



Report on the discussions of the

“Expert Panel on Rethinking the Financing of UNRWA, 2020-2030”

- ❖ *The decision in 2018 by the previous US Administration to cut its contributions as the largest and longest-standing donor to UNRWA highlighted the fragility of the support of the international community towards Palestine refugees and its political conditionality. UNRWA survived that shock, and the US has re-joined the international consensus regarding the Agency’s legitimacy, albeit in the framework of an updated set of funding conditions. A wide-ranging discussion amongst donors and UN member states continues about the nature and scope of their long-term commitment to funding the agency. The existing financial model of voluntary contributions by individual states is under scrutiny and alternatives are being explored.*
- ❖ *Over the past six months, the **Palestinian Economic Policy Research Institute (MAS)** with its partner, the **Heinrich Böll Foundation – Palestine and Jordan**, convened a series of workshops comprising an ad-hoc Panel of Experts to explore options regarding the future funding of UNRWA. The purpose was to identify funding models for UNRWA which will protect the rights of Palestine refugees and services to which they are entitled, and to ensure the Palestinian perspective and voice is heard clearly. The Panel comprised distinguished Palestinian and international scholars and practitioners from a variety of disciplines and arenas of engagement in refugee issues (names and titles listed further below).*
- ❖ *Topics discussed in depth included: a better understanding of the core services provided by UNRWA compared to the full spectrum of refugee needs; the potential of increased funding from the private sector and broad public; increasing the income from the UN central funds; UNHCR’s experience of fund-raising in the field of Islamic philanthropy; the feasibility of establishing a link between confiscated Palestinian refugee property and the funding of UNRWA activities directly benefitting refugees, and the potential of the green economy in supporting refugee communities. Other topics were also noted as requiring further discussion, including the idea of a “social compact” with UN member states and the possible role of a substantial long-term World Bank loan.*
- ❖ *In the light of recent renewed steps by key donors, such as the US, to impose intrusive conditions on the use of their funds and hence on the activities of UNRWA, these discussions initiated by **MAS** and **hbs Palestine and Jordan** are opportune and highly relevant. They offer an opportunity to establish the primacy of the political nature of the solution to the Palestinian refugee issue but at the same time to explore and understand the complexity of the way forward.*



MAS and **hbs Palestine and Jordan** are jointly issuing this summary report of the discussions of the Expert Panel, which does not necessarily reflect the individual positions of the participants or those of the convening institutions.

1. Maintaining UNRWA's mandate to provide basic services to Palestine refugees, as reiterated by the international community for 70 years, is integral to upholding their legitimate rights which are also enshrined in international law, in particular UNGA Resolution 194.
2. UNRWA is constrained by its General Assembly mandate to focus mainly on providing humanitarian services to Palestine refugees. While this is interpreted broadly to also include the protection of refugee rights, and notwithstanding the political representation of the UN in the International Quartet, UNRWA is not empowered to advance political efforts in finding a just solution to the refugee question.
3. Therefore, a key concern is that most of the proposals to supplement and develop the current funding model, inherently imply continued prioritization of the humanitarian dimension of UNRWA's mandate and activities and a political solution is constantly being delayed. It is true that some of the proposals will offer scope for increased advocacy and campaigning for refugee rights, but it is also likely that these activities will be confined to the margins of the Agency's core work.
4. There is legitimate concern that a shift towards non-official, i.e., non-state, funding for UNRWA risks eroding the link between the legal responsibility of the international community and the resolution of the Palestine refugee issue. As a political solution is essential, maintaining a strong engagement of UN member states is critical in arriving at an agreed solution, and their contributions have been a demonstration of that engagement. Hence new non-state funding directed to UNRWA should be considered as being *additional* to the official state funding of UNRWA existing core services.
5. Increasing the contribution to UNRWA from the UN central funds is a complex decision, though there is wide consensus that there is a strong political and humanitarian imperative for this. The valuable advantage of providing a predictable income for UNRWA is balanced by the disadvantage that a substantial proportion of UNRWA's budget will then become susceptible to the internal politics of the UN and to greater conditionalities by major players in the UN system. It may also alienate other UN agencies who contribute to UNRWA's budget and many member states who are strongly opposed to any increase.
6. Fund-raising through Islamic philanthropy (eg. *waqf*, *zakat*, *sadakah*, etc.) has shown great potential in other contexts, but the estimated amounts are still modest in comparison to the voluntary contributions by member states and can only be additional to them. Not all of these modalities are suitable to the sort of services



UNRWA provides (eg. *waqf* is usually related to assets or property and may incur onerous management costs). Additional concerns are that tapping the broad Islamic philanthropy public for UNRWA related programs could have a negative impact on the funds available to Palestinian civil society, whose range of donors is becoming increasingly small. Other questions concern whether the conservative nature of such sources of funding might challenge the advances in gender equality adopted by UNRWA.

7. The idea of establishing a link between confiscated Palestinian refugee property and the funding of UNRWA activities in ways which directly benefit refugees was also discussed. For advocacy purposes there is a stark contrast to be highlighted between the scale and value of the material dispossession of refugees and the deprivation they continue to live even with the benefit of UNRWA services. However, any linkage that separates individual or collective refugee property and compensation rights from the existing international legal position is unacceptable.
8. Beginning this month, the Special Political and Decolonization (Fourth) Committee of the United Nations General Assembly will deliberate (for nearly the seventieth consecutive year) its standing Agenda Item 54 reviewing the work and financing of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA). This provides an occasion for renewed diplomatic and political efforts to advocate for sustainable financing of UNRWA from the regular budget of the UN.
9. It should also be recalled that the UN Conciliation Commission on Palestine (UNCC), established after 1948 to register and manage Palestine refugee assets, continues to “report” annually to the UNGA Special (Fourth) Committee on Decolonization stating repeatedly that it has “nothing new to report since its last report”. This reflects a bureaucratic and insensitive approach to a fundamental issue of refugee rights. Instead, such a body could be empowered through diplomatic initiative to advocate for and demand attention to the refugee assets confiscated and managed by the State of Israel.
10. A strategy of pro-active engagement on these issues by key stakeholders is needed over the question of refinancing UNRWA, specifically through continuing to engage with UNRWA within a credible forum for study, constructive criticism and encouragement in the search for appropriate financing models for supporting Palestine refugees. The work of the Expert Panel could continue in 2022 to explore such options in more detail, including possible research on the disposition of confiscated refugee property and the feasibility of utilising Green Economy initiatives as part of refinancing UNRWA.

Details of the workshop presentations and summaries may be found at
www.mas.ps/unrwa.



Participants in the MAS-hbs Expert Panel¹

- 1) Anis Kassim, Policy Advisor, *Al-Shabaka*
- 2) Bettina Marx, Director, HBS Jordan-Palestine
- 3) Diana Buttu, Political Analyst, Institute for Middle East Understanding
- 4) Feda Abdelhady-Nasser, Ambassador, Deputy Permanent Observer of the State of Palestine to the UN
- 5) Francesca Albanese, Lawyer, Arab Renaissance for Democracy and Development, Amman.
- 6) Helga Baumgarten, Political Scientist, Birzeit University
- 7) Jalal Al Hussein, Associate Research Fellow, Institute Francais Proche Orient
- 8) Khaled Khalifa, Senior Advisor, UNHCR Representative to the Gulf Cooperation Council Countries.
- 9) Leila Hilal, formerly Senior Policy Advisor, Executive Office, UNRWA currently at The Carter Center, USA.
- 10) Lubnah Shomali, Advocacy Manager, BADIL Resource Center for Palestinian Residency and Refugee Rights
- 11) Marc Lassouaoui, Director of Partnerships Division, UNRWA
- 12) Matthias Burchard, Director of the UNRWA Representative office to the EU
- 13) Mehdi Zidani, Private Sector Partnerships Officer, UNHCR
- 14) Michael Fischbach, Professor of History, Professor of History, Randolph-Macon College
- 15) Michael Dumper, Professor in Middle East Politics, Exeter University
- 16) Mohammad Al Tarawneh, co-founder of *Al Tarawneh* Law firm
- 17) Mouin Rabbani, co-editor of *Jadaliyya*
- 18) Naif Al Obaid, Senior External Relations and Projects Officer, UNRWA
- 19) Oboardo Como, Head of Economic Cooperation, EU delegation Palestine
- 20) Oroub El Abed, Principal Investigator in Jordan for the Center for Lebanese Studies
- 21) Rabeh Morrar, Director of Research, MAS
- 22) Raja Khalidi, Director General, MAS
- 23) Riham Halaseh, Program Coordinator, HBS
- 24) Salim Tamari, Senior Researcher, Institute of Palestine Studies
- 25) Sam Rose, Director of Planning, UNRWA
- 26) Taghreed El Khodary, Palestinian Journalist
- 27) Wafa Abdel Rahman, founder and director of *Filastiniyat*, chief editor of *NAWA*
- 28) Yara Hawari, Senior Analyst, *Al-Shabaka*.

¹ Attended one or more of the workshops, listed alphabetically by first name.