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TWENTY-SEVENTH SESSION

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Chairman: Mr. Hady TOURÉ (Guinea).

## AGENDA ITEM 40

United Nations Relief and Works Agency for Palestine  
Refugees in the Near East (A/8672, A/SPC/154):

- (a) Report of the Commissioner-General (A/8713);
- (b) Report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/8849);
- (c) Report of the United Nations Conciliation Commission for Palestine (A/8830);
- (d) Reports of the Secretary-General (A/8786, A/8814)

1. The CHAIRMAN invited the Committee to begin its consideration of the item on its agenda concerning the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which would be introduced by the Commissioner-General of the Agency.

2. Sir John S. RENNIE (Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East), introducing his report (A/8713), said that he wished to provide some further information to bring the report up-to-date in certain respects. According to annex I, table 7, there were over 1.5 million Palestine refugees registered with UNRWA. Many refugees, however, had never registered but had provided for themselves from their own resources or with the help of others. The Agency's position with regard to the camps was clarified in paragraph 4 and foot-note 11. Only about 40 per cent of the refugees lived in camps, 10 of which were emergency camps established in 1967 and accommodating displaced persons who were not UNRWA-registered refugees, though their number represented only a small proportion of the total number of displaced persons. Since the Agency's resources were strained by its programmes for registered refugees, it had been obliged to limit its assistance to the displaced persons under the General Assembly resolution, readopted each year since 1967, to providing facilities for the distribution of the food-stuffs available to the Government of Jordan, where more than half the displaced persons resided, and to meeting a small part of the distribution costs. Otherwise, the heaviest responsibility for the displaced persons rested with the Governments of Jordan and Syria. Over 200,000 of the refugees for whom the Agency provided services in East Jordan and Syria had entered their sixth year of displacement from the areas to which they had fled in 1948 and were

still unable to return to them. Of the 40,000 refugees and displaced persons quoted in paragraph 2 of the report as having returned since 1967 under "family reunion" or other schemes, displaced refugees numbered only about 3,000 and their return had been to the West Bank and not to Israel.

3. Of the 1,500,000 registered refugees, less than 850,000 received "full rations" (which were not an adequate daily diet). Details of the limited number of those vulnerable categories which received a dietary supplement were given in table 5.

4. About 14,000 persons were employed by UNRWA; all but 100 of them were Palestine refugees. The health programme, conducted through the more than 100 clinics, concentrated on preventive medicine, with special attention to maternal and child welfare. It was run in co-operation with WHO, which supplied a small international headquarters staff and was responsible for professional advice. The education programme, run in co-operation with UNESCO, instructed more than 250,000 children in about 500 schools and eight training centres.

5. He had repeated those facts, which could be found in the report, so that the Committee should be fully aware of the importance of ensuring that the Agency's operations were maintained as long as the current state of affairs persisted in the region. Despite his fears that the Agency's deficit would entail a reduction in services, the deficit had been reduced to \$1.8 million thanks to the generous response to the Secretary-General's letter dated 20 March 1972 (A/8672) containing an appeal for contributions. The increased expenditure on local staff remuneration owing to increases in the cost of living had been more than offset by savings on other items, by agreement on the use of some special contributions for account expenses and by confirmation of some additional contributions.

6. The current estimated deficit of about \$1.4 million took into account payments to Governments for certain services referred to in paragraph 200 of the report. On behalf of the Agency and the Palestine refugees, he wished to express his gratitude to the donors who had made that improvement possible and his warm appreciation of the impetus given to fund-raising by the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East. It would, however, be a grave mistake to think that the future of the Agency's programmes was assured and that efforts could be relaxed. Like most Governments and international organizations,

UNRWA had to contend with inflation, and the rate of increase in expenditure had been kept so low only by the most stringent economy. The figures of the Agency's "common costs" given in foot-note 8 to the Working Group's latest report (A/8849), nearly half of which covered programme costs directly related to the transport and distribution of supplies, were a testimony to the Agency's efforts to contain costs.

7. The increase of some \$1.6 million over the estimate for 1973 given in his report (A/8713) was almost entirely accounted for by increases in local staff salaries which had had to be granted since 30 June 1972 or which were foreseen. Local employees were paid at rates comparable to those paid by local Governments to staff with similar qualifications in similar positions and not at United Nations international rates. It had been the Agency's policy to increase their remuneration through cost-of-living allowances based upon similar action by the local Governments. When such guidance had not been available, in particular in the occupied territories, where the cost of living had risen most steeply, salary adjustments had sometimes lagged behind rises in the cost of living. He hoped to make arrangements for a thorough review of the change in the cost of living since 1967. He wished to place on record his appreciation of the services the local staff, many of whom occupied positions of managerial and professional responsibility, had rendered to the United Nations and to their fellow refugees. Their morale and integrity were of great importance for the efficiency of the Agency and it would be neither just nor expedient to refuse to compensate them adequately for increases in the cost of living on the grounds that the Agency had financial difficulties.

8. It was therefore essential that the expenditure budget for 1973 should be adjusted as he had indicated. It would then exceed the revised estimate for 1972 by about \$3 million, an increase comparable to that between 1971 and 1972. That percentage increase of 6 per cent was modest in the light of prevalent rates of inflation and would present no great difficulty to the Agency if contributing Governments would adjust their contributions to take account of changes in the value of money. Assuming expenditure of \$54 million for 1973 and income at the level currently expected in 1972, the Agency would face a deficit of some \$4.4 million. That expenditure included, as in previous years, provision of \$1.4 million for payments to Governments for certain services which were described in paragraphs 199 and 200 of the report for the year 1970-1971<sup>1</sup>. As most representatives were aware, the Agency's financial difficulties had compelled it to withhold such payments in recent years in preference to reducing services provided directly to the refugees. However, he had always hoped that the outlook would improve and the amounts had always been included in the Agency's liability and expenditure figures so that by the end of the current financial year they represen-

ted a total liability of some \$5.2 million. He now felt bound to acknowledge that there was no likelihood that payments withheld in the past could be paid. The time had come when the Agency's accounts should reflect the situation more realistically. In its report on the Agency's accounts for the year ended 31 December 1970, the Board of Auditors had already recommended that, in the absence of a legal basis for settling the payment of education and health subsidies in respect of the West Bank and the Gaza Strip, serious consideration should be given to the withdrawal of that liability from the statement of assets and liabilities, by re-crediting the amount to the Agency's working capital reserves.<sup>2</sup> He had accepted that recommendation and had decided to omit all the payments in question from the statement of liability and to increase the working capital fund accordingly. That was simply an adjustment of the Agency's accounts and would in no way prejudice any claim which the Governments concerned might wish to maintain or have any practical effect on the Agency's day-to-day finances. He had been speaking only of the Agency's past liabilities. In case there were adequate funds in forthcoming years to enable the Agency to resume those payments, at least in part, he intended to continue to make some provision for them in each annual budget. Those payments were for services still being provided by Governments, some of which were already bearing heavy costs as a result of providing other services to refugees. He hoped that that aspect would be taken into account when Governments considered their contribution to the Agency.

9. The situation in some of the camps in Lebanon had been a source of concern to the Agency and he had maintained close contacts with high Government authorities. He had been assured that it was still intended to evacuate Agency property at an early date.

10. In regard to the formalities required by the Syrian authorities for travel of international staff referred to in paragraphs 11 and 169 of the report, agreement on arrangements acceptable to the Agency had been reached. He was concerned however about the delay in a decision on sites for the construction of the rest of the shelters needed to replace tents in the emergency camps accommodating refugees from the Kuneitra area.

11. There had unfortunately been no progress in regard to the re-housing of refugees in the Gaza Strip whose houses had been demolished in July and August 1971. The Israeli authorities had so far provided no information about plans for building housing for those refugees and had refused payment of the \$417,000 claimed by the Agency as compensation. A lesser sum would deal with the most urgent cases and if it was not forthcoming, since the Agency had an obligation under its mandate to provide shelter for refugees in need, it must try to find the funds, by a special appeal if necessary.

<sup>1</sup> See *Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 13*.

<sup>2</sup> *Ibid.*, Supplement No. 7C, sect. B, para. 9.

12. In view of references to services to refugees in the Gaza Strip made in press reports arising out of the dismissal of the Mayor of Gaza, he wished to clarify the Agency's position. It continued to provide its normal services to refugees, in and out of camps, and none of the services had been taken over by a municipal council or other authority. The Field Director had asked the Israeli authorities for further information on their intentions in regard to council activities in camps. The mere inclusion of a camp in the municipal area was of no special significance. In each of the Agency's countries of operation some camps lay within a municipal boundary, and municipalities had in several cases provided services additional to those provided by the Agency or had co-operated with it in improving a service. On the other hand, if a municipality were to propose to assume responsibility for services provided by the Agency under its mandate, the Agency would expect to be consulted beforehand to see whether the proposed service was compatible with its mandate. The crucial point might be the degree of Agency control over the service. The situation had not yet arisen and if it did, he would consult the Secretary-General before agreeing to any proposal that might have implications for the Agency's mandate. In its latest report (A/8849), the Working Group on the Financing of the Agency assumed that as long as a just and lasting settlement of the problem of Palestine refugees had not been achieved, UNRWA's services must be maintained at least at their current minimal level. The Agency's mandate had already been extended for that purpose until 30 June 1975. In his statement to the Committee at the preceding session (781st meeting), he had said that the General Assembly had never laid upon the Commissioner-General the duty of finding the funds necessary for the Agency's programmes. In the concluding paragraph of the introduction to his report (A/8713) he had sounded a warning that preoccupation with fund-raising was distracting the Agency's senior staff from their primary task of directing and supervising programmes. Much could be done to improve the quality of those programmes, in particular the educational programme so vital to the future of young Palestinians. He recognized however that the Commissioner-General and his staff had an important role to play in helping to raise funds and assured the Committee that they would continue to do their utmost to ensure that the Agency was financially able to carry out its mandate. Without prejudicing the Committee's position about future means of fund-raising, he would welcome the advice and support of an intergovernmental body reflecting the continuing concern and responsibility in the matter on behalf of the General Assembly.

13. Mr. ARVESEN (Norway), Rapporteur of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, introduced the report of the Working Group (A/8849) submitted in pursuance of General Assembly resolution 2791 (XXVI).

14. Chapter II of the report, which was divided into five chapters, gave a resumé of the activities of the

Working Group during the past year; as indicated in paragraphs 10 and 11, the Working Group's two basic preoccupations in 1972 had been short-term and long-term financing, respectively. As stated in paragraph 12, the Working Group had continued to give great attention to the problem of short-term financing of UNRWA, especially because the fiscal situation had become so critical early in 1972 that it had almost become necessary for the Agency to reduce services to the refugees. Fortunately, as a result of the efforts of the Secretary-General, the Commissioner-General and the Working Group, progress had been made with regard to the short-term problem. Thanks to voluntary contributions from various donors, the Agency had so far been able to avoid any reduction in its services.

15. Chapter III set forth the results of fund-raising activities on behalf of UNRWA during 1972. He wished, however, to emphasize in the strongest possible terms that that short-term improvement certainly gave no cause for complacency on the part of Member States. The Agency's cash position remained precarious, and the Working Group sincerely hoped that Governments, through their contributions at the forthcoming pledging conference, would show the necessary political will to redress the chronic budgetary and financial crisis which UNRWA still faced.

16. Chapter IV concerned the long-term financing problem of UNRWA; it contained the Working Group's analysis of that problem. The Working Group had endeavoured to approach the problem in a pragmatic way. It had, therefore, not found it possible to recommend any new ideas as viable solutions. It must be clearly understood that UNRWA's future was eventually a question of the political will of Member Governments. The humanitarian task of providing relief assistance, health services and educational facilities to the Palestine refugees should be considered the common responsibility of every single Member State.

17. In chapter V, which was the most important part of the report, the Working Group outlined its conclusions (paragraphs 59 to 63) and recommendations (paragraphs 64 and 65). It concluded first that, as long as a just and lasting settlement of the Palestine refugee problem had not been achieved, UNRWA's services must be maintained at least at their current minimal level. Secondly, the Working Group concluded that, although it had been possible to avoid any reductions in the Agency's services over the past two years—largely because of substantial additional voluntary contributions from some of the regularly contributing Governments and some new contributors, including some United Nations agencies and other intergovernmental organizations—the Working Group was duty-bound to emphasize once again the gravity of the situation. The Agency's cash position remained precarious and the financial crisis had not been solved.

18. The first of the Working Group's two main conclusions was that the continuation of the Agency's

services at its current level depended principally on voluntary contributions from Governments, including contributions in kind. While some members of the Working Group held the view that the budget of UNRWA should be totally or in part incorporated into the United Nations regular budget, others considered that no part of the Agency's expenses should be transferred to the regular budget. If the mandate of the Working Group should be extended, the feasibility of such a transfer could be further discussed, but no agreement could be reached in the current circumstances.

19. The Group's second main conclusion, as stated in paragraph 63, was that, in order to obtain increased contributions from all potential sources, it was important that adequate information and public relations activities highlighting the humanitarian needs of the Palestine refugees should be undertaken by appropriate existing information organs within the United Nations system, such as the Secretariat's Office of Public Information.

20. On the basis of the aforementioned conclusions, the Working Group recommended that: (a) further efforts should be made to obtain contributions from those Governments that had not contributed in the past; (b) further efforts should also be made to obtain greater contributions from Governments that had so far contributed inadequately; (c) efforts should be made to ensure that the substantial contributions from the regular contributors continued; (d) Governments that had recently increased the level of their contributions should be requested to maintain the higher level of their support for UNRWA; (e) all Governments should be urged to pledge their voluntary contributions to the Agency as a matter of the highest priority; (f) in order to ease the persisting liquidity crisis of UNRWA, Governments should be urged to pay their voluntary contributions for 1973 and each succeeding year as early as possible; (g) a special appeal should be made to Governments for immediate payment of pledged contributions which currently remained unpaid; (h) United Nations agencies and organizations should be encouraged to support UNRWA to the extent possible within the framework of their constitutional requirements and budgetary possibilities; (i) further efforts should be made to maintain the highest possible level of contributions from non-governmental organizations and other private sources, such as commercial enterprises and humanitarian contributors and organizations.

21. The Group emphasized in paragraph 65 of its report that, in order to maintain the necessary increased voluntary contributions, further vigorous and constant fund-raising activities on behalf of the Agency, in close consultation with the Commissioner-General, were essential. It indicated that such activities might be carried out in the following four ways, namely, by the Secretary-General through means considered most suitable, including co-operation with interested Governments; by the Working Group, if its mandate

was extended at least with regard to fund-raising; by an intergovernmental group set up for the purpose; in any other manner that the General Assembly might deem appropriate. However, the Working Group wished to refrain from making any specific recommendations on that point, since it considered that any decision should be taken by the Special Political Committee and the General Assembly.

22. In conclusion, he said that the Working Group fervently hoped that the Government of every single Member State would respond positively, spontaneously and generously.

23. The CHAIRMAN requested the representative of Norway, as Rapporteur of the Working Group, to convey to that Group the Committee's appreciation of its report.

24. Mr. GHORRA (Lebanon), speaking on behalf of the Arab group of States, said he wished the Turkish delegation to convey the deepest appreciation of the Arab group to Mr. Eren of Turkey, the former Chairman of the Working Group, for his services. The Arab group also wished to extend its appreciation to the Rapporteur of the Working Group for his hard work, and to a number of delegations that had been very active in supporting the Chairman in his efforts to raise funds for the Agency.

25. Turning to the report of the United Nations Conciliation Commission for Palestine (A/8830), he pointed out that the scanty information provided in the report shed little light on the kind of efforts that the Commission had exerted in pursuance of General Assembly resolution 2792 A (XXVI). Nor did the Commission enlarge on its statement that its ability to resume its endeavours would depend on "the willingness of the parties to co-operate with it". He hoped that the Commission would be able to clarify those two points, so that members could take up the matter at a later stage.

26. Mr. OLCAY (Turkey) thanked the representative of Lebanon for the appreciation that he had expressed regarding Mr. Eren, who would have said that he was only doing his duty, and that he had done it all the more easily because it was a task which his Government and country believed should be performed in the name of humanity and justice. He also wished to extend his thanks to the Secretary-General, the Commissioner-General and his staff, and all the Member States and Governments of the host countries for their efforts, thus permitting the Working Group under its Chairman to accomplish its task—a very modest one in view of the work that remained to be done.

27. Mr. BISHARA (Kuwait) proposed that the statement by the Rapporteur of the Working Group should be reproduced *in extenso*. The Committee should not be constrained by the financial implications of such action, since it was dealing with an acute humanitarian problem.

28. Mr. WESTON (United Kingdom) asked whether it would also be possible for the Commissioner-General's statement to be reproduced *in extenso*.

29. The CHAIRMAN confirmed that, in accordance with the General Assembly's decision taken in connexion with rule 60 of its rules of procedure, the Committee could have, on specific request, a transcription of the statements by both the Commissioner-General and the Rapporteur of the Working Group.

30. If he heard no objection, he would assume that the Committee acceded to those requests.

*It was so decided.*<sup>3</sup>

*The meeting rose at 12 noon.*

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<sup>3</sup> The full text of the two statements were subsequently circulated in document A/SPC/PV.829.