Concerning the financing of the UNRWA activities for 1972, the Working Group recommends that:

(a) In view of the fact that only 65 Governments have made or are expected to make voluntary contributions to UNRWA for 1971, a special and urgent appeal should be made to the non-contributing Governments, some of whom have the financial and economic capacity to make substantial contributions:

(b) In view of the size of the estimated deficit referred to above, appeals should be made to all Governments to pledge their voluntary contributions as a matter of the highest priority;

(c) Those Governments which in previous years have given substantial contributions should be requested to consider increasing their 1972 contribution beyond the level of their 1971 contribution;

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(d) A general appeal should be made to Governments and other potential contributors to offer contributions in kind, especially flour, sugar, soap and tinned meat;

(e) Special efforts should be made in order to identify specific projects or areas of activity in which the other agencies of the United Nations family could assist UNRWA to discharge its responsibilities, by providing appropriate assistance for the Palestine refugees;

The Working Group recommends that the General Assembly request the Secretary-General and the Chairman of the Working Group to consult with appropriate United Nations agencies early in 1972 to consider the possibility of obtaining additional assistance from the said agencies, in respect of at least some of the present UNRWA services, in conformity with modalities to be worked out with the agencies and in accordance with their constitutional requirements;

(f) Special efforts should also be made to obtain voluntary contributions from non-governmental sources; in particular, Governments could be urged to draw the attention of commercial enterprises and humanitarian institutions and organizations in their respective countries to the present financial crisis of UNRWA with a view to obtaining voluntary contributions from such enterprises, institutions and organizations (for example, oil companies), particularly those with affiliations in the area;

(g) In order to ease the liquidity crisis of UNRWA, Governments and other contributors should be urged to pay their voluntary contributions for next year as early as possible in 1972;

(h) An appeal should be made to Governments to indicate, if possible, their pledges to UNRWA beyond 1972 at the pledging conference for 1972;

(i) The General Assembly should request the Working Group, on the assumption that its mandate is extended, to follow up all these appeals with Governments bilaterally and with regional organizations, as well as all appeals to other organizations.

99. With regard to the longer-term problems, i.e. financing of UNRWA activities in the years beyond 1972, the Working Group has come to the conclusion that, in view of the existence of a fundamental weakness in the financing of UNRWA, more than temporary or annual efforts for bridging chronic deficits are required.

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100. The Working Group thus recommends that:

(a) A basic reappraisal of UNRWA's current operation should be undertaken, with a view to continuing the comprehensive study of UNRWA finances and to determining the extent to which additional assistance might be obtained from international agencies, in order to establish the operation on more secure and solid foundations;

(b) The feasibility of establishing a high-level international committee comprised of leading and influential philanthropists in each potential donor country should be considered; such a committee might be requested to meet under the chairmanship of the Secretary-General with a view to reviewing past performance in voluntary contributions of each country and indicating targets for coming years, which each committee member would seek to realize for his own country;

(c) The feasibility of issuing special UNRWA stamps, the proceeds of which would in whole or in part be channelled to the Agency, should be considered by Governments; the feasibility of issuing a special United Nations stamp for the same purpose should also be considered.

101. In view of the above considerations, the Working Group recommends that its mandate should be extended for another year.

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ANNEX I

REPLIES FROM ORGANIZATIONS OF THE UNITED NATIONS SYSTEM TO THE  
WORKING GROUP'S REQUEST FOR INFORMATION AND SUGGESTIONS a/

INTERNATIONAL LABOUR ORGANISATION

/Original: English/  
11 August 1971

I would like to confirm what Dr. Abbas Ammar told you when he met you on my behalf on 7 April 1971. The ILO will be glad to give prompt assistance in the provision of training schemes for Palestinian refugees in respect of which there is a formal request from Governments concerned and the necessary finance is available from UNDP.

The ILO budget does not provide for assistance of this kind. This is a matter of long-term policy and not of immediate financial difficulty. In these circumstances financing through UNDP or through other appropriate voluntary funds would be vital for an effective ILO technical contribution to the action proposed.

(Signed) Wilfred JENKS,  
Director-General

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a/ See paragraphs 57 to 61 of the report.



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

/Original: English/  
12 August 1971

I acknowledge receipt of your letters dated 6 August 1971,<sup>b/</sup> in which you draw attention to the financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

As I wrote Mr. Michelmore, Commissioner-General of UNRWA, in September 1969, although the Bank Group of institutions is not able to engage in direct financial assistance to support the work of UNRWA, its activities in the countries of the region are planned and carried out in full knowledge of the situation in which the refugees find themselves and of the impact of this situation on the economies of the countries concerned.

(Signed) Robert S. McNAMARA

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<sup>b/</sup> This letter is also in reply to the letter addressed to the International Finance Corporation.

UNITED NATIONS DEVELOPMENT PROGRAMME

/Original: English/  
12 August 1971

The Administrator has asked me to thank you for your letter of 6 August 1971 regarding possible UNDP assistance to the UNRWA/UNESCO Institute of Education in Beirut.

As the Director of the UNRWA Liaison Office in New York may have informed you, Sir John Rennie discussed the subject with the Assistant Administrator and Director of the Regional Bureau for Europe, the Mediterranean and the Middle East in New York in early June 1971. Moreover, a staff member of the Regional Bureau had extensive discussions in Beirut on 1 and 2 June 1971 with the Deputy Commissioner-General of UNRWA, the Director of the UNRWA/UNESCO Department of Education and the Deputy Director of the Institute.

We indicated to the UNRWA officials concerned that we were impressed with the achievements of the Institute and that we were ready in principle to provide meaningful assistance if certain basic problems regarding the eligibility of some of the components of the request for UNDP financing could be solved. We also explained, however, that the first essential requirement for our consideration of the request would be submission of formal requests by two or more Governments, including in any case the host Government Lebanon, through our Resident Representatives concerned. Once such requests are received we will enter into detailed discussions of the modalities of the assistance to be provided.

The UNRWA staff assured us that they would be able to obtain early formal endorsements of the request for a regional UNDP project of assistance to the Institute from the Governments of Jordan, Lebanon and Syria. We regret to inform you, however, that no Government request to this end has reached us to date, which makes it unlikely that a project can be presented to our Governing Council at its session in January 1972. While we continue to stand ready to support the Institute, I am sure you will appreciate that, under its mandate, UNDP can only provide assistance in response to requests submitted by Governments.

In order to expedite the possible submission of Government requests we take the liberty of sending a copy of your letter of 6 August and our present reply to the Resident Representatives in Jordan, Lebanon and the Syrian Arab Republic.

(Signed) C.V. NARASIMHAN  
Deputy Administrator

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WORLD HEALTH ORGANIZATION

/Original: English/French/  
3 August 1971

Thank you for your letter of 6 August informing me that the Working Group on the Financing of UNRWA set up by the General Assembly of the United Nations at its twenty-fifth session, and of which you are the Chairman, is now preparing its recommendations to the forthcoming session of the General Assembly.

Accordingly, in response to your request, I hasten to inform you that acting upon resolution WHA24.32 adopted by the twenty-fourth World Health Assembly on the subject of health assistance to refugees and displaced persons in the Middle East, I sent a circular letter to all members and associate members of WHO appealing for donations, either in cash or in kind, to the World Health Organization, in order to enable it to intensify and expand its programme of health assistance to the refugees and displaced persons in question.

Furthermore, in this letter I offered, if a Government so wished, to arrange for a senior member of the Secretariat to visit its country in order to indicate to and discuss with those most concerned the detailed needs of the health programme. which I pointed out had been reduced to a critical level owing to the financial difficulties which had beset UNRWA for the past several years.

... For your information, I attach copies of my letter (dispatched on 29 July 1971 under reference C.L.31.1971) in its English, French, Russian and Spanish versions, and I shall not fail to keep you informed of any positive response to my appeal.

(Signed) M.G. CANDAU, M.D.  
Director-General

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Enclosure

Letter dated 29 July 1971 from the Director-General of the World Health Organization addressed to all Members and Associate Members of WHO

I have the honour to refer to resolution WHA24.32 adopted by the recent twenty-fourth World Health Assembly on the subject of health assistance to ... refugees and displaced persons in the Middle East, copy of which is attached for your easy reference. As you will recall, this resolution requests the Director-General of the World Health Organization to intensify and expand its programme of health assistance to the refugees and displaced persons in the Middle East to the amount of at least \$1 million. At the time of the discussion of this matter during the twenty-fourth World Health Assembly, I pointed out that, in the present financial situation in which the Organization finds itself, means would have to be found of meeting this amount outside the regular budget.

Accordingly, I am now appealing to your Government and to the Governments of all the other members and associate members of WHO to make a donation to the World Health Organization, either in cash or kind, in order to enable it to intensify and expand its programme of health assistance to the refugees and displaced persons in question.

If you believe it would assist your Government to decide on the form of its voluntary contribution, I should be happy to arrange for a senior member of the Secretariat to visit your country in order to indicate to and discuss with those most concerned the detailed needs of the programme, which has been reduced to a critically low level owing to the financial difficulties which have beset the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the past several years.

(Signed) M.G. CANDAU, M.D.  
Director-General

Resolution WHA24.32 adopted by the twenty-fourth World Health  
Assembly on 18 May 1971

HEALTH ASSISTANCE TO REFUGEES AND DISPLACED  
PERSONS IN THE MIDDLE EAST

The twenty-fourth World Health Assembly,

Recalling its resolution WHA23.52 on health assistance to refugees and displaced persons, operative paragraph 5 (b) of which requested its Director-General to take all effective measures to safeguard health conditions amongst refugees and the displaced persons in the Middle East.

Noting United Nations General Assembly resolution 2656 (XXV) of 7 December 1970, which inter alia established a Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;

Noting further United Nations General Assembly resolution 2728 (XXV) of 15 December 1970 by which the Assembly approved the first report of the Working Group and endorsed the Working Group's recommendations, thereby, inter alia, urging all organizations of the United Nations system to study ways by which they might assist or undertake activities helpful to the refugees;

Considering Economic and Social Council resolution 1565 (L) of 6 May 1971, welcoming, inter alia, the contacts initiated with the World Health Organization with a view to obtaining services to the maximum extent possible, and requesting the executive heads of specialized agencies to continue to consider appropriate ways and means of rendering all possible assistance to the Palestine refugees;

Noting with appreciation the report of the Director-General contained in document A24/B/19 and the comments he has supplied on the means of financing outside the regular budget which might be used;

Recognizing the acute financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East which endangers the minimum services provided to the Palestine Refugees;

Mindful of the principle that the health of all peoples is fundamental to the attainment of peace and security; and

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Realizing that more material and human aid is urgently needed to alleviate the sufferings of the refugees in the Middle East, in particular in the field of health,

1. REQUESTS the Director-General of the World Health Organization to intensify and expand its programme of health assistance to the refugees and displaced persons in the Middle East to the amount of at least \$1 million; and
2. DECIDES that meanwhile emergency assistance to the maximum extent possible be given to the refugees and the displaced persons in the Middle East.

UNITED NATIONS CHILDREN'S FUND

/Original: English/  
19 August 1971

As Mr. Labouisse is away from the office until early September, I am writing to acknowledge receipt of your letter of 6 August concerning the financial crisis of UNRWA. There is no need for me to say how deeply Mr. Labouisse is interested in the problem of the Palestine refugees.

UNICEF has long been collaborating with UNRWA. It gives some modest help, e.g. through its procurement and forwarding services, and its warehouse and packing centre in Copenhagen.

Concerning the financial situation of UNICEF relative to that of UNRWA, Mr. Labouisse explained orally when he appeared several months ago before the Working Group under your distinguished chairmanship, that UNICEF depends entirely upon voluntary contributions from Governments and private citizens. All of the income foreseen until mid-1972 has been committed by our Executive Board at its session in April 1971.

As part of its assistance to projects benefiting children in developing countries, UNICEF is co-operating with Jordan, Lebanon, Syria and the United Arab Republic in projects relating to improvement of the situation of their child population. This has also brought some collaboration with UNRWA in relation to similar work which UNRWA is undertaking for refugee children.

There has long been an understanding that UNRWA was seeking funds for refugees and UNICEF for assistance to projects benefiting children in developing countries. It might be undesirable for UNICEF also to seek funds for children coming under UNRWA's mandate.

I am asking our Regional Director in Beirut to meet with the Commissioner-General of UNRWA to see if there are additional ways in which UNICEF could be of assistance to UNRWA, within our budgetary limitations.

(Signed) E.J.R. HEYWARD  
Deputy Executive Director

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WORLD FOOD PROGRAMME

/Original: English/  
23 August 1971

I would like to acknowledge receipt of your letter addressed to me on 6 August in regard to regular assistance projects to be started for Palestinian refugees.

In accordance with the basic regulations of the World Food Programme Governments of developing countries may submit requests for WFP assistance. Such requests can either be for economic and social development projects or for emergency assistance. The former are usually longer term (say three to five years) projects, whilst the latter kind of assistance is usually only given for periods not exceeding six months. The kind of assistance normally asked for refugees is of the short-term nature, that is to say just to feed the refugees for three to six months until a final solution for them has been found or established by the Government. Longer term assistance to refugees is only possible if the Government concerned presents a request for a real development project - for instance, in this case for a settlement of such refugees.

On several occasions WFP project officers in the countries concerned have mentioned to government officials that we would gladly assist them in projects where refugees would be employed in the economic and social development of the host country. However, so far we have not received such requests from any of the countries where Palestinian refugees are located.

It goes without saying that no recipient of food aid should receive such aid from more than one source, since this would only lead to selling such food, which would be contrary to our rules. In other words, should certain Palestinian refugees already be working in WFP-supported development projects and receive food aid under that title, then of course they should not again receive food aid under a WFP emergency assistance programme.

May I repeat once more that we will give favourable consideration to any request for a development project presented by one of the countries where these unfortunate refugees are at present to be found, if the Government concerned presents such a request to us. To my great regret I do not see any possibility for the Programme to assist these refugees in any other form, for the time being.

(Signed) Francisco AQUINO  
Executive Director

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UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND  
CULTURAL ORGANIZATION

/Original: English/French/  
30 August 1971

I wish to acknowledge your letter dated 6 August 1971 asking for UNESCO's contribution to the report on the financing of UNRWA which you are to submit to the General Assembly at its twenty-sixth session.

As you know, the relationship between UNESCO and UNRWA in respect of the education and training programme for Palestine refugees is based on an Agreement originally signed in 1950 and renewed every two years since. Under this Agreement, the professional and technical aspects of the UNRWA/UNESCO education programme fall within the competence of UNESCO, while the financing and administration of the programme are the responsibility of UNRWA. The Director of the UNRWA/UNESCO Department of Education and his senior education staff are UNESCO staff members and they maintain close liaison with UNESCO headquarters.

By 1971, there were 38 UNESCO specialists among UNRWA's total international staff of 120. Of these 38 UNESCO staff members, 19 are paid from the Regular Budget of the Organization while the remainder come under the UNESCO Associate Experts Scheme financed by the Member States participating in the scheme. The allocation for this programme in UNESCO's Approved Programme and Budget for 1971-1972 amounts to \$756,000.

Early in 1970, the Commissioner-General of UNRWA informed the Director-General of the Agency's financial difficulties and the matter was brought to the attention of the Executive Board, which at its eighty-fourth session authorized the Director-General to launch an appeal for voluntary contributions. This suggestion had first come from the Third Regional Conference of Ministers of Education and Ministers responsible for Economic Planning in the Arab States convened by UNESCO in Morocco in January 1970.

... On 1 January 1971, the Director-General launched his appeal, the text of which is attached.

Ambassador Mansour Khalid, then Permanent Delegate of the Democratic Republic of the Sudan to the United Nations, accepted an invitation by the Director-General to act as his special consultant and to visit a selected number

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of countries with a view to obtaining additional contributions from Governments and from non-governmental and private organizations for the UNRWA/UNESCO education programme for Palestine refugees. The special consultant undertook a series of visits to the capitals of a number of countries in the Arab world, Europe, Asia and North America.

As a result, the Governments of several countries have made or pledged additional financial contributions. Voluntary organizations in a number of countries have also indicated that they envisage providing some form of assistance in response to the Director-General's appeal, either in cash or in kind.

As of mid-August 1971, UNESCO had received a total of \$US217,000 in the form of cash contributions from the Governments of Abu Dhabi, Bahrain, Dubai, Iraq, Norway and Qatar. By the same date, a further \$640,000 had been formally pledged, while contributions in kind to an estimated value of \$600,000 had also been formally pledged.

The Director-General is reporting to the eighty-eighth session of the Executive Board of UNESCO (6-29 October 1971) on the response so far made to this appeal and is seeking the views of the Board on further action to be taken.

The Director-General is glad to report that, although the response to his and to other appeals has not entirely fulfilled their expectations, it has so far been possible to avert any cuts in the UNRWA/UNESCO education programme. At the same time, he is extremely concerned for the future of the programme, since unless some radical solution to the financial problems of UNRWA is found in the immediate future, the elimination of part of the existing education programme may seriously have to be envisaged. Such an eventuality, were it to materialize, would be a grave setback to the international effort which has been pursued by all of us for so long in the belief that it will some day soon contribute to peace in the region.

Should you require any further details, kindly let us know. Alternatively should you wish the Director-General to express any views on the report you are submitting to the General Assembly, you could perhaps send us a copy while it is still in draft form, if time permits.

(Signed) Mahdi ELMANDJRA  
Acting Director-General

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Enclosure

EDUCATIONAL AID FOR THE  
PALESTINE REFUGEES

Appeal  
by Mr. René Maheu  
Director-General of UNESCO

There are one and a half million Palestine refugees seeking justice.

In whatever manner these demands may be met on a political level, as part of a peaceful settlement between States, we know that the only real and effective justice for this people, as for all others, is that based on the recognition of human rights, with the unconditionally prescriptive character these have now acquired.

Among these rights is the right to education.

For over 20 years, UNESCO has been associated with the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) in order to provide these refugees with the education to which they have a right and thus equip them intellectually and morally to assume their basic human dignity and freedom, despite the adverse circumstances in which they are fated to live.

This action, which began without resources or adequate preparation, has developed and become progressively better organized and equipped until, despite the continued precariousness of the refugees' position and of the status of the Agency itself, and despite a psychological atmosphere continually upset by violence, it has become the most ambitious educational undertaking under international administration. Even in the territories occupied as a result of the events of June 1967, this action continues in circumstances as near normal as possible.

At present, the 500 schools which UNRWA has established and which it administers with technical assistance from UNESCO, in Lebanon, in the Syrian Arab Republic, in Jordan on both banks of the River Jordan and in the Gaza territory, accommodate 192,000 pupils for primary education alone, to whom must be added the 35,000 pupils who attend public and private schools in the host countries, thanks to UNRWA subventions. For secondary education the figures are, respectively, 53,000 and 30,000, with 2,500 for technical education. Finally, over 800 students have been awarded scholarships to continue

their studies at university level. In terms of numbers, the percentage of Palestine refugees receiving education is among the highest in the Arab countries, while from the point of view of quality a constant improvement has been noted, thanks in particular to the systematic effort which has been made to train teachers - almost all Palestinians - who, at the rate of 2,700 a year, are admitted to five teacher-training schools and to the Institute of Education established at Beirut for primary teachers already in service.

And now the continuation of this humanitarian work, a signal example of international co-operation, is endangered by the precariousness and insufficiency of the resources available to UNRWA as the agency responsible for financing the project.

These resources, as we know, are derived entirely from voluntary contributions, which are decided upon each year and are supplied by a small number of States. To meet the requirements of an ever-increasing population, the Agency has recorded, for several years now, a deficit which is continually increasing and which in 1970 will have reached \$5,300,000 for a budget of \$47,800,000. This chronic deficit has up till now been covered by drawing on the Agency's working capital fund, but this is now so seriously depleted that it would be risky to have recourse to it again.

In these circumstances - as Secretary-General U Thant pointed out to the General Assembly of the United Nations - short of a substantial and regular increase of resources, major reductions in the activities of the Agency will become necessary. And as it is impossible for the reductions to affect the medical and health services, which are prime necessities, or the food rations, amounting as they do to 1,500 calories a day i.e. the bare minimum for subsistence, the Commissioner-General, Mr. Michelmore, has regretfully reached the conclusion that it is in the education appropriations that the inevitable cuts must be made. These cuts, which will become effective as from the coming school year, beginning 1 September 1971, and may amount to as much as 20 per cent of the appropriations envisaged for that year, will have to be decided on in April at the latest if additional contributions are not forthcoming before that date.

In the face of this possibility, whose serious effect on the morale of the refugees needs no emphasis, the Executive Board of UNESCO has authorized me to appeal to the spirit of international solidarity with a view to collecting the funds necessary for maintaining and expanding the education services for Palestine refugees, and the General Assembly of the United Nations, by resolution 2728 (XXV) adopted on 15 December 1970, has urged all Governments to make a generous response to this appeal.

It is this appeal to the international fraternity which I formally launch today in virtue of the authority and backing thus accorded me.

I turn first to Governments who have the power, as it is their duty, to work for the establishment of justice and peace. I ask them to consider, by reference to other expenditures, the immense value derivable in human terms from the few million dollars - ten million would be enough for the time being - which are necessary to pursue the work of education on which we have embarked.

The money I am seeking can be paid either into UNRWA's general fund or into a deposit account specially opened by UNESCO for the education of the Palestine refugees. According to the wishes of the donors it can either be allocated to the UNRWA-UNESCO programme as a whole or earmarked for a particular undertaking or a particular sector of that programme.

But I also address myself to private bodies and movements - in a word to all men and women of goodwill - for justice and peace are the common possession of all men and the concern of everyone.

And it is in virtue of the rights of man that I appeal to them. Human rights are a universal cause and no one could possibly remain indifferent and inactive in the face of the derelictions or violations of which they are, alas, the subject in so many ways and so many places throughout the world. We must react before it is too late.

At the start of a New Year which leads us to reflect on the passage of time and the use we have made of our lives, on this day which Pope Paul VI asks us once more to devote to ardent meditation and courageous resolves in regard to the problems of peace, now we again discern the hope of a peaceful settlement of the conflict which has ravaged the Near East for 25

years past, the international community cannot pass over an essential aspect of the problem of the Palestine refugees on whom the whole of that conflict centres. In these circumstances may there be widespread and generous response to this UNESCO's appeal on behalf of the noble cause of the right to education. The cause is that of the intellectual and moral solidarity of mankind, against which neither hatred nor unreason can prevail.

(Signed) René MAHEU

Paris, 1 January 1971

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ANNEX II

CONTRIBUTIONS TO UNRWA FOR 1970 AND PLEDGES AND  
EXPECTED CONTRIBUTIONS FOR 1971

I. <u>Government contributions</u>	<u>1970</u> \$US	<u>1971</u> \$US
Abu Dhabi . . . . .	10,000	110,000
Argentina . . . . .	-	125,000
Australia . . . . .	201,600	201,600
Austria . . . . .	20,000	20,000
Bahrein . . . . .	-	10,000
Belgium . . . . .	76,650	120,694
Canada . . . . .	1,261,723	1,330,150
Ceylon . . . . .	800	1,000
Chile . . . . .	-	1,000
China . . . . .	30,000	30,000
Cyprus . . . . .	240	480
Denmark . . . . .	643,347	706,000 <sup>a/</sup>
Dubai . . . . .	-	20,000
Federal Republic of Germany . . . . .	3,161,431	3,399,000
Finland . . . . .	60,000	197,500
France . . . . .	1,382,918	1,084,000
Gaza Authorities . . . . .	106,020	93,984
Ghana . . . . .	3,000	3,000
Greece . . . . .	16,000	16,000
Holy See . . . . .	7,500	7,500
Iceland . . . . .	9,939	10,000
India . . . . .	13,333	13,333
Indonesia . . . . .	5,260	5,000
Iran . . . . .	16,049	18,000

a/ Part of the increased Danish contribution for 1971 will appear as 1972 income because of allocation to 1971/1972 training centre costs.

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	<u>1970</u> \$US	<u>1971</u> \$US
Iraq . . . . .	100,000	125,000
Ireland . . . . .	50,000	60,000
Israel . . . . .	593,812	514,930
Italy . . . . .	481,285	175,952
Japan . . . . .	350,000	550,000
Jordan . . . . .	178,951	169,025
Kuwait . . . . .	220,000	400,000
Lebanon . . . . .	51,814	51,181
Liberia . . . . .	6,000	5,000
Libyan Arab Republic . . . . .	100,000	250,000
Luxembourg . . . . .	3,000	4,000
Malaysia . . . . .	1,500	1,500
Monaco . . . . .	180	180
Morocco . . . . .	39,705	76,442
Netherlands . . . . .	166,903	165,746
New Zealand . . . . .	67,200	67,200
Niger . . . . .	500	450
Nigeria . . . . .	5,000	5,600
Norway . . . . .	181,818	447,718
Oman . . . . .	-	10,000
Pakistan . . . . .	20,969	20,969
Panama . . . . .	-	500
Philippines . . . . .	1,250	1,250
Qatar . . . . .	12,000	32,000
Republic of Korea . . . . .	-	5,000
Republic of Viet-Nam . . . . .	3,000	3,000
Romania . . . . .	-	5,555
Saudi Arabia . . . . .	297,778	297,000
Sierra Leone . . . . .	6,666	6,666
Singapore . . . . .	1,000	1,000
Spain . . . . .	704,787	786,000
Sudan . . . . .	554	2,870
Sweden . . . . .	2,193,081	2,449,865

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	1970 \$US	1971 \$US
Switzerland . . . . .	513,455	883,586
Syrian Arab Republic . . . . .	92,105	88,000
Trinidad and Tobago . . . . .	1,500	1,500
Tunisia . . . . .	5,000	5,000
Turkey . . . . .	15,000	15,000
United Kingdom of Great Britain and Northern Ireland . . . . .	4,692,000	4,512,000
United States of America . . . . .	22,750,000	22,981,000
Yugoslavia . . . . .	20,000	20,000
TOTAL	40,953,631	42,720,926
II. <u>Intergovernmental organizations</u>		
UNESCO . . . . .	403,569	506,000
FAO/World Food Programme <sup>b/</sup> . . . . .	-	1,250,000
WHO . . . . .	116,723	117,000
European Economic Community . . . . .	-	206,000
TOTAL	520,292	2,079,000
III. <u>Non-governmental sources</u> . . . . .	993,608	900,000
IV. <u>Miscellaneous income and exchange adjustments</u> . . . . .	603,894	650,000
GRAND TOTAL	43,071,425	46,349,926

Corr. 1 ↓

b/ This amount, though not a direct contribution to UNRWA, represents the benefit to UNRWA, on the basis of budgeted costs, of food assistance provided by WFP in response to a request by the Government of Jordan for the relief of Palestine refugees in Jordan registered with UNRWA, which served as the executing agency on behalf of the Government of Jordan for distribution of the food-stuffs to the beneficiaries. The cost of the foodstuffs, including freight and related charges, at official WFP valuations, was \$2 million.

ANNEX III

PAPER PREPARED BY THE COMMISSIONER-GENERAL OF UNRWA SHOWING THE  
FINANCIAL EFFECTS AND OTHER IMPLICATIONS OF REDUCTIONS IN UNRWA  
SERVICES

1. On the basis of present (August 1971) estimates of income and expenditure for 1972 UNRWA will incur a deficit of \$6.5 million.<sup>a/</sup> The estimate of income assumes that government contributions in 1972 including special contributions, will provide the same financial support for operating expenditure as in 1971. The estimate of expenditure includes \$1.4 million for subsidies to governments withheld in 1971 and assumes that flour will cost \$1.1 million more than in 1971. This paper considers the possible reductions in Agency expenditure among which a choice must be made if income cannot be increased to bridge the budgetary gap. It should be borne in mind that, assuming the estimate of income in 1971 is fully realized and that services continue at their present level until the end of 1971, the Agency's working capital<sup>b/</sup> will have fallen to little more than \$3 million on 31 December 1971.

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a/ All figures in this paper are given on the basis of estimates included in Part II of the Commissioner-General's annual report for 1970/71.

b/ The Agency has no working capital fund as such, but the excess (if any) of its assets over its liabilities in effect provides a form of working capital or operating reserve.

In the early years of the Agency's existence contributions for schemes of rehabilitation, including resettlement, were in excess of expenditure, resulting in the accumulation of an excess of assets over liabilities.

This excess (i.e. working capital or operating reserve) was drawn on to finance the expansion of the Agency's programme of education and training, regarded as a means of rehabilitation, and successive deficits have reduced the working capital (operating reserve) to \$5.6 million only on 31 December 1970.

As a minimum the working capital (operating reserve) should be sufficient to finance the Agency's "pipeline" of supplies (some \$6 million) and, in addition, a month or two of Agency operations in the event of delays in the receipt of contributions (say another \$6 million). To the extent that working capital is less than \$12 million, the Agency is dependent on prompt payment of contributions (or future recourse to borrowing from the United Nations Working Capital Fund as authorized by General Assembly resolution 2728 (XXV)). To the extent that working capital is less than \$6 million the Agency is effectively using to finance its "pipeline" of supplies funds which will eventually be needed to meet its liabilities. Whether any supplies remaining on hand upon dissolution of the Agency can be converted back into cash to pay off liabilities is, of course, highly speculative.

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2. Features of UNRWA's income that are relevant to any consideration of programme reductions are that in 1972 no less than \$13.6 million is expected to take the form of donations of services or of commodities, mainly flour, oil and rice, and that of the cash contributions \$4.1 million will be earmarked by donors for specific items.
3. The Agency operates three main programmes: relief, health and education, each subdivided into a number of activities. Common costs such as supply and transport, personnel, legal, finance, data processing, public information and contributions, and other internal services are allocated under the Agency's accounting system to each programme.

#### Relief services

4. Basic rations: The main activity of the relief programme is the provision of basic rations to about 840,000 Palestine refugees out of more than 1,450,000 registered with the Agency (because of the imposition of ration "ceilings", over 300,000 children over the age of one year receive no rations from the Agency). The established monthly basic ration consists of 10 kg. flour, 600 grammes of sugar, 600 grammes of pulses, 500 grammes of rice and 375 grammes of edible oil or fat, providing about 1,500 calories a day. In winter the ration is increased by an additional 400 grammes of flour and 300 grammes of pulses, bringing the number of calories to about 1,600. In order to make the most economical use of the Agency's cash and commodity income rice or flour is now substituted for pulses. One piece of soap (150 grammes) is distributed monthly to each ration beneficiary in the emergency camps in east Jordan and Syria. (Distribution of soap to other ration beneficiaries was discontinued in March 1970 as an economy measure.)
5. The cost of the basic rations activity is estimated at \$13.2 million in 1972, of which about \$12.4 million represents the value of commodities, \$0.6 million distribution and other ancillary costs (excluding transport), and \$0.262 million the amount of a subsidy to the Government of the UAR now withheld. Flour, oil and rice are donated in kind, and the only commodities now purchased are sugar, in the amount of 6,000 tons per annum at an estimated cost of about \$0.8 million in 1972 (subject, of course, to fluctuations in sugar prices), and soap, at an estimated cost of \$18,000.

6. Except for sugar, a reduction in the number or content of basic rations would result in material budget savings only if food commodities (flour, oil and rice) which the Agency receives as contributions in kind were either replaced by cash contributions or were sold or otherwise converted into cash which could be used to pay salaries and other outgoings. But if the elimination of basic rations resulted only in a loss of contributions in kind to the Agency, then the Agency's programme of assistance to the refugees would be reduced by \$13.2 million for the sake of a reduction of only \$1.7 million in the estimated deficit for 1972. Such a drastic step would appear difficult to justify in view of the implications for the health and economic status of the refugees.

7. If sugar were eliminated, the nutritional value of the ration would be reduced to about 1,420 calories daily in summer and about 1,520 calories daily in winter, and the effect would be a loss of high quality carbohydrate and a consequent worsening of the refugees' already inadequate diet.

8. Supplementary Feeding: UNRWA operates both a "normal" programme of supplementary feeding for vulnerable groups and an "emergency" programme introduced after June 1967. The normal programme has three elements:

(a) Hot meals: Nutritionally balanced hot meals are provided on six days a week to children from 1-6 years of age who attend Agency supplementary feeding centres and to older children and sick adults on medical recommendation (ceiling for all categories 49,000). The estimated cost of the normal hot meal programme in 1972 is approximately \$1.2 million (excluding supervisory administration). The result of cessation of hot meals might well be an increase in the incidence of serious malnutrition leading to higher rates of sickness.

(b) Milk distribution: Issues of reconstituted whole/skim or skim milk mixture are made to various categories of refugee children, expectant and nursing mothers and sick refugees. The amount budgeted for the normal milk distribution programme in 1972 is \$340,000, of which \$90,000 represents donated whole milk powder. The potential annual saving from elimination of the item is therefore \$250,000.

(c) Extra dry rations: Pregnant women from the fifth month of pregnancy, nursing mothers for one year after delivery, receive monthly 3,000 grammes flour, 825 grammes pulses and 200 grammes of oil or fat and tuberculosis outpatients and all children in the age group 6-10 years receive monthly 500 grammes of CSM. The cost of extra dry rations budgeted for 1972 is \$200,000.

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9. Emergency supplementary feeding: This programme was introduced after the 1967 hostilities for categories of refugees most directly affected by their aftermath.

(a) Hot meals: Entitlement to hot meals was extended to displaced children aged 6-15 years in east Jordan and Syria, with a ceiling of 11,500 beneficiaries. The cost of emergency hot meals budgeted for 1972 is \$192,000.

(b) Milk distribution: Entitlement was extended to additional categories at a cost estimated at \$31,000 for 1972.

(c) Extra rations: A protein supplement consisting of one 12 oz. tin of meat and 500 grams of CSM monthly is provided to certain categories at an estimated cost in 1972 of \$285,000.

10. If the entire emergency supplementary feeding programme were eliminated, there would be an annual saving of about \$510,000.

11. Shelter: With the minor exception of assistance towards repair in cases of extreme hardship the provision of shelter is regarded as a "one time" service. The task of replacing tents in the emergency camps in east Jordan and Syria will be completed from funds specially donated in 1971 and no further shelter construction is contemplated. Similarly no capital expenditure on improvements to roads in camps is contemplated unless the expenditure appears inescapable and special funds are available. The amount allocated for road maintenance in 1972 is \$30,000 only.

12. Camp rentals: \$231,000 is provided in the 1972 budget for camp rentals but of this amount only \$19,000 represents cash expenditure by the Agency (the remainder being a contribution in kind by host governments). This amount consists of rentals paid by the Agency to private landowners in Lebanon.

13. Special hardship assistance: This assistance takes the form of small cash grants and special issues of used clothing, kerosene and blankets. In 1971 about 22,500 persons were assisted in this way and the sum allocated for this purpose in 1972 will be \$49,500. This assistance is essential and, indeed, in conditions of rising prices more should be spent on it, especially if other services are reduced. In addition, UNRWA expects to spend about \$37,000 in 1972 on institutional and other care for the aged, the chronically ill, orphans, and other hardship cases. Used clothing donated by voluntary agencies and valued at over \$1 million is expected to be distributed by UNRWA in 1972 to registered refugees at a cost to the Agency of about \$35,000 for freight and distribution.

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14. In camps in east Jordan, West Bank, Lebanon and Syria one-and-a-half litres of kerosene are provided monthly to ration beneficiaries and to babies and children registered for services during five winter months. In Gaza ration beneficiaries and babies and children registered for services, whether in or outside of camps, receive one litre of kerosene monthly during five winter months. The amount included in the 1972 budget for kerosene is \$110,000.

15. Blankets are issued to hardship cases at three-year intervals and to ration beneficiaries and children registered for services in Gaza on a nine-year cycle. The cost of blanket distribution in 1972 on this basis is estimated to be \$89,000. (A reserve of blankets is maintained to meet emergencies.)

16. The cost of the welfare branch which administers this assistance, undertakes other case work, and is responsible for sewing courses, other women's work and youth activities, is expected to be \$200,000 in 1972.

#### Health services

17. The Agency's health programme is conducted under the professional advice of WHO, from which the Director and four other senior staff are seconded on a non-reimbursable basis. The estimated cost of the programme in 1972, excluding common costs, is \$5.6 million, of which \$446,000 represents subsidies to governments for medical services provided to refugees payment of which is at present withheld. The programme comprises medical services, both curative and preventive, and environmental sanitation in refugee camps.

18. Medical services. Medical, dental, and maternity and child welfare services are available to Palestine refugees registered for services in 90 UNRWA health centres, of which 65 are staffed full time by medical officers, nurses, dispensers, clerks and cleaners, and 25 operate on a mobile basis. As part of the maternity and child welfare service 21 of the clinics include a day-time rehydration/nutrition centre.

19. As regards hospitals, UNRWA has the use of about 1,700 beds in private or government hospitals, and itself runs one cottage hospital in the West Bank. Subsidies to governments for the use of hospital beds are being withheld, and while the facilities have not yet been withdrawn, the Prime Minister of Jordan has told the Commissioner-General that the Government of Jordan cannot afford to continue to provide services without reimbursement. If subsidies for beds in private hospitals were also withheld, an immediate crisis could be expected. The cost of general hospital care to UNRWA in 1972, exclusive of subsidies to

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Governments amounting to \$382,000, is estimated to be \$776,000. Other items under medical services are tuberculosis control, mental health care, dental care, school health services and health education.

20. Environmental sanitation. Environmental sanitation is provided by the Agency in refugee camps and is estimated to cost \$1.6 million in 1972. The main items are refuse and sewage disposal (\$1.1 million) and water supply (\$235,000). These are essential services which it would be impossible for the Agency to abandon, unless some other authority were prepared to take them over, without creating a serious risk both to refugee health and to the health of the public at large, especially with the threat of cholera present in the area. Because of his responsibility as the Agency's adviser in public health, and also because of his general responsibility, the Director-General of WHO would have to be satisfied that adequate alternative arrangements had been made. The main element in the cost of environmental sanitation is labour: over 1,100 of the Agency's staff are employed in sanitation and the wage bill has risen in recent years because of increases in the camp population, as a result of the events of 1967 and of natural growth, and of increases in the cost of living.

#### Education services

21. The largest and fastest growing programme is education, a major cause of the Agency's financial difficulties. In 1972 it is estimated to cost \$24.4 million, over 47 per cent of the budget. The programme falls into two main parts: general education and vocational and professional training.

22. General education. Nine years of education, six years elementary and three years preparatory,<sup>c/</sup> are available for all eligible refugee children, either in UNRWA/UNESCO schools or in government and private schools. The UNRWA/UNESCO Institute of Education is concerned with improving the quality of education, mainly by a large scale programme of in-service courses for teachers and other means. In the decade 1960-61/1970-71 the estimated refugee population of school age (6 to 18) had risen from 380,000 to 452,000, and refugee children in UNRWA/UNESCO schools have risen from 132,000 to 245,000 (and a further 64,681 were in government and private schools in 1970-71). Inevitably, as in any education system, most (85 per cent) of the direct recurrent cost of schools (excluding "common costs" - see paragraph 36 below) is accounted for by staff costs.

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<sup>c/</sup> Ten years in Lebanon, where the preparatory cycle covers four years.

General education in UNRWA/UNESCO schools

23. Elementary education. There are expected to be 197,760 children, with 4,935 teachers, in the elementary cycle in the school year 1971-72, and 209,730 children, with 5,210 teachers, in 1972-73. The cost is expected to be \$10.25 million in the budget year 1972. Unless the whole education programme were to be abandoned, it is assumed the elementary cycle would continue.

24. Preparatory education. The three years of preparatory education following on six years of elementary education complete the normal course of nine years in the host countries.<sup>d/</sup> Preparatory education is therefore an integral part of the host country, and of the UNRWA/UNESCO system. There are expected to be 62,240 children, with 2,155 teachers, in UNRWA/UNESCO schools in this cycle in the school year 1971-72, and 64,440 children, with 2,280 teachers, in 1972-73. The costs in budget year 1972 is expected to be \$5.1 million.

25. If UNRWA has not the funds to continue general education on the present scale it will be necessary for some other authority to take over both schools and teachers, since neither buildings nor qualified staff will otherwise be available. The only alternative authorities in the host countries are the host Governments, but the undertaking would present them with serious administrative, financial, and political problems, and the position in the occupied territories would require special consideration.

General education in government and private schools

26. Elementary and preparatory education. In 1970-71, 36,150 registered refugee children were in elementary and preparatory classes in government schools. Subsidies in respect of refugee children in government schools were withheld in 1971, though provision continued to be made in the budget. These subsidies do not cover the full cost to the Governments but the amount involved in 1972 would be about \$351,000. There is also an amount, estimated at \$50,000 in 1972, for book allowances for refugee children in government schools in Lebanon and Syria.

27. In 1970-71, 8,120 registered refugee children were in elementary and preparatory classes in private schools and the cost to the Agency of this item in 1972 is expected to be \$186,000. Most of the children concerned are in private

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<sup>d/</sup> Ten years in Lebanon, where the preparatory cycle covers four years.



schools in Lebanon where the government system is supplemented on a large scale by private schools. As a rule, UNRWA subsidises elementary and preparatory education in private schools only where there is no place for the child in an Agency or a government school within reasonable distance.

28. Secondary education. Most refugee children following secondary education are in government schools (18,172 in 1970-71) but some, especially in Lebanon where the government system is small, are in private schools (2,239 in 1970-71). Where UNRWA formerly subsidized secondary education in government schools the subsidies have been withheld, though provision has been maintained in the budget (\$318,000 in 1972). There is also an amount, estimated at \$40,000, for book allowances for children in government schools in Lebanon and Syria. The only further saving that could be made would be to stop subsidizing secondary education in private schools. There is no reason to suppose that private schools would be willing to accept refugee children as before without fees and the result would be to deprive many refugee children of secondary education and therefore of the hope of post-secondary education, training and rehabilitation. The cost of subsidized places in private schools in 1971 is expected to be \$105,000.

#### Institute of education

29. The cost of the UNRWA/UNESCO Institute of Education in 1972 is expected to be \$400,000 of which \$70,000 will come from UNESCO and \$82,000 from Swiss technical assistance. As the Institute is of developmental interest, an approach has been made to UNDP for financial assistance. If this approach fails, the Institute's scope will have to be reduced to what can be supported from the special contributions mentioned. The saving in a full year, on the basis of the 1972 budget, would be \$292,000, assuming funds to meet other expenditure could be released by switching UNESCO staff support, except for the Director, to another activity (e.g. vocational training).

#### Vocational and professional training

30. Agency training centres. The Agency expects to operate eight training centres in 1972. The cost of these centres in 1972 (including international specialists) is expected to be \$3.25 million, of which no less than \$2.3 million will be met from special contributions earmarked for or identified with particular centres.

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Most of these contributions cannot be diverted to meet other expenditure. Nevertheless, assuming the maximum flexibility the Agency considers conceivable, savings of \$1,100,000 in a full year, on the basis of the 1972 budget, could be made by eliminating some training centres and concentrating on the remainder. (Mere reduction in numbers in centres without eliminating any centres would not produce significant savings on the scale required.) The effect would be to reduce the number of training places from planned capacities of 3,854 in 1971-72, 4,358 in 1972-73, and 4,625 in 1973-74 and thus to curtail severely the most constructive aspect of the Agency's work.

31. Adult craft training. UNRWA runs one-year carpentry courses on a small scale for adults lacking the qualifications for entry to vocational training centres, and also six-month sewing and domestic science courses on a much larger scale for young women. The cost of these courses in 1972 is expected to be \$90,000, largely financed by special contributions.

32. Vocational training outside Agency centres. UNRWA has provided \$136,000 in the 1972 budget for training outside UNRWA centres, other than in universities, of which \$70,000 is expected to be met from special contributions. The scope for savings is not large.

33. University scholarships. In 1972 the university scholarship programme will cost \$285,000, of which \$195,000 is expected to be met from special contributions. The amount provided in 1972 for new scholarships, not financed from special contributions, has been limited to \$27,000. If all provision for new scholarships were eliminated, and all contributions could be switched, the savings in the programme would amount annually to a maximum of \$285,000 when existing scholarships ceased. (In 1972-73 the annual rate will drop to about \$175,000 as a programme financed from the special contribution of the Federal Republic of Germany is completed, and \$40,000 of the \$175,000 will be met by another special contribution.)

#### Common costs

34. Common costs comprise supply and transport services for the three programmes - relief, health and education - and such other internal services as eligibility and registration, personnel, administration (including both HQ and field office staff), translation, legal, finance, data processing, internal and external auditors and protective and technical services. There would be some reduction in the cost of

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these services if reductions were made in programmes, but it would not be proportionate and it is impossible to give any realistic figure in advance of specific programme reductions. In all, 2,150 staff are employed in the services giving rise to "common costs", of whom 2,078 are local staff, almost all of them Palestine refugees, and 72 are international staff. (Reduction of programmes, of course, means terminating the contracts of staff employed in the programmes themselves, the overwhelming number of whom, again, are Palestine refugees.) It is relevant to point out that the number of international staff employed in the common services and comprising virtually all of the Agency's own staff (i.e., excluding health and education staff loaned without charge by WHO and UNESCO) save for a number of vocational training specialists (some of whom are financed by special contributions) was reduced from a peak of 112 posts in 1963 to only 62 posts in June 1967. Despite the additional burden thrown on the Agency by the aftermath of the 1967 hostilities, which involved the opening of an extra Field Office and other complications, the number has since then risen to only 72. In the Commissioner-General's view, the present cadre of staff at the international level, given the magnitude of the Agency's operating problems, is dangerously low and provides an insufficient margin for leaves, sickness and the unexpected. Be that as it may, it is quite illusory to think the Agency's financial problem can be solved by retrenchment in international staff.

35. As the working capital balance will be no more on 31 December 1971 than about \$3 million, much less than the value of the "pipe-line" of supplies,<sup>e/</sup> a further deficit in 1972 cannot be accepted (and even with the deficit eliminated, there will be a cash problem). Given that changes in programmes take time to have effect, decisions in principle, leading to preparatory action, cannot be deferred beyond the end of the General Assembly. Even if the necessary decisions are taken then, the yield of reductions in 1972 will be less than in a full year. These reductions will not necessarily be more severe than the financial situation requires, since expenditure rises annually under the pressure of inflation and population growth and, if there were no reductions in 1972, the gap to be bridged in 1973 would widen by at least \$1.5 million.

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<sup>e/</sup> In order to ensure the availability of supplies at the time needed, the Agency must at all times have on hand or on order approximately \$6 million of supplies, or roughly four months' consumption.

36. The choice to be made among services will depend on the total amount of reductions required, or the extent to which one service or another may more easily be transferred to another authority, and on the views of the host Governments and the refugees themselves on priorities. The range of choice can be seen from the following recapitulation of programme activities.

#### Relief services

37. As explained in paragraph 6 above, unless donated commodities can be replaced by or turned into cash, only the following items can offer effective economies in relief services:

	\$
(a) Subsidy to Government of Egypt	262,000
(b) Sugar	800,000
(c) Soap	18,000
(d) Supplementary feeding, regular	1,740,000
(e) Supplementary feeding, emergency	510,000
(f) Cash camp rentals	19,000
(g) Kerosene	110,000
(h) Blankets	89,000
	<hr/>
	<u>3,548,000</u>

(Special hardship assistance to the most needy cases has been excluded from this list, and the figures against kerosene and blankets would have to be reduced by the amount required to continue issues to this category.) If all supplementary feeding were eliminated, the vulnerable groups detailed in paragraphs 9 and 10 above would have no more than the basic ration, which is less than a minimum diet, and the extension of the basic ration to children at present excluded would have to be contemplated - see paragraph 4 above.

38. The figures shown above represent the savings possible in a full year. For 1972, even assuming decisions were taken before the end of 1971, all the reductions could not become effective on 1 January for administrative and other practical reasons. If they were nevertheless all put into effect as soon as possible, the yield in 1972 would be about \$3 million.

#### Health services

39. The following is a list of the major elements of the Agency's health services, showing full annual costs, from which possible reductions would have to be selected:

	\$
(a) Subsidies to Governments	446,000
(b) Health centres, etc.	1,856,000
(c) Hospital beds	776,000
(d) Tuberculosis control	120,000
(e) Mental health care	62,000
(f) Dental care	49,000
(g) School health services	47,000
(h) Health education	58,000
(i) Refuse and sewage disposal	1,075,000
(j) Water supply	236,000

40. Leaving aside the assumption of responsibility by some other authority for refuse and sewage disposal and for water supply, it is impossible for the Agency to reduce the health programme substantially without abandoning a fundamental duty deriving from its earliest mandate. In such desperate financial circumstances as confront the Agency items such as dental care, school health services and health education might be described as marginal (the economies resulting from their elimination might also be described as false). These reductions, if made, would yield about \$150,000 in a full year and \$125,000 in 1972. The Government subsidies, amounting to \$446,000 in 1972, would also have to be discontinued. The Director-General of WHO would have to be consulted on any significant reductions in the health programme.

#### Education services

41. The preceding analysis of the relief and health programmes confirms that even with drastic cuts in the relief programme, the budgetary gap cannot be closed without equally drastic cuts in the education programme. It is necessary to state here that there has been no opportunity yet to discuss this paper with the Director-General of UNESCO. His views will be sought and will obviously have to be taken fully into account if a choice must be made between alternative reductions in the education programme. What follows is purely illustrative of the dimensions, complexities and gravity of the problem.

42. The following is a list of those components of the Agency's education services which might have to be reduced first if reductions must be made:

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	\$
(a) Subsidies to Governments	670,000
(b) Subsidies to private schools and book allowances	381,000
(c) Preparatory education	5,160,000
(d) Vocational and teacher training	2,700,000
(e) University Scholarships	283,000
(f) Institute of Education	292,000

43. If the Institute of Education and the university scholarships programme were reduced on the lines indicated in paragraphs 29 and 33, savings of about \$460,000 would be produced in the full year 1973 (though the effect on the Institute would be crippling). In 1972, the yield would be perhaps \$175,000.

44. It would therefore be necessary to turn to the vocational and teacher training programme and here the position is complicated by the financing of more than two-thirds of the cost from funds earmarked for or identified with particular centres and from individual scholarships. For the purpose of this paper it has been assumed that some (but only some) of these contributions could be switched to other programmes or from one training centre to another. On this assumption and having regard to the distribution of the refugee population between host countries and to practical considerations relating to courses, it would appear possible to reduce expenditure by about \$1,100,000 in a full year. The cost in terms of opportunities offered to young refugees to become self-supporting would be heavy: the number of places would drop from the planned capacities shown in paragraph 30 above to only about 3,300 and two centres would be closed (and possibly a third). To produce further savings it would be necessary to reduce the number of places, in the remaining centres, by reducing courses, an uneconomic measure. The savings in 1972 would be only about \$400,000 if reductions were implemented at the beginning of school year 1972/73.

45. It seems likely that in the absence of additional income the specific reductions indicated, in illustration, in the preceding paragraphs would still leave a budgetary gap in 1972 (they would produce only a little over \$4 million in that year); and, as pointed out in paragraph 35, expenditure may be expected to rise again in 1973. Any shortfall remaining after the full benefit of these reductions had been reaped in common costs would have to be found from general education, possibly beginning, for instance, with the valuable but supplementary handicraft and domestic science courses in the schools in the Gaza Strip (which are not provided in other fields) and then proceeding, if need be, to some reductions elsewhere in preparatory education. This would be a grim prospect.