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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 . . . . .		3
I. INTRODUCTION . . . . .	1 - 8	4
A. Consideration of the report of the Working Group at the twenty-sixth session of the General Assembly . . . . .	3 - 6	4
B. Terms of reference of the Working Group . . . . .	7 - 8	5
II. ACTIVITIES OF THE WORKING GROUP . . . . .	9 - 32	6
A. General . . . . .	9 - 11	6
B. The short-term financing problem . . . . .	12 - 29	7
C. The long-term financing problem . . . . .	30 - 32	9
III. RESULTS OF FUND-RAISING ACTIVITIES ON BEHALF OF UNRWA DURING 1972 . . . . .	33 - 42	11
IV. THE LONG-TERM FINANCING PROBLEM OF UNRWA . . . . .	43 - 58	14
V. CONCLUSIONS AND RECOMMENDATIONS . . . . .	59 - 65	17

ANNEXES

- I. Letter dated 20 March 1972 from the Secretary-General to all  
States Members of the United Nations or members of specialized  
agencies

CONTENTS (continued)

- II. Letter dated 7 April 1972 from the Chairman of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East to all States Members of the United Nations
- III. Contributions to UNRWA for 1971 and pledges and expected contributions for 1972

LETTER OF TRANSMITTAL

11 October 1972

Sir,

We have the honour to submit to you the report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, which was adopted unanimously by the Working Group on 11 October 1972.

This report is submitted to the General Assembly in accordance with paragraph 5 of Assembly resolution 2791 (XXVI) of 6 December 1971.

Accept, Sir, the assurances of our highest consideration,

Nuri EREN, Chairman  
(Turkey)

Joseph Q. CLELAND, Vice-Chairman  
(Ghana)

J. ARVESEN, Rapporteur  
(Norway)

Henri SERVANT  
(France)

Kunio KATAKURA  
(Japan)

Edouard GHORRA  
(Lebanon)

Frank O. ABDULAH  
(Trinidad and Tobago)

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

Robert G. MAHON  
(United States of America)

The President of the General Assembly  
United Nations  
New York

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## I. INTRODUCTION

1. The Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East was established by the General Assembly under resolution 2656 (XXV), of 7 December 1970. As provided for under the resolution, the Working Group submitted, on 14 December 1970, an interim report to the Assembly containing recommendations on possible measures to be taken to prevent the reduction of the Agency's services in 1971. 1/

2. In resolution 2728 (XXV) of 15 December 1970, the General Assembly approved the Working Group's interim report, endorsed its recommendations and requested the Working Group to continue its work in accordance with resolution 2656 (XXV) and 2728 (XXV).

### A. Consideration of the report of the Working Group at the twenty-sixth session of the General Assembly

3. In compliance with General Assembly resolutions 2656 (XXV) and 2728 (XXV), the Working Group submitted, on 26 October 1971, its report to the Assembly at its twenty-sixth session, which was considered by the Assembly under agenda item 38, entitled United Nations Relief and Works Agency for Palestine Refugees in the Near East. The item was referred to the Special Political Committee and considered by it at its 781st to 793rd meetings from 17 November to 2 December 1971. 2/

4. On 23 November 1971, the representative of Belgium introduced a draft resolution on behalf of Belgium, Denmark and Sweden (A/SPC/L.228), which was revised and also co-sponsored by Finland and Iran and subsequently by Greece (A/SPC/L.228/Rev.1) under which the General Assembly would: (1) commend the Working Group for its work and approve its report (A/8476 and Corr.1) drawing special attention to the conclusions and recommendations contained in chapter V of the report; (2) request the Working Group to continue its work for one year in accordance with the provisions of its previous mandate and, as appropriate, to pursue urgently with Governments, both bilaterally and on a regional basis, with specialized agencies and other organizations within the United Nations system, and with other organizations and individuals concerned, the implementation of the recommendations endorsed by the General Assembly in the resolution, as well as the implementation of other resolutions relating to the mandate of the Working Group; (d) endorse Economic and Social Council resolution 1565 (L) of 3 May 1971 and, in particular, urge serious consideration of its paragraph 5; (4) support the joint appeal made by the President of the General Assembly and the Secretary-General of

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1/ Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 35, document A/8264.

2/ The Commissioner-General of UNRWA made a statement at the 2001st plenary meeting in connexion with the financing of the Agency.

the United Nations to Governments to join in the collective effort to solve the financial crisis of the Agency; (5) request the Working Group, after consultation with all concerned, in particular the Secretary-General and the Commissioner-General, and, taking into account the views expressed in the course of the debate during the twenty-fifth and twenty-sixth sessions of the General Assembly, to prepare and present a comprehensive report on all aspects of the financing of the Agency to the Assembly at its twenty-seventh session; (6) request the Secretary-General to provide the necessary services and assistance to the Working Group for the conduct of its work. The United States of America proposed an amendment (A/SPC/L.233) to the six-Power draft resolution (A/SPC/L.228/Rev.1), under which the words "relevant to the mandate of the Working Group" would be inserted in operative paragraph 5 after the words "... sessions of the General Assembly".

5. On 1 December 1971, the Special Political Committee adopted, without objection, the draft resolution, as amended.

6. On 6 December 1971, the General Assembly considered the draft resolution regarding the Working Group recommended by the Special Political Committee, together with other draft resolutions under this item. The Assembly adopted the draft resolution by 114 votes to none, with 2 abstentions, as resolution 2791 (XXVI).

#### B. Terms of reference of the Working Group

7. The Working Group's terms of reference were established under General Assembly resolutions 2656 (XXV), 2728 (XXV) and 2791 (XXVI).

8. Under the applicable provisions, the Working Group has been entrusted with:

(a) Assisting, 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;

(b) As appropriate, pursuing urgently with Governments, both bilaterally and on a regional basis, with specialized agencies and other organizations within the United Nations system and other organizations and individuals concerned, the implementation of the recommendations approved by the General Assembly in resolution 2791 (XXVI) as well as the implementation of other resolutions relating to the mandate of the Working Group;

(c) After consultation with all concerned, in particular the Secretary-General and the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, and taking into account the views expressed in the course of the debate during the twenty-fifth and twenty-sixth sessions of the General Assembly relevant to the mandate of the Working Group, preparing and submitting a comprehensive report on all aspects of the financing of the Agency to the General Assembly at its twenty-seventh session.

## II. ACTIVITIES OF THE WORKING GROUP

### A. General

9. As set forth in paragraph 91 of last year's report (A/8476 and Corr.1) the Working Group identified two main problems with regard to the future activities of UNRWA: (a) the short-term problem, that is, the financing of these activities in 1971 and 1972; (b) the longer-term problem, that is, the financing of the activities in the years beyond 1972.

10. At the beginning of its work this year, the Working Group had to concentrate its efforts once again on the short-term problem as the immediate financial situation of UNRWA continued to be precarious. However, thanks to the efforts of the Secretary-General, the Commissioner-General and the Working Group, the crisis has to a large extent been overcome and the Agency hopes to be able to carry out its activities in 1972 without any reduction of services. The Working Group's participation in these efforts is set forth in section B below.

11. However, the Working Group did not fail to turn its attention to the longer-term financing problem, which remains the basic problem facing UNRWA without a foreseeable solution. The results of the Working Group's discussions and activities on this subject are outlined in the present chapter and in chapter IV below.

B. The short-term financing problem

12. The Working Group continued to give great attention to the problem of short-term financing of UNRWA, especially because the fiscal situation became so critical early in the year that it was almost necessary for the Agency to reduce services to the refugees. In the course of its efforts, the Working Group attempted to follow through on all the recommendations on short-term financing which were made in paragraph 98 of its last year's report (A/8476 and Corr.1) and approved by the General Assembly in paragraph 1 of resolution 2791 (XXVI).

13. Despite the best efforts made last year by the Commissioner-General, the Working Group, and others, the beginning of 1972 found UNRWA in a critical financial situation, as its chronic deficit had become more acute. In a "Memorandum on implications for services to refugees of deficit in UNRWA's budget for 1972", dated 28 January 1972, addressed to the host Government members of the Advisory Commission of UNRWA, for discussion with them, and also communicated to the Working Group, the Commissioner-General said that he had reluctantly reached the conclusion that the Agency must put into effect, at the earliest date that was practicable, measures to reduce expenditures in 1972 by \$1.5 million. This sum would be saved by reductions in the following categories: sugar ration, supplementary feeding, the issuing of soap, blankets and kerosene and general staff costs.

14. In his memorandum, the Commissioner-General recognized that these measures would be most unwelcome to the host Governments, as they were to the Agency, and that they would inevitably cause some hardship to the refugees, but he concluded that they could no longer be delayed without an unacceptable risk of breakdown from which the Agency might be unable to recover and which would be a catastrophe for the Palestine refugees. 3/

15. In the face of this crisis, the Working Group decided, at its 22nd meeting on 22 February 1972, to request the Secretary-General to issue an urgent appeal to Member States to make voluntary financial contributions to cover the deficit.

16. At meetings on 8 and 14 March 1972 at Beirut, the Advisory Commission of UNRWA took a similar stand in favour of an appeal by the Secretary-General.

17. In response to the requests and advice of the Working Group and the Advisory Commission, the Secretary-General addressed, on 20 March 1972, to all States Members of the United Nations or members of specialized agencies, an urgent appeal for help for UNRWA and the Palestine refugees (see annex I below).

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3/ The background of this fiscal crisis and some of the considerations in selecting items for reductions are set forth in greater detail in annex III of last year's report by the Working Group (A/8476 and Corr.1).

18. The Secretary-General, after reminding the Members of UNRWA's financial crisis and the dire needs of the refugees and of the General Assembly's emphasis on the urgent need for extraordinary efforts and exceptional measures in order to maintain, at least at their present level, the activities of the Agency, addressed himself to Governments, as well as intergovernmental and non-governmental organizations and private sources, for urgent voluntary contributions. After indicating that he had asked the Commissioner-General to postpone the proposed reductions for a little longer, he added that a decision on reductions could not safely be delayed beyond 31 May 1972 and that pledges of contributions were required before that date. The Secretary-General concluded by expressing hope that Governments would give urgent consideration to this important matter and would find it possible to respond generously.

19. On 7 April 1972, the Working Group supported the Secretary-General's appeal with a letter from the Chairman to all Member States, expressing gratification at a first response in the form of an extraordinary contribution from Norway and expressing the hope that it would be soon followed by others (see annex II below).

20. The Working Group had, in the meantime, also been actively engaged in other efforts to assist in overcoming the short-range financial problem of the Agency. These activities took the following forms: (a) direct consultations and fund appeals in person and by letter from the Chairman to various regional groups or individual potential contributors; (b) consultations by the Chairman with the Director-General of UNESCO in Paris regarding the UNRWA education programme for Palestine refugees; (c) discussions with the Secretary-General regarding the possibility of obtaining additional assistance from agencies of the United Nations family, in respect of at least some of the present UNRWA services; (d) personal visits by the Chairman to various capitals for fund-raising purposes; (e) stimulation of diplomatic approaches in various capitals by the local representatives of the States members of the Working Group, as follow-up action to the Secretary-General's appeal.

21. In accordance with the above, the Chairman appealed for assistance to UNRWA, either in cash or in kind, both in person and by correspondence to the Chairman of the Latin American Group of States, the African Group and the Asian Group. He spoke before the Latin American and Arab groups. He spoke and wrote individually to representatives of all the Eastern European States, China, Italy, Iran, and several Latin American States. He corresponded with the Administrator of UNDP and the Executive Director of UNICEF. He also approached private organizations.

22. The Chairman also discussed steps that might be taken by the Working Group and UNESCO to facilitate the financing of UNRWA's education programme for Palestine refugees, particularly steps that should be taken to obtain fresh contributions from Member States. This led to participation by UNESCO in the Chairman's fund-raising visit to countries in the Middle East and North Africa.

23. In his discussions with the Secretary-General, the Chairman stressed possible further contributions by United Nations agencies, particularly UNESCO, the World Food Programme, UNDP, WHO, the ILO and UNICEF, that might be suggested on the occasion of the meeting of the Administrative Committee on Co-ordination (ACC) held in London on 10 and 11 April 1972.

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24. Shortly after the Secretary-General's appeal was made, the Chairman of the Working Group, accompanied by representatives of UNRWA and UNESCO, visited nine countries <sup>4/</sup> in April and May 1972 to discuss with heads of state and Ministers for Foreign Affairs and Education, the threat to the Agency's services, particularly in the field of education and training. He spoke with high-level officials at each stop and presented the facts regarding the Agency's financial crisis, the danger of reductions in services unless more funds were forthcoming, and the Working Group's urgent request for voluntary financial contributions in cash or kind. This mission succeeded in producing additional contributions to UNRWA.

25. The Chairman also undertook a short trip to the United Kingdom in March. In London, he held consultations with the United Kingdom Government regarding the Agency's financial problems and methods of increasing voluntary contributions by Governments to UNRWA.

26. The Working Group agreed on and implemented a world-wide campaign of diplomatic approaches in national capitals urging voluntary contributions to UNRWA, in cash or in kind. These approaches were made individually or in concert by the diplomatic representatives of one or more of the States members of the Working Group.

27. Sixty-four countries from all major regions of the world and the European Economic Community were included in this world-wide effort. The results of these approaches cannot be calculated precisely, but it seems certain that they had some effect in increasing contributions to UNRWA and might prove useful in the future.

28. As a result of those activities of the Working Group, the Secretary-General, and parallel efforts by the Commissioner-General, his staff and others, appreciable progress has been made on the short-term financing problem. The results of those fund-raising activities are set forth in chapter III below. Thanks to the contributions which have been received, UNRWA hopes to be able to get through 1972 without a reduction in its services to the Palestine refugees.

29. This achievement is certainly cause for satisfaction, but not for complacency or relaxation.

#### C. The long-term financing problem

30. In paragraphs 99 and 100 (a) of last year's report (A/8476 and Corr.1), the Working Group raised the issue of the longer-term financing of UNRWA's deficits, that is, in the years beyond 1972, and concluded that more than temporary or annual efforts for bridging chronic deficits were required. This conclusion was approved by the General Assembly in its resolution 2791 (XXVI), paragraph 5 of which requested the Working Group to "prepare and submit a comprehensive report on all aspects of the financing of the Agency to the General Assembly at its twenty-seventh session".

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<sup>4/</sup> In the order visited: Saudi Arabia, Bahrain, Kuwait, Qatar, Egypt, Union of Arab Emirates, Iraq, Libyan Arab Republic and Lebanon.

31. The Working Group studied this question as provided in paragraph 5 of resolution 2791 (XXVI). It consulted those concerned and took into account the views expressed in the course of the debate during the twenty-fifth and twenty-sixth sessions of the General Assembly relevant to the mandate of the Working Group, as well as the views expressed by individual members and by the Commissioner-General at the request of the Chairman.

32. The results of the Working Group's consideration of this question are set forth in chapter IV below.

### III. RESULTS OF FUND-RAISING ACTIVITIES ON BEHALF OF UNRWA DURING 1972

33. The Agency's financial year 1971 closed with a deficit of \$0.75 million, a remarkable achievement in view of the estimate of \$6.0 million at the beginning of the year. Nevertheless, at that moment the outlook for 1972 appeared bleak; cash in hand was only \$1.1 million on 1 January, against monthly cash expenditure of about \$3 million, and the deficit for the year was estimated at \$4.7 million. Thanks to early payment by a number of Governments of all or part of their contributions for 1972, the immediate cash crisis was averted.

34. At the end of January, as indicated in chapter II, the Commissioner-General was obliged to communicate to the host Government members of the Advisory Commission for discussion with them, specific proposals for reductions, early in 1972, in the services provided for the refugees. These were calculated to save about \$1.5 million in 1972 and avoid a more disastrous breakdown, on the understanding, however, that further reductions might have to be considered at a later stage. As mentioned earlier in this report, the Commissioner-General's proposals led to initiatives by the Working Group and UNRWA Advisory Commission, resulting in an urgent appeal by the Secretary-General on 20 March 1971 (see annex I below) and further action for contributions to UNRWA in cash or in kind.

35. The Agency also followed up various approaches it had made on its own initiative and, in particular, had further discussions with the European Economic Community on the possibility of an increased contribution.

36. As regards the specialized agencies and other organizations of the United Nations family, the Agency also discussed project aid with the World Food Programme at a meeting at Rome in December and in subsequent correspondence. These efforts were not successful, because the World Food Programme lacked the protein and fresh food-stuffs primarily needed for the supplementary feeding programme and could not spare cash. Further discussions were held with UNDP, UNESCO, UNICEF and the Governments of Jordan, Lebanon, the Syrian Arab Republic and Switzerland about assistance towards the cost of the UNRWA/UNESCO Institute of Education, with the result that, in response to a formal request by the first three of these Governments, UNDP approved, in June 1972, a project for assistance to the Institute, over a period of two years (from July 1972), UNESCO being designated as the executing agency. UNICEF has agreed to waive payment of its annual fee of \$10,000 for procurement services for UNRWA. UNHCR has pledged, as before, a contribution to UNRWA of 10 per cent of the net proceeds of the sale of its new record, "Top Star Festival".

37. At the Pledging Conference, a number of Governments had increased their pledges: Austria, Canada, Denmark, Finland, Ghana, Greece, India, 5/ Ireland,

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5/ Contributions in whole or in part in specific response to the appeals by UNESCO and WHO. Contributions in response to the WHO appeal will, in accordance with the wishes of that organization, be reported in UNRWA's accounts as having come from WHO and not from individual Governments.

Luxembourg, Morocco, Norway, Singapore, Sudan, Sweden, Tunisia and Yugoslavia. Contributions were also pledged or made for the 1972 programme from the following Governments, which had not contributed in 1971:

	US dollars
Cameroon . . . . .	5,000 <u>5/</u>
Dahomey . . . . .	250
Democratic Yemen . . . . .	750
Egypt . . . . .	5,000 <u>6/</u>
Indonesia . . . . .	5,000
Madagascar . . . . .	586
Malta . . . . .	267 <u>5/</u>
Philippines . . . . .	1,250
Senegal . . . . .	3,988
Thailand . . . . .	8,250
Zambia . . . . .	1,400 <u>5/</u>

38. The Governments of the following States subsequently increased their contributions as a result of one or more approaches: Cyprus, 7/ Denmark, Federal Republic of Germany, Iceland, Italy, 7/ Japan, Lebanon, 7/ Liberia, Netherlands, Nigeria, 7/ Norway, Republic of Korea, Saudi Arabia, Switzerland, 7/ Trinidad and Tobago, 7/ United Arab Emirates and United States of America.

39. In addition, on present estimates, voluntary agencies, organizations and individuals are expected to increase their support of the Agency's programmes from \$969,638 in 1971 to over a million dollars in 1972.

40. The estimate of income, which had been \$47,675,069 in 1971, increased from \$46,330,000 on 1 January 1972 to \$49,302,574 on 1 October 1972 (of the increase in income, some \$270,000 represented the net effect of changes in currency valuations between 1971 and 1972).

41. Largely as a result of the efforts referred to above, the increase in income had the effect of reducing the expected deficit for 1972 from \$4.7 million, estimated at the beginning of the year, to the most recent estimate of \$1.9 million. This estimate makes no allowance, however, for the cost in 1972 of increases in cost-of-living allowances, for which there is strong pressure from local staff on the grounds of the continued rise in prices, especially in the occupied territories, and on which it has not yet been possible to take a decision. Moreover, the Agency's cash position remains precarious: the forecast of cash in hand at the end of 1972 is no more than \$1.3 million against a monthly cash expenditure of the

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6/ Egypt, as well as the other host Governments, also contributes directly to the refugees (see table 21 of the Commissioner-General's annual report to the General Assembly (Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 13 (A/8713)))).

7/ See foot-note 5/ above.

order of \$3 million, and even this estimate assumes that payments to local Governments for certain services are again withheld and that arrears of contributions for 1970 and 1971 and outstanding pledged contributions for 1972 are received in 1972.

42. Annex III shows contributions for 1971 and pledges and expected contributions for 1972.

#### IV. THE LONG-TERM FINANCING PROBLEM OF UNRWA

43. The point of departure for the Working Group's study of UNRWA's long-term financing problem has been the recommendations contained in paragraph 100 of its report (A/8476 and Corr.1), which was approved by the General Assembly in resolution 2791 (XXVI), as well as the views expressed during the twenty-fifth and twenty-sixth sessions of the General Assembly relevant to the mandate of the Working Group.

44. The Working Group continues to assume that, as long as a just and lasting settlement of the problem of Palestine refugees has not been achieved, UNRWA's services, in the form of feeding, relief assistance, health care and education, must be maintained at least at their present minimal level.

45. Thus, no reduction in the Agency's direct costs for its relief, health and education programmes can be envisaged in the immediate years to come.

46. As regards the indirect or common costs <sup>8/</sup> of these programmes (that is, the costs which benefit all programmes in common, such as those for supply and transport services; refugee eligibility and registration services; personnel,

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<sup>8/</sup> The movement of "common" costs in recent, inflationary years shows how they have been compressed in relation to total expenditure.

	<u>Recurrent "common" costs</u>	<u>Total recurrent expenditure</u>
	<u>(In millions of US dollars)</u>	
1968	7,008	40,565
1969	6,944	42,748
1970	7,101	45,096
1971	7,146	47,129
1972 (est.)	7,330	50,340

Thus, during the period from 1968 to 1972, while total recurrent expenditure rose by 24 per cent, expenditure on "common" costs rose by less than 5 per cent.

In paragraph 34 of appendix III of the Working Group's report to the Assembly at its twenty-sixth session (A/8476 and Corr.1), the Commissioner-General pointed out that the number of international staff provided for under common costs had dropped from a peak of 112 posts in 1963 to 72 in 1971 and expressed the view that "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". As regards local staff, the Commissioner-General has assured the Working Group that manning tables are subject to periodic close scrutiny and that, despite the increase in the refugee population through natural growth, the net increase in total staff in recent years is attributable entirely to the education service and related to the expansion of vocational training and the increased numbers of children in school.

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legal, finance, translation, data processing, audit and technical services, protection of property; general office facilities and general direction of the Agency at all levels), the Working Group has consulted the Commissioner-General, who has assured the Working Group that expenses of this nature are kept under close and constant scrutiny and that no substantial savings can be made in this field without seriously jeopardizing the efficiency of the Agency. The Working Group has taken note with satisfaction of these assurances.

47. The extent to which additional assistance to UNRWA might be obtained from other United Nations agencies and organizations has been carefully considered by the members of the Working Group. Although direct subventions to the Agency from other United Nations voluntary funds may not be feasible and, although reservations have been expressed about proposals that certain specialized agencies take over some of UNRWA's programmes, a number of United Nations agencies and organizations have contributed effectively to the needs of the refugees. These and other organizations should be encouraged to contribute their support to the extent possible within the framework of their constitutional requirements and budgetary possibilities.

48. It should, however, be generally recognized that contributions from other United Nations agencies and organizations can realistically be expected only to be proportionately marginal in the over-all total budgetary requirements of UNRWA.

49. The continuation of the present services rendered by UNRWA is primarily dependent on voluntary contributions from Governments. Although the view has been expressed in the Working Group that UNRWA's budget should be partially or totally incorporated into the regular United Nations budget, there is general agreement in the Working Group that voluntary contributions from Governments, including contributions in kind, must continue to be the principal source of the Agency's funds.

50. The primary aim should be to find new contributors among Member States and continued efforts should be made to obtain contributions from those Governments which have not contributed in the past. The necessity of obtaining greater contributions from Governments which have so far contributed inadequately should also be particularly emphasized. However, UNRWA will in the future be largely dependent on substantial contributions from the traditional contributors and efforts should be made to ensure that these contributions continue. Furthermore, Governments which have in the past made substantial contributions and which have recently increased the level of their contributions should be urged to maintain the higher level of their support for UNRWA.

51. 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 institutions and organizations.

52. In this context and in order to secure further contributions from such sources, as well as from Governments and United Nations agencies and organizations, constant fund-raising activities on behalf of UNRWA will continue to be required.

53. Doubts have been expressed in the Working Group as to the advisability of pursuing further the idea of establishing a high-level international committee of philanthropists.

54. On the other hand, it should be recognized that the Commissioner-General of UNRWA and his limited staff cannot be burdened with extensive fund-raising efforts in addition to their present work.

55. It has been suggested that the Secretary-General, with the support of appropriate Secretariat staff and through means which he considers most suitable, undertake appropriate follow-up action in the future on the basis of periodic reports submitted to the Secretary-General by the Commissioner-General of UNRWA. It has also been suggested that further appeals could be made by the diplomatic missions, either individually or jointly, of the States which are members of the Working Group and action might be taken in connexion with visits to potential donor countries by the Chairman of the Working Group. Such a procedure would presuppose that the mandate of the Working Group be extended. A third alternative, that is, a combination of the two possible lines of action indicated above, could be envisaged. For example, the Secretary-General could be assisted in his activities by a small intergovernmental group representing the major contributors, Governments of the host countries, as well as the various geographical groups.

56. As indicated in paragraph 49 above, the view has been expressed that UNRWA's budget should be totally incorporated into the regular budget of the United Nations. It has also been suggested that the salaries of UNRWA's international staff be transferred in whole or in part to the regular budget of the United Nations, as is the case today of the administrative expenditures of the Office of the United Nations High Commissioner for Refugees. On the other hand, several members of the Working Group expressed firm opposition to the transfer of any part of UNRWA's expenses to the United Nations regular budget.

57. The Working Group has considered other suggestions that were made by Member States during the twenty-fifth and twenty-sixth sessions of the General Assembly. However, it has endeavoured to approach the problem of the long-term financing of UNRWA in a pragmatic way. It has, therefore, not found it possible to recommend any new ideas as viable solutions to UNRWA's financing problems. In the final analysis, it must be clearly recognized and understood that the future of UNRWA is eventually a question of the political will of Member Governments.

58. The provision of relief assistance, health services and educational facilities to the Palestine refugees in the Middle East is a task which should be considered to be the common responsibility of all the Members of the United Nations.



## V. CONCLUSIONS AND RECOMMENDATIONS

59. As stated in paragraph 44 above, the Working Group continues to assume that, as long as a just and lasting settlement of the problem of the Palestine refugees has not been achieved, UNRWA's services, in the form of relief assistance, health care and education, must be maintained at least at their present minimal level.

60. Although it has been possible to avoid any reductions in the Agency's services over the last two years, largely because of substantial additional voluntary contributions from some of the traditional contributing Governments and some new contributors, including assistance from some United Nations agencies and other intergovernmental organizations, the Working Group is duty-bound to point out and emphasize once again the gravity of the situation. The Agency's cash position remains precarious and the financial crisis has not been solved. The Working Group believes that a gap of approximately 10 per cent between contributions and required expenditures is likely to persist unless further and continuous efforts are made to secure the increased contributions necessary for the maintenance of UNRWA's activities at their present level.

61. The Working Group is convinced that the continuation of the present services rendered by UNRWA is dependent on voluntary contributions from Governments. Thus, there is general agreement in the Working Group that voluntary contributions from Governments, including contributions in kind, must continue to be the principal source of the Agency's funds.

62. Some members of the Working Group hold the view that UNRWA's budget should be totally or in part incorporated into the United Nations regular budget. Other Members of the Working Group hold the view that no part of the Agency's expenses should be transferred to the United Nations regular budget. If the mandate of the Working Group should be extended, the feasibility of such a transfer could be further discussed. However, it is clear that agreement could not be reached in the present circumstances.

63. In order to obtain increased contributions from all potential sources and thus ensure that no reduction in UNRWA's present services has to be envisaged in the immediate years to come, the Working Group considers it important that adequate information and public relations activities highlighting the humanitarian needs of the Palestine refugees be undertaken by appropriate existing information organs within the United Nations system, such as the Office of Public Information.

64. On the basis of the above general conclusions, the Working Group recommends that:

(a) Further efforts should be made to obtain contributions from those Governments which have not contributed in the past;

(b) Further efforts should also be made to obtain greater contributions from those Governments which have so far contributed inadequately;

/...

(c) Efforts should be made to ensure that the substantial contributions from the traditional contributors continue;

(d) Governments which have 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 next year and each succeeding year as early as possible;

(g) A special appeal should be made to Governments for immediate payment of pledged contributions which remain unpaid at the present time;

(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.

65. The Working Group has come to the conclusion that, in order to obtain the necessary increased voluntary contributions from Governments as well as contributions from other sources, further vigorous and constant fund-raising activities on behalf of the Agency, in close consultation with the Commissioner-General of UNRWA, are essential. This might be carried out:

(a) By the Secretary-General through means considered most suitable, including co-operation with interested Governments;

(b) By the Working Group, if its mandate is extended at least with regard to fund-raising;

(c) By an intergovernmental group set up for the purpose;

(d) In any other manner that the General Assembly might deem appropriate.

The Working Group would, however, refrain from making any specific recommendations on this matter.

ANNEX I

LETTER DATED 20 MARCH 1972 FROM THE SECRETARY-GENERAL TO  
ALL STATES MEMBERS OF THE UNITED NATIONS OR MEMBERS OF  
SPECIALIZED AGENCIES\*

Once again I must approach your Government for urgent help to the Palestine refugees. You will recall that the General Assembly at its last session demonstrated its grave concern over the financial plight of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) by unanimously requesting the Working Group on the financing of the Agency to continue its efforts in seeking ways and means to overcome the Agency's chronic deficit. The Group is now actively engaged in working out measures for short- and long-term financial support and, in particular, has launched a campaign for obtaining urgent contributions in cash and in kind. I fully endorse the efforts of the Working Group. While these efforts continue, UNRWA must receive adequate contributions in order to avert a crisis this year.

The Commissioner-General of UNRWA has informed me that, despite a generous response from some contributors, the Agency is still faced with a deficit of the order of \$4.5 million this year, including subsidies to Governments for health and education services to refugees. Because the Agency's cash position is now precarious as a result of a diminution of the working capital and there is a risk of financial collapse in the course of the year, the Commissioner-General has been obliged to propose that some reductions in services should be made at the earliest practicable date. The Governments that are hosts to the refugees are rightly alarmed at the prospect of reductions and are opposed to them. There can be no doubt that any reduction in the services of UNRWA, which are already at the bare minimum, would not only add to the hardships of the refugees but also contribute to instability in the area. In view of this danger, and confident that the international community will assume its responsibility for the support of the refugees, I have asked the Commissioner-General to postpone the proposed reductions for a little longer.

The education and health services together amount to nearly two thirds of the Agency's current budget of \$50.5 million and expenditure on them is almost entirely in cash. The major part of the assistance required must therefore be in cash, but contributions in kind of sugar, flour, rice, cooking oil and canned meat will also be welcome.

The General Assembly emphasized "the urgent need for extraordinary efforts and exceptional measures in order to maintain, at least at their present level, the activities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East". Therefore, after consultations with the Working Group and the

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\* Previously issued under the symbol A/8672.

A/8849  
English  
Annex I  
Page 2

Commissioner-General and with the support of the Advisory Commission of UNRWA, I address this appeal to Governments, as well as intergovernmental and non-governmental organizations and private sources, for urgent voluntary contributions.. A decision on reductions of services cannot safely be delayed beyond 31 May 1972 and pledges of contributions are required before that date.

I very much hope that your Government will give urgent consideration to this important matter and will find it possible to respond generously.

(Signed) Kurt WALDHEIM  
Secretary-General

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ANNEX II

LETTER DATED 7 APRIL 1972 FROM THE CHAIRMAN OF THE WORKING GROUP ON THE  
FINANCING OF THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE  
REFUGEES IN THE NEAR EAST TO ALL STATES MEMBERS OF THE UNITED NATIONS

I wish to refer to the appeal for urgent voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East which the Secretary-General sent to your Government on 20 March 1972.

The first substantial response has come from the Government of Norway. The Permanent Representative of Norway has announced that his Government has decided to grant UNRWA an extraordinary contribution of approximately \$150,000. This donation is in addition to a special contribution which the Norwegian Government volunteered to pay during the Pledging Conference held on 30 November 1971.

The Working Group at its 24th meeting on 28 March 1972 unanimously adopted a vote of thanks for this generous action. It has also expressed the hope that this response will be soon followed by others. In this connexion, I would like to call your attention to the Secretary-General's letter, "That a decision on reductions of services cannot safely be delayed beyond 31 May 1972 and pledges of contributions are required before that date".

(Signed) Nuri EREN  
Ambassador  
Chairman  
Working Group on the Financing of UNRWA

ANNEX III

CONTRIBUTIONS TO UNRWA FOR 1971 AND PLEDGES  
AND EXPECTED CONTRIBUTIONS FOR 1972

(In United States dollars)

I. <u>Government contributions</u>	<u>1971</u>	<u>1972</u>
Abu Dhabi . . . . .	110,000	<u>a/</u>
Argentina . . . . .	125,000	-
Australia . . . . .	213,014	217,880
Austria . . . . .	20,000	30,559
Bahrain . . . . .	10,000	10,000
Belgium . . . . .	506,762	381,000
Cameroon . . . . .	-	5,000
Canada . . . . .	1,330,150	1,554,550
Chile . . . . .	2,000	1,000
China <sup>b/</sup> . . . . .	30,000	-
Cyprus . . . . .	731	781
Dahomey . . . . .	-	250
Democratic Yemen . . . . .	-	750
Denmark . . . . .	714,612	897,323
Dubai . . . . .	20,000	20,000 <sup>c/</sup>
Federal Republic of Germany . . . . .	3,475,889	3,806,913
Finland . . . . .	197,500	185,000

a/ The 1972 contribution is included with the contributions from the United Arab Emirates reported in this table.

b/ Received prior to 25 October 1971. By resolution 2758 (XXVI) of 25 October 1971, the General Assembly, inter alia, decided "... to restore all its rights to the People's Republic of China and to recognize the representatives of its Government as the only legitimate representatives of China to the United Nations, and to expel forthwith the representatives of Chiang Kai-shek from the place which they unlawfully occupy at the United Nations and in all the organizations related to it".

c/ See also "United Arab Emirates".

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(In United States dollars)

	<u>1971</u>	<u>1972</u>
France . . . . .	1,445,348	492,000
Gaza authorities . . . . .	88,728	77,846
Ghana . . . . .	3,500	4,000
Greece . . . . .	16,000	171,000
Holy See . . . . .	2,500	2,500
Iceland . . . . .	10,000	10,500
India . . . . .	15,333	16,000
Indonesia . . . . .	-	5,000
Iran . . . . .	23,030	18,000
Iraq . . . . .	125,000	100,000
Ireland . . . . .	60,000	65,000
Israel . . . . .	454,030	462,383
Italy . . . . .	187,921	198,659
Japan . . . . .	550,000	761,718
Jordan . . . . .	194,607	196,348
Kuwait . . . . .	400,000	400,000
Lebanon . . . . .	50,810	64,045
Liberia . . . . .	5,000	7,000
Libyan Arab Republic . . . . .	250,000	300,000
Luxembourg . . . . .	4,000	5,000
Madagascar . . . . .	-	586
Malaysia . . . . .	1,500	1,500
Monaco . . . . .	180	192
Morocco . . . . .	76,442	48,946
Netherlands . . . . .	176,471	191,069
New Zealand . . . . .	69,172	72,960
Niger . . . . .	450	-
Nigeria . . . . .	5,600	5,600
Norway . . . . .	600,696	691,371
Oman . . . . .	10,000	10,000

(In United States dollars)

	<u>1971</u>	<u>1972</u>
Pakistan . . . . .	20,969	20,863
Panama . . . . .	500	500
Philippines . . . . .	-	1,250
Qatar . . . . .	32,000	32,000
Republic of Korea . . . . .	5,000	10,000
Republic of Viet-Nam . . . . .	3,000	3,000
Romania . . . . .	5,555	5,555
Saudi Arabia . . . . .	297,000	347,000
Senegal . . . . .	-	3,988
Singapore . . . . .	1,000	1,500
Spain . . . . .	782,513	744,500
Sri Lanka . . . . .	1,000	1,000
Sudan . . . . .	2,870	5,740
Sweden . . . . .	2,449,864	3,000,000
Switzerland . . . . .	877,671	1,012,319
Syrian Arab Republic . . . . .	88,145	88,000
Thailand . . . . .	-	8,250
Trinidad and Tobago . . . . .	1,500	1,630
Tunisia . . . . .	5,000	6,000
Turkey . . . . .	15,000	15,000
United Arab Emirates . . . . .	-	200,000
United Kingdom of Great Britain and Northern Ireland . . . . .	4,512,000	4,886,250
United States of America . . . . .	22,980,523	23,876,000
Yugoslavia . . . . .	20,000	25,000
TOTAL	<u>43,683,896</u>	<u>45,785,574</u>



(In United States dollars)

II. <u>Intergovernmental organizations</u>	<u>1971</u>	<u>1972</u>
UNESCO . . . . .	450,216	560,000 <sup>d/</sup>
UNICEF . . . . .	-	10,000
FAO/World Food Programme . . . . .	1,259,290 <sup>e/</sup>	-
WHO . . . . .	119,197	133,000 <sup>f/</sup>
European Economic Community . . . . .	239,500	1,269,000
TOTAL	2,068,203	1,972,000
III. <u>Non-governmental sources</u>	969,638	1,095,000
IV. <u>Miscellaneous income and exchange adjustments</u>	954,142	450,000
GRAND TOTAL	47,675,069	49,302,574

<sup>d/</sup> Includes \$138,000, representing 1972 income from the UNDP contract with UNESCO for assistance to the Institute of Education.

<sup>e/</sup> These are the certified figures as included in UNRWA's accounts for 1971. This amount, though not a direct contribution to UNRWA, represented 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 food-stuffs, including freight and related charges, at official WFP valuations, was \$2 million.

<sup>f/</sup> Includes \$5,543 in respect of contributions to WHO from Cyprus - \$247, Malta - \$267, Nigeria - \$2,995, and Trinidad and Tobago - \$2,034, in response to World Health Assembly resolution WHA24.32 of 18 May 1971.