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PALESTINE ECONOMIC POLICY
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Background Paper

Round Table (5)



**Palestinian Refugees Perspectives on Options for
Sustainable Financing of UNRWA**

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MAS

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Palestinian Refugees Perspectives on Options for Sustainable Financing of UNRWA

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 **HEINRICH BÖLL STIFTUNG**
PALESTINE AND JORDAN

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Michael Dumper

Key Messages

General

1. The funding crisis for UNRWA is more acute than ever before. In the light of the other demands on humanitarian aid of UN member states, and of the risks of a new US Administration in 2024 once again cutting its contributions to UNRWA, the crisis can only become more serious.
2. For mainly political and financial stability considerations, the existing funding model of UN member states voluntary contributions should remain the basis of funding for UNRWA for the foreseeable future. Alternative sources of funding should continue to be sought but these will be supplementary.
3. Policymakers and UNRWA should adopt a twin-track approach to the funding crisis: a) continue attempts to cover the budgetary gaps through increases in voluntary contributions and the alternative sources of funding, b) embark on longer term strategies focused on durable solutions identified in this paper.

Specific

1. Increased allocations from the UN Regular Budget (assessed dues): This is welcomed as a sign of the seriousness of the UN's ongoing commitment to the Palestine refugees and also as a means of assisting UNRWA in its planning and achieving efficiencies in its operations. It should not be to the detriment of engaging member states in supporting UNRWA directly as this represents a political commitment which is also of great value whilst a political solution is being sought.
2. The role of the private sector: Additional funds from the private sector to supplement the core activities of UNRWA is also welcomed, but any shift away from member state funding should be balanced by greater pressure on their governments to find more durable solutions for Palestine refugees.
3. Islamic Philanthropy: This is a positive way to tap into a new and potentially extensive funding source to fund additional activities, but it should not be a vehicle for any dilution of UNRWA's adherence to universal values or imply establishing a mechanism which indicates permanence and an abandoning of a durable solution for Palestine refugees.
4. The Green Economy: This points to an effective way of not only cutting costs and safeguarding a degree of operational autonomy but also providing opportunities for a healthier environment, but a much greater and more comprehensive plan of action should be envisaged.
5. Refugee Assets and UNRWA: This is a longer-term option that requires a radical change in the political environment. Nevertheless, it should be maintained on the agenda as it has great advocacy value in retaining the link between the dispossession that took place in 1948 and the current status of exile and refugeedom.
6. UNCCP, Global Compact on Refugees, UN Trusteeship: These are also long-term options that should not be abandoned, but need further exploration and deliberation now.



Introduction

In 2020, at the height of the United States Administration funding cuts and campaign against UNRWA, MAS invited the author to present a Background Paper to one of its regular Roundtable sessions entitled *The Future of UNRWA in the face of Financial Challenges and Political Pressure*.¹ The paper led to the establishment of an Expert Panel, with the support of Heinrich Boll Stiftung (Jordan and Palestine) and related workshops, which produced a series of further studies on specific elements in the search for alternative models and sources for the funding of UNRWA.² A subsequent study, commissioned by MAS, also in 2022, was focussed on exploring Palestine refugee perspectives on the funding discussions in greater detail and its findings will also be incorporated into the paper, also presented publicly and discussed with stakeholders.³

This Background Paper is, in essence, a stock-taking exercise of the past three years of in-depth consultations between MAS, the experts who have been engaged and the relevant stakeholders – UNRWA, donors, Palestine refugees and Palestinian civil society. It synthesizes the papers and documents that were circulated and presented and updates them as relevant. It also reviews the observations made during these discussions and examines the conclusions drawn. The paper explores in greater depth and with the benefit of hindsight, some of the options that were highlighted in previous work. In particular, it focuses on the role of international financial institutions (IFIs), Islamic philanthropy, the Green Economy and the possible link between UNRWA funding and confiscated Palestine refugee assets.

Since the work of the MAS Expert Panel was completed in 2021, this Background Paper will also include an updating of other contributions since then, including two important new reports published in late 2022: the first commissioned by UNRWA, and the second by the Norwegian Ministry of Foreign Affairs.⁴ The main purpose of this paper is to reassert the Palestine refugee voice in discussions on future options regarding the financing of UNRWA.⁵

1 Dumper, M., *The future of UNRWA in the face of financial challenges and political pressure*. Roundtable Briefing Paper (Palestine Economic Policy Research Institute, August 2020) http://www.mas.ps/category.php?id=b607y46599Yb607&c_type=2 :

2 See MAS website for summaries of these studies and the documents used: <https://mas.ps/en/publications/4249.html>

3 Dumper, M., Buttou, D., Al-Husseini, J. and Rabbani, M. (2022). *Financing of UNRWA 2020-2030 from a Palestinian Refugee Perspective: Strengthening Refugee Rights under the Current Model of Member State Contributions*. Palestine Economic Policy Research Institute – MAS. Available online at: <https://mas.ps/en/publications/7047.html>

4 Bocco, Riccardo & Fritz Froehlich eds. (2022), *UNRWA and the Palestine Refugees: Challenges for Developing a Strategic Vision*, The Graduate Institute Geneva. See also: Berg, K., Jensehaugen, J., and Tiltnes, Age, (2022) *UNRWA, funding crisis and the way forward*. Chr. Michelsen Institute (CMI)

5 It is important to recognise that defining Palestine refugees and attempting to encapsulate a collective refugee perspective is a complex task. There are approximately 6 million refugees who are registered with UNRWA in its five areas of operation- Syria, Lebanon, Jordan, the West Bank including Jerusalem and the Gaza Strip - but there are many other Palestinians, possibly another 2 million, who have been exiled or internally displaced but are not formally registered with UNRWA. Only approximately half of UNRWA registered refugees live in UNRWA-run camps. See definitions on the UNRWA website. Clearly such a geographical spread will foster a wide range of perspectives and points of emphasis. Politically, the representation of refugees is also very diverse and fragmented. UNRWA employees reflect a cross-section of Palestinian views but cannot be said to represent refugees as a whole. The Expert Panel convened by MAS and the Heinrich Boll Stiftung for its workshops in 2021 was selected to reflect this heterogeneity.

Part One: The Crisis Facing UNRWA

What is the Problem?

1. That UNRWA is facing a financial crisis is well-known. Neither is it a new phenomenon⁶. UNRWA has rarely had sufficient funds to meet all its commitments and over the seven decades of its existence there have been repeated occasions where it has been under pressure to undertake austerity measures and drastically reduce its services to Palestine refugees.⁷ These regularly lead to protests by employee and teacher unions, beneficiaries and civil society, unfairly casting UNRWA as the villain in a play over which it has not real control. The difference between these crises in the past and the current crisis is twofold.
2. First, due to the increase in the Palestine refugee population and globally rising food and energy costs, the real expenditures of UNRWA are also so much greater, so that the budget gaps are also of a much greater magnitude. The additional funds required and the pressure to solicit them in a timely and sufficient manner are therefore also greater.
3. Second, the political context in which the agency operates has also shifted significantly - to the extent that the very *raison d'être* of UNRWA itself is being questioned openly by influential actors, including by some of the main traditional donors. Thus, the financial shortfalls UNRWA has experienced during the past few years are both larger and are also taking place in a less supportive political environment.
4. Currently UNRWA requires approximately \$1.6 billion annually to meet its commitments in health, education, hardship cases, camp infrastructure and emergency aid. Over the past five years, despite an overall increase in contributions, the shortfall has been approximately \$0.3 billion annually, despite cost-cutting measures such as high vacancy rates, lack of capital investment (replacement of vehicles, furniture, IT etc.) and efficiency savings.⁸ These shortfalls have been met through a variety of accounting techniques, such as bringing future commitments forward, reframing some expenditures as emergency expenditures or project funding.⁹ But these are all short-term responses which cannot continue to be applied on annual basis and, more importantly, do not meet the ever-increasing needs of a growing refugee population living in an ever-increasing volatile and hostile regional environment. To dismiss as alarmist the more strident statements of the Commissioner-General of UNRWA, Philippe Lazzarini, that warn of the possible collapse of UNRWA in the face of declining funds and political opposition, is to fail to grasp the gravity of the current (existential) crisis facing UNRWA.¹⁰

6 Berg. K. Jensehaugen, J., and Tiltnes, Age, (2022) UNRWA, funding crisis and the way forward. Chr.Michelsoen Institute (CMI) p.25.

7 See Jalal AL Husseini and Joseph Saba, "UNRWA's contribution to Socio-Economic Stability" in Bocco, Riccardo & Fritz Froehlich eds. (2022), UNRWA and the Palestine Refugees: Challenges for Developing a Strategic Vision, The Graduate Institute Geneva, pp 56ff.

8 UNRWA managers are keen to stress that the core services it delivers have not been reduced and the budget cuts have fallen on emergency and project work. At the same time, the "value for money" criterion beloved by donors is likely to have resulted in poorer quality services.

9 UNRWA also has taken out loan contracts with the UN Central Emergency Response Fund. See UNCERF, (March 2018) Exceptional Allocation Of US\$30 Million From The UN's Emergency Response Fund (CERF) Will Sustain UNRWA's Life-Saving Work. Available online at:<https://cerf.un.org/news/press-release/exceptional-allocation-us30-million-uns-emergency-response-fund-cerf-will>

10 The gravity is even more underlined by the strong opposition to UNRWA in the US Republican Party. A further cessation of US contributions to UNRWA after either the next elections in 2024 or in 2028 is almost a certainty.



International Context

5. The context in which UNRWA is operating has always been unpredictable and the agency has developed considerable expertise in navigating through international and regional impacts on the Palestine refugee population. Yet, more recent developments have stacked up to render its task even more difficult.
6. The collapse of the Middle East Peace Process and the failure to offer a clear political horizon in which Palestine refugees can attain recognition of their rights and restitution and/or reparations for their losses, have placed UNRWA in the invidious position of maintaining the status quo on behalf of the international community, indefinitely, but without the corresponding financial commitment from the international community to do so. This is despite the repeated renewal of its mandate every three years and with near unanimous support by the UN General Assembly.¹¹
7. In addition, the broader regional context of the fragmentation of the Palestinian leadership into rival blocs, the civil war in Syria, a reorientation of some wealthy Arab states towards some accommodation with Israel, a Saudi Arabian-Iranian rapprochement, and increased political instability resulting from growing migration flows, are all momentous shifts eclipsing the salience of the Palestinian-Israeli conflict on regional and international agendas and thus the situation of Palestine refugees.
8. Internationally, the dramatic impact of the climate emergency, the war in Ukraine and the proxy tussles for super-power dominance between China and the US are also affecting the Palestine refugee issue's placement on the agenda of international diplomacy, with a perceptible decline across recent years. This decline is taking place at the same time as the World Bank estimates there has been an increase of over \$20 billion in development assistance to the Middle East and North Africa region between 2012 and 2022.¹² If mobilizing international support to advance a political solution to the Palestine refugee issue is constantly being deferred – as it is – then, mobilizing international support to resolve UNRWA's financial problems is simultaneously proving harder and harder to achieve.

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Recent responses by the UN and international community

9. The most recent phase of engagement by the UN in the financial challenges facing UNRWA could be said to have started in 2015. During the summer of that year, the then Commissioner-General of UNRWA, Pierre Krahenbuhl, dramatically announced that, due to a severe shortfall in the budget, UNRWA schools would not be able to re-open for the academic year 2015-16. The prospect of over half a million students spilling onto the streets of a volatile region and nearly 20,000 teaching staff being rendered unemployed - with the knock-on effect on the local economies - created a period of panic among the host countries and the donor community.
10. While the issue was resolved in the short-term, the Commissioner-General's announcement bumped the issue of the funding of UNRWA back up the international agenda. In December 2016, the General Assembly requested the Secretary-General to carry out consultations to “ensure that the Agency's funding is sufficient, predictable and sustained for the duration of its mandate”, and to report back by March 2017.¹³

11 The UNGA renewed UNRWA's mandate in December 2022 for another three years.

12 World Bank <https://data.worldbank.org/indicator/DT.ODA.ALLD.CD?locations=ZQ>

13 The full text of the relevant paragraph reads: (emphasis added) “34. Requests the Secretary-General to facilitate broad consultations with Member States, notably host countries, members of the Advisory Commission and other donors, as well as with international financial institutions, to explore all potential ways and means, including through voluntary and assessed contributions, to ensure that the Agency's funding is sufficient, predictable and sustained for the duration of its mandate, and requests the Secretary-General to report on the conclusions

11. A Steering Group to carry out consultations was established, to be chaired by Switzerland (with Turkey as Vice-Chair), and a series of recommendations were presented. These have formed the basic framework for the UN and UNRWA's attempts to secure the future funding of the Agency.¹⁴ A key recommendation that would ensure the financing of UNRWA remained a live issue in the UN was: UNRWA should report back to the Secretary-General, annually, on what progress it had made "on the Agency's financial situation with an explanation of the resource mobilization efforts under way to overcome any operational shortfalls".¹⁵
12. As a result of these decisions, a concerted effort by UNRWA senior management and by the UNRWA Advisory Commission, comprising host countries and donor countries, to address the funding of UNRWA has been since underway. Despite no breakthrough in identifying additional and more predictable funding streams, this collective focus proved to be essential when, in 2018, the US Administration ceased funding for UNRWA for four years. This reduced the Agency's annual budget by 30% and without other key donors, primarily the European Union and Germany, stepping in to assist, UNRWA's ability to deliver its core services would have been severely curtailed. The restoration of US funding – albeit at a reduced rate - after the 2020 elections that brought in a less hostile Administration, allowed UNRWA to continue to "muddle through" while its efforts to find alternative funding streams are given time to produce results.¹⁶

Palestine Refugees and the Crisis Facing UNRWA

13. Part 2 of this paper explores in more detail Palestine refugee responses to specific proposals being offered to mitigate the funding crisis in UNRWA. To frame Part 2, this section outlines some perspectives of a more general nature.

UNRWA and the Middle East Process

14. Palestine refugee perspectives in the current funding crisis should be seen in the context of the aims of Middle East Peace Process (MEPP) which was to establish the conditions for an Israeli and a Palestinian state to live alongside each other, and for a permanent status accord that would resolve among other issues, the rights of Palestine refugees.. The predominant view among Palestine refugees is that the main impact of the MEPP on the specific refugee question has been, in effect, to marginalize it, with many perceiving the search for a just solution to their plight as having been replaced by the quest for the establishment of a Palestinian state in the occupied Palestinian territories.
15. Nevertheless, given the alternatives, and despite the limitations on UNRWA's ability to advance a durable solution that achieves Palestine refugee rights, the Agency remains the only international body positioned to safeguard those rights by embodying them in the humanitarian services it provides, pending, as repeatedly reaffirmed by the UN General Assembly, the achievement of a just solution to their plight. Indeed, Israeli and other declaimers of Palestine refugee rights target an end to UNRWA services as meaning an end to any refugee status for any of the estimated 7 million Palestinians around the world. So UNRWA's status goes beyond that of a humanitarian service provider, and cannot escape its symbiotic relation to the Palestine refugee question itself.

of those consultations and recommendations to the General Assembly by March 2017 for its consideration, without prejudice to the advice of the relevant committees." Resolution adopted by the General Assembly on 6 December 2016 .71/93. Operations of the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

14 Report of the Secretary-General, Operations of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, Seventy-first session, agenda item 49, United Nations Relief and Works Agency for Palestine Refugees in the Near East, 30 March 2017, UN Doc. A/71/849.

15 Ibid.; Para 57.

16 The term "muddle through" has had an interesting evolution. The author believes that it was first used in a presentation on his Report for DFID in 2016. (Dumper, Michael (2016), Challenges facing UNRWA in an Uncertain Future, (DFID, March, London) Unpublished.) It then percolated through the discourse of UNRWA senior management to emerge in the Norwegian paper on UNRWA's funding crisis. (See Berg, K., Jensehaugen, J., and Tiltne, Age, (2022) UNRWA, funding crisis and the way forward. Chr. Michelsen Institute (CMI) pp. 28-29) It has since been used frequently in the Statements by Commissioner-General Philippe Lazzarinni. A search on the UNRWA website shows that the term was used in Statements on 14th November, 2022; 24th January 2023; 2nd and 23rd June, 2023. <https://www.unrwa.org/search/google/muddle%20through#gsc.tab=0&gsc.q=muddle%20through&gsc.sort=>

UNRWA's Mandate

16. In some refugee quarters, the fact that UNRWA is not mandated to advance a political solution has led to demands that UNRWA's operational mandate should be amended in order to assign it a role in the international community's search for durable solutions. MAS's own research and deliberations suggests that these demands should be viewed with caution as there are too many pitfalls and drawbacks in the current political environment, openly hostile or indifferent to Palestinian aspirations.¹⁷ Given that the renewal of the Mandate has to some extent become almost automatic, the most that might be hoped for, in the current ambiguous political climate, is to ensure that, first, UNRWA's mandate is simply renewed and, second, that the donor states are encouraged to interpret that mandate more positively in favour of promoting durable solutions - with UNRWA being given a role in doing so.
17. The degree to which Palestine refugees receiving UNRWA services recognise the financial and political challenges facing UNRWA is the subject of some debate. The recent wave of strikes by UNRWA employees in 2023 heightened the gap in priorities of those identified by UNRWA senior management and the refugees themselves. The strikes also made it clear that there is considerable anger amongst Palestine refugees who perceive that the international community, as embodied by UNRWA, has eroded the scope of services to refugees. There seems to be important educational and awareness space to be filled in better informing the Palestinian public what UNRWA is and what it cannot be.

Changing International Legal Context

18. Nevertheless, in some refugee quarters there are calls for opportunities to be grasped that may mitigate the impact of these challenges. For example, activists and legal experts in the refugee community point to the growing international legal consensus regarding the discriminatory policies applied by the Israeli occupation authorities.¹⁸ They highlight that the International Court of Justice has declared that Israel's actions are "tantamount to de facto annexation" and the Special Rapporteur on the situation of human rights in the Occupied Palestinian Territory to conclude that Israel's actions have "crossed a red line into illegality".¹⁹
19. The significance of the shift from occupation law to focusing on prolonged occupation, settler colonialism or apartheid is not merely one of semantics: according to international law, occupation "is a lawful regime, tolerated by the international community but not approved", colonialism and apartheid, on the other hand, are illegal. This shift in international legal and humanitarian circles provides, they argue, an opening for donor states to re-assess the over-cautious and timid funding priorities which have resulted in the prioritization of humanitarian aid, while remaining silent on advancing Palestine refugee rights.²⁰

This shift in international legal and humanitarian circles provides...an opening for donor states to re-assess the over-cautious and timid funding priorities.

17 Dumper, M., Buttu, D., AL Hussein, J. and Rabbani, M (2022). The Financing of UNRWA 2020-2030 from a Palestinian Refugee Perspective: Strengthening Refugee Rights under the Current Model of Member State Contributions. (Palestine Economic Policy Research Institute (MAS)). Available at: <https://mas.ps/en/publications/7047.html> . See pp. 4-6.

18 In January 2021, Israeli human rights group B'Tselem released its report on Israeli apartheid. See B'Tselem (2021) A regime of Jewish supremacy from the Jordan River to the Mediterranean Sea: This is apartheid. https://www.btselem.org/publications/fulltext/202101_this_is_apartheid. See also Human Rights Watch (2021) (2021) A Threshold Crossed: Israeli Authorities and the Crimes of Apartheid and Persecution <https://www.hrw.org/report/2021/04/27/threshold-crossed/israeli-authorities-and-crimes-apartheid-and-persecution> In February 2022, Amnesty International, released its report on Israeli apartheid practices. Israel's apartheid against Palestinians: Cruel system of domination and crime against humanity. February 1, 2022 Index Number: MDE 15/5141/2022 .<https://www.amnesty.org/en/documents/mde15/5141/2022/en/>

19 <https://www.un.org/unispal/document/special-rapporteur-on-situation-of-human-rights-in-the-opt-presents-report-to-third-committee-press-release-ga-shc-42730-excerpts/>
A condensed version of the report can be found at: <https://www.ejiltalk.org/prolonged-occupation-or-illegal-occupant/>

20 Dumper, M., Buttu, D., AL Hussein, J. and Rabbani, M (2022) Dumper, M., Buttu, D., AL Hussein, J. and Rabbani, M (2022). The Financing of UNRWA 2020-2030 from a Palestinian Refugee Perspective: Strengthening Refugee Rights under the Current Model of Member State Contributions. (Palestine Economic Policy Research Institute (MAS)). Available at: <https://mas.ps/en/publications/7047.html> pp.12-14

20. Another opportunity emerging in the changing international legal framework regarding refugees is in the form of the 2018 Global Compact on Refugees whose application to the Palestine refugee situation needs to be explored more concretely.²¹ See Part 2 below.

The Danger of Normalising Refugeehood

21. The need for predictable income to ensure that the Agency is given the means to plan and operate efficiently and effectively in the form of multi-year funding commitments by donor states also has various viewpoints. One view sees such commitments as running the very serious risk of “regularising” or normalising their displacement and refugeehood and thus reducing its salience on the international agenda. Another view sees multi-year agreements as essential mechanisms for tying the international community more closely to the refugee issue pending a political solution.

22. One area of great concern which injects much suspicion and lack of trust in the intentions of the Agency is the way UNRWA has sought to ensure that its staff and facilities are not deployed in ways which would undermine the UN Principles of Neutrality²². The importance of ensuring that funding is not directed to criminal or violent ideologies is generally accepted by the refugee communities across UNRWA’s area of operations.

23. Nevertheless, there is a strong concern that donor sensitivities on this issue are preventing an appropriate and effective articulation of Israel’s responsibility for Palestinian displacement and the continuation of their exile. This framing equates the position of Israel as a coloniser with those of dispossessed Palestine refugees. The concept of neutrality is often seen by the refugee community as a violation of their right to express their national identity including their right as refugees to return to their homes²³.

Part Two: Palestine Refugee Perspectives on Alternative Funding Streams

24. The data for this part of the paper is based upon a MAS and Heinrich Boll Stiftung (Jordan and Palestine) project to explore Palestine refugee reactions to the discussions taking place between UNRWA and the donor and host communities regarding the future funding of UNRWA. In 2021 a series of workshops were held to which a range of Palestine refugees, politicians and activists were invited to present papers and to contribute to the discussions. International experts and scholars were also invited to present papers and to participate²⁴.

25. The most sobering take-away from these workshops was the realisation that there is not one singular option that will easily replace the current model of funding for UNRWA, that is: the voluntary contributions

21 Lilly, D., (2021) Palestinian refugees and the Global Compact on Refugees, Refugee Studies Centre, Working Paper Series No 136; See also Albanese, Francesca & Ardi Imseis, Ardi, “ The UN Mandate Toward Palestinian Refugees: The Legal Imperatives of a Moral Responsibility”, in Bocco, Riccardo & Fritz Froehlich eds. (2022), UNRWA and the Palestine Refugees: Challenges for Developing a Strategic Vision, The Graduate Institute Geneva, pp. 35-38.

22 We should note that regardless of the UN agency, all UN staff sign off on a commitment to be neutral while being employed by that agency. As such, an UNRWA staff member is no different from that of a World Food Programme or UNHCR staff member. Despite the fact that 95% of UNRWA staff have completed an e-Training course on Social Media and Neutrality, to some observers the recent strike in West Bank revealed that there is a lack of awareness among UNRWA staff on what UNRWA means by neutrality. See UNRWA: Neutrality <https://www.unrwa.org/neutrality> and <https://www.unrwa.org/training>

23 The main refugee concern in this respect stems from the implications of the UNRWA- USA Framework for Cooperation (2021-2022). The view is that US financial support for UNRWA is linked to a peace process as it is envisaged by the US and Israel and not one that takes into account the justice of refugee aspirations.

24 For further details of presentations and participants see Expert Panel on Rethinking the Financing of UNRWA, 2022-2030: Summary of Discussions. Available on <https://mas.ps/en/publications/4249.html>. Last visited August 2023.

of UN member states which comprise over 90% of the total budget of UNRWA. Other options will take time to build consensus and dedicated additional resources to develop and are unlikely to significantly contribute to securing the \$1.6 billion that UNRWA currently requires annually. These alternative options – contributions from the UN regular budget, private sector contributions and loans, Islamic philanthropy, green economy initiatives etc. as discussed below - if successfully pursued, could amount, collectively, to approximately only 10-15% of UNRWA's budget by 2030.

A review of the relevant topics are as follows:

Recent UNRWA Initiatives

26. Before examining Palestine refugee perspectives on the various options being discussed for the financing of UNRWA, we should take stock of some of the more recent attempts by UNRWA to encourage greater donor commitments²⁵.

Expanding the Pool of Donors

27. A possible success story in this endeavour has been the diversification of sources of funding towards both the private sector and from what is sometimes referred to as non-traditional donors among the UN member states. Under Commissioner-General Filippo Grandi, a dedicated unit – The Arab Partner Unit - was established in 2005 to explore possibilities in the Arab and Muslim world. The Gulf States have worked closely with UNRWA in the past, providing funding for projects such as the reconstruction of health care centres in Gaza and the Jenin refugee camp.²⁶ While funding from the Arab Gulf states fluctuates, UNRWA has made progress in consolidating their contributions.²⁷ The Gulf States have been particularly prominent donors in terms of funding emergency projects and in construction and reconstruction, particularly large scale works needed following Israeli demolitions during the 2nd intifada. In addition, they temporarily increased their funding in 2018 and 2019 in order to help fill the void left by the US withdrawal of funds.²⁸

28. During the tenure of Commissioner-General Pierre Krahenbuhl, (2014-2019) an additional funding drive was made to tap into the humanitarian aid from the emerging economies of Asia and South America. Another initiative of this period included the intention to set up UNRWA National Committees in UN member states and to ramp up their fundraising activities. All these initiatives, however, were hampered by the lack of capacity within the organisation and by cuts in the numbers of personnel due to budgetary reasons. As a result, the level of funding from these non- traditional sources has not been maintained.²⁹

25 A concise overview of funding trends can be found in CMI pp22-27. See also Briefing Papers 10 and 11 in UNRWA in Focus. <https://blogs.exeter.ac.uk/unrwainfocus/briefing-papers/>

26 UNRWA Newsroom, "Gulf Cooperation Council Funding Paves Way for Health Centre Reconstruction for Gaza Refugees", UNRWA, (12th March 2015) <https://www.unrwa.org/newsroom/press-releases/gulf-cooperation-council-funding-paves-way-health-centre-reconstruction-gaza>. And most recently the UAE in Jenin Refugee Camp: see <https://www.unrwa.org/newsroom/news-releases/ united-arab-emirates-announces-contribution-us-15-million>

27 Data extracted from "UNRWA and the Gulf States". UNRWA in Focus, Briefing Paper No 7. (William Sharkey) Available online at: <https://blogs.exeter.ac.uk/unrwainfocus/briefing-papers/>. "Saudi Arabia is by far the largest contributor to UNRWA of the Gulf States and mostly funds the emergency appeals, providing much smaller sums, or nothing, to UNRWA's core programme budget. Oman follows a similar strategy, generally contributing to the emergency fund and not the programme budget and its funding has been the most stable in recent years, between USD600,000 and 800,000 annually. Qatar's contributions are minimal, except in 2018 and 2019 in response to UNRWA's appeals for support, but it reduced its funding again in 2020. Kuwait and Bahrain both provide sporadic contributions, with Bahrain's fluctuating between USD50,000 and nothing from year to year. Up until it ceased funding in 2020, the UAE contributed consistently to the programme budget and not to the emergency fund." See: Reuters Staff, 'UAE halts funding to UN Palestinian Agency in 'reset' of aid programme', Reuters, February 8th 2021, <https://www.reuters.com/article/emirates-palestinians-aid-int-idUSKBN2A81W8>.

28 Lamis El-Sharqawy, 'The Gulf Reconsiders UNRWA', Ahram Online, 9th February 2021, <https://english.ahram.org.eg/NewsContent/50/1203/402736/Ahram-Weekly/World/The-Gulf-reconsiders-UNRWA.aspx>

29 See latest figures from UNRWA's 2022 Annual Operational Report, pp. 146-152. https://www.unrwa.org/sites/default/files/content/resources/2022_annual_operational_report_-_english.pdf and <https://www.unrwa.org/how-you-can-help/government-partners/funding-trends>

Multi-Year Agreements

29. Another area of success was the transition from annual contributions to Multi-Year Agreements. An increasing number of large key donors – EU, US, UK, Sweden, Germany – were persuaded to enter into long-term commitments with UNRWA which allowed the Agency to plan effectively and make strategic decisions which cut operational costs. By the end of 2021, UNRWA had signed 29 Multi year Agreements of lengths varying between 3 years and five years.³⁰ At the same time, it has been noted that while Multi Year Agreements were of great administrative value to UNRWA and help in more predictable budgeting, they did not necessarily lead to larger contributions overall and the struggle to bridge budget gaps continues.
30. Following Krahenbuhl' departure from the Agency in 2019/2020, the interim Commissioner-General, Christian Saunders, proposed a "Social Compact" with UN member states. Characterized as a framework that would "hold the international community's feet to the fire" over its support for UNRWA, Saunders sought to build on the political support received by UNRWA in the mandate renewal discussions in UNGA during 2019. He aimed to translate this political backing into financial commitments by establishing 10-year agreements with key donors.³¹ In essence, the Social Compact was a re-branding of the Multi-Year Agreements and met with limited success.
31. The appointment of Philippe Lazzarini as Commissioner-General in 2020 has led to a renewed drive to secure additional and predictable funding. A proposal concerning "enhanced Partnerships" with a range of international organisations, private sector bodies and other UN agencies was not well received by some refugee organisations. While in principle, refugee community groups and Palestinian civil society had no problem with the concept of "enhanced partnership" and of maximizing partnerships with the private sector and other UN agencies, this would be solely under the condition that UNRWA's mandate would not be affected.
32. In this respect, the references contained in the Commissioner-General's message to Palestine refugees (April 23, 2022) that services could be provided "on behalf and under the guidance of UNRWA" raised the concerns of Palestinians, host countries and the Palestine refugee community.³² It was seen as a "trial balloon" for the possibility of UNRWA relinquishing its mandate and transferring it to other international bodies, which is what the term "partnership" conveyed to them.³³ In addition, criticism, largely by host countries, that it a) lacked clarity as to its ultimate purpose and b) lacked detail as to how such partnerships were more effective than the current funding model, led to the proposals being shelved or folded into broader resource mobilization strategies.³⁴
33. Instead, greater efforts have been invested in reforming and modernizing UNRWA's administration, health and education systems with a view of demonstrating "value-for-money" to key donors who have been pressing for reforms.³⁵ The Digital Transformation Strategy is one of the vehicles for achieving

30 Berg. K. Jensehaugen, J., and Tiltne, Age, (2022) UNRWA, funding crisis and the way forward. Chr. Michelsen Institute (CMI) p.23.

31 Academic Friends of UNRWA Workshop, Minster Lovell, UK, 7-9th February 2020. Unpublished report (February, 2020) Copy in the author's possession.

32 UNRWA (2022) *Message from UNRWA Commissioner-General to Palestine Refugees*, 23 April 2022. <https://www.unrwa.org/newsroom/official-statements/message-unrwa-commissioner-general-palestine-refugees>

33 Although the Commissioner-General made it clear in his April 2022 message that: "there is no handover or transfer of responsibilities and programmes on the table, and no tampering with the UNRWA mandate." and that "UNRWA is and remains irreplaceable", the phrase "on behalf and under the guidance of UNRWA" provoked a wave of angry denunciations in Palestinian circles and host countries. For example, in a Position Paper, the, Chairman of the Lebanese-Palestinian Dialogue Committee, Dr. Basel al-Hassan, stated that the host countries, including Lebanon, "refuse to delegate UNRWA's tasks such as education and health to other agencies within the United Nations. However, it agrees that these agencies play an advisory role, as part of the development of the work and the required reforms", cited in Al-Akhbar, May 31, 2022. Communicated to the author by a member of Aidoun Center for Refugee Rights, Lebanon.

34 Berg. K. Jensehaugen, J., and Tiltne, Age, (2022) UNRWA, funding crisis and the way forward. Chr. Michelsen Institute (CMI) p.29.

35 A recent evaluation highlights the "seamless delivery" of services in the face of inadequate resources for mobilisation. See OIOS (September, 2021) Evaluation of the UNRWA Medium Term Strategy, 2016-2022, Office of Internal Oversight Services, Evaluation Division.

such modernisation and has ambitious targets which seeks to both enhance communication with the refugee beneficiaries and to align UNRWA reforms with donor priorities.³⁶ One of the more curious decisions taken was to close UNRWA's offices in Geneva in order to expand instead the offices in Brussels. It has been argued that this weakened the link to the UN humanitarian network of UN agencies and international NGOs based in Geneva, as well as possibly its access to UN member states such as Luxembourg, Lichtenstein, Switzerland, Italy, Germany, Austria and France.

34. Finally, looking to the future, UNRWA is placing considerable emphasis on modernisation of the delivery of its services and increasing the dialogue with key actors in the UNRWA Advisory Commission and its Subcommittee. The recently completed 2023-2028 Strategic Plan states that UNRWA seeks to “intensify efforts to broaden its donor base and harness the potential of digital, Islamic philanthropic and individual giving platforms. It will seek to access global, regional and thematic sources of funding, including through development outcome mechanisms and other innovative instruments already in use in the region.” An additional mechanism in this portfolio of initiatives is the issuing of a Capital Investment Plan, which estimates that US\$ 21.5 million in investment would be required during the period 2023-25 to achieve its goals in “Enhanced Fundraising and Public Outreach”.³⁷

Increase in funding from the UN Regular Budget (Assessed Dues)

35. Every 3 years the UN assesses the contributions of member states to the work of the UN. In recent years, only \$28 million, or approximately 4% of UNRWA's budget and 1% of the UN's regular budget, is derived from this source and is primarily used to cover the salaries of international staff.³⁸ Following the Secretary-General's recommendations in the 2016 Report this amount has increased very slightly.³⁹ In 2023, discussions in UN led to increase in allocations to UNRWA from the UN Regular Budget, starting in 2024, to support its executive and administrative costs.
36. The increase will be progressive and could amount to a maximum of \$25-30 million per year, so in this respect it is not a “game-changer” in terms of the overall budget shortfall.⁴⁰ (For UNRWA, a game-changer would be approximately \$100 million annually). Nevertheless, it would essentially open up for the UN Regular Budget to cover other types of costs and not just the salaries of internationals.
37. It needs to be emphasized that increasing the funding that UNRWA receives from the UN's regular budget has many advantages for the Agency over and above the monetary value. It is, for example, a clear expression of the international community's support for the Palestine refugee issue and assists UNRWA in fulfilling its mandate more efficiently. In addition, by providing a discrete and consistent income stream, it allows for long-term planning and investment in infrastructure and skills which will cut costs and improve the quality of service. UNRWA is also spared the costs, time and labour involved in constant fundraising and it offers efficiency savings, financial security and employment stability for UNRWA staff.
38. Furthermore, in the context of the previous abrupt terminations of funding (by Canada in 2012 and the US in 2018) and unforeseen drastic reductions (by the US in 2014 and the UK in 2019 and 2022), it gives UNRWA greater independence from donors and more autonomy in deciding its spending priorities. More

36 UNRWA (June 2022) “UNRWA Digital Transformation Strategy, 2022- 2026.” Available online at: <https://www.unrwa.org/resources/strategy-policy/unrwa-digital-transformation-strategy-2022-%E2%80%93-2026>

37 UNRWA (November, 2022) *Capital Investment Plan*, <https://www.unrwa.org/resources/strategy-policy/unrwa-capital-investment-plan>

38 UNGA 2016 Secretary -General Report, Para 31ff; See also Berg, K. Jensehaugen, J., and Tiltnes, Age, (2022) UNRWA, funding crisis and the way forward. Chr. Michelsen Institute (CMI) p.25, p33. This allocation funded approximately 159 international staff posts.

39 While in 2020-21 the amount was \$33m, currently it is closer \$40m and only used for international staff. One result of this increase was an additional 65 international posts.

40 One estimate is that it may go as high as \$75 million annually.

importantly, it also provides important continuity to the refugee protection functions of UNRWA. These are staffed primarily by internationals and hitherto they have mainly been funded through discrete projects and emergency appeals, making their work very vulnerable to changes in donor positions.⁴¹

39. Palestine refugee organisations in general are in favour of this shift in the UNRWA funding model from voluntary contributions of member states to one where the bulk of the funding is from the UN central budget.

⁴² The prospect of UNRWA funding being more embedded in the UN system offers both stability in funding streams for UNRWA services and a concrete and visible commitment to the plight of Palestine refugees.

Some Advantages and Disadvantages

40. However, these advantages need to be balanced against the risks to both the political dimension of resolving the Palestine refugee issue and to the current advantages of voluntary contributions by member states. For example, an UNRWA funding model which derived a much higher proportion of funds from the UN regular budget would allow the stronger UN member states and those states less sympathetic to the Palestine refugee issue and the work of UNRWA, greater control over both the amounts and purposes of funding, through the annual budgetary negotiations process that takes place at the UN.

41. An important consideration here, from a refugee perspective, is that Palestinian political representatives (ie the PLO diplomatic corps in the UN) and UNRWA still retain an influential role in channelling financial and political support. If funding for UNRWA was simply a line item in the central UN budget, they might not have the same influence, as they do now, in the constant fundraising efforts. They would be required to carry out intense outreach with Member States to ensure their support for the UN regular budget assessed contribution to UNRWA.

42. In addition, there is significant resistance to drawing on the UN regular budget even from member states which support UNRWA and Palestine refugee rights. Similarly, other UN agencies might oppose a greater proportion of the (limited) UN regular budget being allocated to UNRWA as it would have a knock-on effect on their own budgets. Thus, the attempts to increase funds from this source will risk alienating important member states whose support on other key Palestinian issues is important and other UN agencies with whom UNRWA cooperated extensively.

43. There are other important issues to consider. Voluntary contributions from member states allow these member states to act unilaterally in their support of UNRWA. It has also been the experience of UNRWA management that fundraising activities simultaneously act as exercises in informing the international community about the plight and current conditions of the refugee community and mobilising international support and solidarity for them. It therefore provides an arena for a wider circle of state and non-state actors to be directly involved in the Palestine refugee issue - thus extending the support for UNRWA's activities into the wider global community.

44. Indeed, from a refugee perspective, and even among countries in the region, there is an expectation that as UNRWA's primary funders are also those who are responsible for the absence of progress towards a political solution to the exile of Palestine refugees, the burden of voluntary contributions to UNRWA should fall upon them and not upon UNRWA member states as a whole.

45. There are also counter arguments to these positions. First, the fear that a switch to an UNRWA funding model, which is based more on allocations from the UN Regular Budget, would increase the influence of key actors in the UN system is over-stated. If one takes the example of

If funding for UNRWA was simply a line item in the central UN budget, the PLO would not have the influence, as they do now.

41 For example, the refugee protection unit was said to have been "decimated" following the US cuts in 2018.

42 Based on discussions and email exchanges with representatives of Aidoun and Badil and also drawn from sessions of the Academic Friends of UNRWA workshop, 30th November- 2nd December, 2018.

a strong actor in the UN system, the US, then its influence is already very strong under the existing funding model of member state contributions. It already has considerable leverage over UNRWA - and this leverage is likely to increase in the short-term, if plans for the appointment of a second Deputy Commissioner-General funded by the US come to fruition.⁴³

46. Second, refugees also question the existing voluntary contributions funding model on the grounds that it undermines the dignity of their refugee status. The main impact of the model in their eyes is that turns Palestine refugees into “eternal beggars” and places them in an inferior social position in their host countries.

The Role of the Private Sector

47. Private sector funding is defined in UNRWA operations as all non-governmental funding - individual, corporate, foundations. It is recognised as a long-term option that requires both patience and significant investment. It should be emphasized that UNRWA is not a corporate enterprise and faces a moral and political dilemma over allocating resources to investing in private sector fundraising, which will take time to produce results when there are emergencies and vulnerable refugees in dire need in Gaza, Syria, etc.

A World Bank Loan?

48. Yet, learning from other UN agencies, such as UNICEF and UNHCR, UNRWA has embarked upon a number of innovations in approaching the private sector. For example, in 2021 UNICEF secured an agreement with the World Bank for \$50 million which UNICEF has invested in digital fundraising. In two years, UNICEF raised over \$50 million and repaid the initial World Bank loan and also additional administrative costs and interest.⁴⁴ The investment is projected to raise between \$500/600million over 10 years.
49. The establishment of an endowment fund or a direct loan from the World Bank would be a promising financial arrangement for UNRWA. A loan would provide the injection of capital needed to stimulate economic growth and could fund infrastructure projects and improve education and healthcare. It is likely that a partnership with the World Bank would elicit the trust needed to attract other donors and investors.
50. The International Bank for Reconstruction and Development, part of the World Bank Group, recently published an Assistance Strategy Framework for Gaza and the West Bank for 2022-2025⁴⁵. Recognising the reluctance of the private sector to engage in humanitarian activities, the Framework focuses on strengthening institutions and building infrastructure with explicit purpose of attracting private investment. One objective of the Framework is to achieve a ‘well-connected Palestine’ in terms of economic partnerships, technology and energy infrastructure.⁴⁶ It is thought that the attraction of private investment and these projects could hold promising implications for UNRWA in these areas.
51. Negotiations between UNRWA and the World Bank were hindered by opposition from the US during the Trump administration and appear to have stalled since. Ongoing financial support with UNHCR suggest that there is no organisational impediment for the World Bank to offer similar support for UNRWA and the reason for the delay is likely to be US government pressure on the World Bank leadership. At the same time, it is not immediately clear how a World Bank loan would work in UNRWA’s case in that there may not be sufficient revenue-generating purposes that UNRWA could use it for to service and repay the debt.

it is not clear how a World Bank loan would work in UNRWA’s case in that there may not be sufficient revenue-generating purposes... for it to repay the debt.

43 Anecdotal evidence is that a slate of potential US national candidates has already been drawn up.

44 UNICEF/2022/EB/6, Update on the World Bank instrument to facilitate sustained investment in private sector fundraising, 8–11 February 2022

45 The World Bank Group, ‘Assistance Strategy for the West Bank and Gaza for the period FY2022-2025’, Report No. 156451-GZ, p. 29. Available online at: <https://documents1.worldbank.org/curated/en/627701619710823261/pdf/West-Bank-and-Gaza-Country-Assistance-Strategy-for-the-Period-FY22-25.pdf>

46 *ibid.*, pp29-30.

52. UNRWA has sought to capitalize on the fact that large multinational corporations have become increasingly committed to socially responsible investments with humanitarian and development organisations.⁴⁷ The experience of other UN agencies has been that these investments are usually project specific and targeting visible initiatives that also enhance “brand awareness” where possible. UNRWA currently has few permanent private investors, but some of the multinational corporations that have contributed to UNHCR include Unilever, IKEA, Sony, GAP Inc and United Postal Services (UPS).⁴⁸ These corporations are thought to present opportunities for UNRWA but it needs to be emphasized that UNRWA is a much more politically controversial agency than, for example, UNHCR, and poses serious challenges in securing Western corporate donations.
53. It is clear that UNRWA wants to move towards investing in individual and digital funding. Perhaps the most important stream to pursue is that of individual giving. However, given the current resources devoted by UNRWA to secure funding from this source, results will always be modest. Currently, UNRWA has only 4 people working in private sector fund and is unlikely to meet a notional target of between 10-15% of funding from private sector sources by 2030. In 2021, of the \$20 million raised from the private sector, \$9 million was raised from the two UNRWA national committees (Spain and the USA), which is just over 1% of the Agency’s programme budget.⁴⁹
54. The benefits of identifying additional streams of funding, even if modest, have been generally welcomed in the refugee community. It opens up the possibility that these funds can be targeted at needs and projects which are not prioritized by traditional donors who often have more narrowly defined objectives. It also opens up the possibility that refugee communities can have a greater input in the selection of priorities to be addressed. There is a aspiration that with private sector funding, sustainable additional resources for UNRWA can be targeted at key areas of work not favoured by donors, such as advocacy of Palestine refugee rights and defending itself from hostile criticism, or special relief or service programs not catered for under the regular budget.
55. Diversifying funding streams need not have any impact on the mandate; indeed, it could revive areas of the mandate that UNRWA has had to de-prioritize or abandon over the years. Nor should it relieve any member states from their responsibility for regular budget funding. Nevertheless, despite these advantages to UNRWA from a refugee perspective, there are also important concerns to be taken into account.

Will private sector funding dilute the responsibility of the international community?

56. Given the political context that indicates an ebbing of support for a political solution to the Palestine refugee question, if UNRWA’s private sector resource mobilisation becomes successful, there is an implicit risk that it might dilute the responsibility of the international community and UN member states to Palestine refugees. If private sector funding, in contrast to member state voluntary contributions, forms a greater and greater proportion of UNRWA’s budget, this development might reduce UNRWA’s position as an international organisation and jeopardise its identity as an important actor in the UN family of agencies and among international organisations in general.
57. The view expressed is that the end result of securing larger sums from the private sector would be welcomed but that it should not be so substantial so that it “lets member states off the hook”, or results in corporatising UNCTAD’s business model. Thus, any shift away from member state funding should be balanced by greater pressure on governments to find more durable and better solutions for Palestine refugees.

47 A. Martini, ‘Socially Responsible Investing: From the Ethical Origins to the Sustainable Development Framework of the European Union’ Environment, Development, Sustainability, 23 (2021), 16874–16890.

48 UNHCR, ‘Private Sector Funding and Partnerships’, EC/72/SC/CRP.26, 25 Aug 2021. <<https://www.unhcr.org/6142ce434.pdf>>

49 Workshop presentation.

Islamic Philanthropy

58. The role of Islamic finance is growing and flourishing despite both the slowdown in the world economy during Covid pandemic and the fall-out of the Russian invasion of Ukraine. By the end of 2024 it is expected that the economy of the Muslim world will be around \$3.6 trillion. Islamic philanthropy is also growing at a rapid pace. In the Organisation of Islamic Cooperation (OIC), the annual zakat funds of member states amount to \$187 million, which is largely available for humanitarian action and development in Muslim-majority communities worldwide.⁵⁰ UN agencies, such as UNHCR have also entered the Islamic philanthropy field.⁵¹ Tens of millions of Muslims worldwide regard the Palestine with reverence, and a better understanding of the plight of its refugees would echo with such populations.

Many Muslims would like to support refugee causes but have not found a form which they can trust – zakat provides a way to do so.

The UNHCR model

59. Islamic philanthropy presents a promising sustainable funding opportunity for UNRWA as zakat funding can be made sustainable and predictable through annual donations. There is a view that the successful UNHCR model is very replicable for an organisation like UNRWA: Since its launch in 2019, the UNHCR Zakat Fund has been highly successful. Over \$35 million was raised in 2021, mostly supporting IDPs in Yemen and Rohingya refugees in Bangladesh.⁵² In 2020, UNHCR raised \$61 million in zakat and sadaqah donations.

60. The UNHCR GiveZakat App demonstrates that a simple and accessible way to attract funding is possible. The UNHCR model is one in which 100% of zakat and sadaqah funds being received are allocated to beneficiaries, with UNHCR covering administrative costs. Given its experienced and long-standing bureaucracy located close to its beneficiaries, Palestine refugees, UNRWA is well-positioned to provide the administrative organisation for such funds to reach Palestine refugees directly.

UNRWA's first steps in this field

61. The Palestinian cause has strong support in the Muslim world, largely untapped, and UNRWA's initiative in the field of Islamic philanthropy can take advantage of the current trends in crowd-sourced funding to generate a valuable income stream for the Agency. Many Muslims would like to support refugee causes but have not found a form and channel which they can trust – zakat provides a way to do so. UNRWA also has a track record of working in partnership with major Islamic charitable foundations. For example, in 2022, \$500,000 was recently donated by the International Islamic Charitable Organisation for emergency cash assistance programs in Gaza.⁵³

62. Taking the first tentative steps to enter the field of Islamic philanthropy, UNRWA has identified zakat as the most promising instrument.⁵⁴ Since 2018, donations from zakat have risen from \$287,000 to nearly

50 Z. Ismail (2018) 'Using Zakat for International Development', K4D Helpdesk Report, Birmingham UK: University of Birmingham. https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/13647/Using_Zakat_for_International_Development.pdf; cited in : *Diversification and Development of Funding Sources*, UNRWA in Focus, Briefing Paper, No 11. Available online. <https://blogs.exeter.ac.uk/unrwainfocus/briefing-papers/> Last visited: August 2023.

51 For definitions of Islamic terms see: *Diversification and Development of Funding Sources*, UNRWA in Focus, Briefing Paper, No 11. Available online. <https://blogs.exeter.ac.uk/unrwainfocus/briefing-papers/> Last visited: August 2023.

52 UNHCR Refugee Zakat Fund, Islamic Philanthropy Annual Report 2022 <https://giving.unhcr.org/en/annualreport-2022>

53 UNRWA, Press Release <https://www.unrwa.org/newsroom/press-releases/international-islamic-charity-organization-contributes-us-500000-provide>

54 This is an interesting decision as some would argue that sadaqah offers a more flexible form of funding. It lays down constraints on eligible recipients than zakat and given its voluntary nature, sadaqah funds can be rapidly mobilised during emergency situations. Recent technological advancements in digital crowdfunding suggest that this advantage of speed in collection and allocation can only be stronger. See E. Jarvela, 'Working with Islamic Finance to Achieve SDGs: a Win-Win?', UNDP Innovation for Development, 13 May 2019 <https://innovation.eurasia.undp.org/working-with-islamic-finance-to-achieve-the-sdgs-a-win-win/>

\$1.5 million in 2022.⁵⁵ UNRWA has ensured that its projects are Zakat-compliant and has been endorsed through official Islamic edicts, known as fatwas by the internationally recognised Islamic scholars, the Sheikh of Al-Azhar mosque in Egypt and the Imam of Al-Aqsa Grand Mosque in Jerusalem. 100% of zakat donations go directly to Palestine refugees.

63. There are, however, several points of caution that need to be emphasized. In terms of the focus of this paper, it should be recognized that Islamic philanthropy will not replace the regular contributions of UN member states to the UNRWA programme budget. It may possibly reach 10% but it is unlikely to generate more than that. It is not, therefore, the silver bullet which will solve UNRWA's financial problems. UNRWA's biggest challenge in the field of Islamic philanthropy is the lack of full-time staff to advance its work.
64. In addition, not all Islamic philanthropy (eg, waqf, zakat, sadakah, sukuk, Ramadan donations, etc.) are relevant or effective for UNRWA. For example, to raise \$60 million from waqf revenues UNRWA would need about \$1billion in investments. A waqf foundation for Palestine refugees, or for Agency physical assets (eg. buildings, schools, clinics, facilities) registered with UNRWA would have some advantages in terms of longevity, predictability, independence from political interference, etc., but it will take a very long time to build up the necessary investment.
65. As UNRWA does not have the capacity or expertise to manage such large investments it has been obliged to outsource this work to the Islamic Development Bank, thus incurring fees and additional administrative costs.⁵⁶ As a result of a decision made by the OIC, a start has been made to set up a waqf on behalf of UNRWA but managed by the Islamic Development Bank. However, it was reported to the UN General Assembly in August 2022 that "inter-institutional delays have unfortunately prevented full implementation to date."⁵⁷ In effect, there has been a pause in progressing the establishment of a fully-fledged waqf for UNRWA due the lack of significant contributions by OIC member states.

A Note of Caution

66. Nevertheless, despite these caveats, in the workshops convened by MAS in 2022, there was considerable interest in exploring the prospect of a "Refugee Waqf" further and in several directions.⁵⁸ For example, it was argued that a Palestine refugee endowment does not have to be solely a Muslim one as there are also Christian waqfs and a combined inter-faith waqf may have additional advantages in drawing in a wider pool of philanthropic donations.
67. Some discussion also centred around the way in which waqfs could be linked to UNRWA assets such as schools and clinics which could also offer refugee engagement in the form of refugee involvement in the running and maintenance of these assets. Finally, a refugee waqf should be linked to a campaign to identify, reclaim and reconstitute the waqf dhirri, or Family Waqf, currently administered by the Israeli state, but belonging to Palestinians who became refugees in 1948.
68. From the perspective of Palestinian civil society there are some further areas of concern. First, a 'waqf' for UNRWA would imply, a sense of 'permanence' in the status of Palestine refugees. For many active in the field of refugee rights this would be contrary to the objectives of the refugees: that of return or

If a Waqf fund is supervised by the OIC and IDB - both being socially conservative institutions - will this negatively affect UNRWA's support for women's empowerment?

55 UNRWA (2022) Zakat Annual Report 2022, Available online: www.unrwa.org › files › annual_zakat_report_for_2022_-_english. "In 2022, we partnered with Safwa Islamic Bank to ensure that Zakat donations will be handled in full compliance with Sharia law and regulations and free from any associations with Riba (usury) and non-halal vehicle investments".

56 UNRWA, The Organization of Islamic Cooperation Approves Waqf Fund to Support Palestine Refugees', <<https://www.unrwa.org/newsroom/pressreleases/>

57 UN General Assembly, A77/314, 26 August 2022. Report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East. Paragraph 33.

58 MAS Expert Panel Workshop, No 3, 14th July, 2021.: UNRWA 2020-2030 - Re-thinking the financing of UNRWA; Presentation: UNHCR's Islamic Philanthropy Model: Khaled Khalifa, Senior Advisor, Representative to the Gulf Cooperation Council Countries, UNHCR. Available online at: <https://mas.ps/en/publications/4249.html>

other durable solutions. While it may ease the funding problems of UNRWA, the concern is that it would send the wrong message to the international community and to donors and reduce the pressure on them to find a political solution to their status as refugees.

69. Second, identifying Islamic scholars to issue appropriate fatwas and other recognitions of compliance is not always straightforward as some prominent Islamic scholars can be controversial and divisive. Islamic philanthropy has been criticised for contravening the humanitarian principle of non-discrimination as there is a lack of consensus amongst Muslim scholars over whether non-Muslims are eligible recipients of zakat and other such Islamic-based funds.⁵⁹ Concerns have been expressed that in engaging with Islamic financing models or funds UNRWA may be obliged to adapt its activities in some areas to become compliant with Islamic law. Questions have been raised as to whether, for example, if a Waqf fund is supervised by the OIC and IDB - both being socially conservative institutions – will this negatively affect in particular UNRWA's services for gender issues and women's empowerment?
70. Also, from the perspective of Palestinian civil society, there is the acute problem of a shrinking space for humanitarian funding (Israeli restrictions, donor conditionalities, etc.) and Islamic philanthropy offers an alternative source of funding for NGOs working with vulnerable people. If UNRWA also enters this field, concerns have been expressed that this space would shrink even more for civil society. In this context it should be noted that there are already existing Islamic philanthropy-supported institutions (Palestinian Zakat Authority, Salah, etc. in Gaza) who fund projects benefitting refugees and if UNRWA also enters this field there may be competition and duplication.
71. A counter argument that is also made in some Palestine refugee quarters to these points is that the main bulk of funding for Palestinian civil society organizations comes from Western sources (International NGOs and state humanitarian aid budgets), while it is the Islamic NGOs that predominantly receive funds from Islamic relief bodies. If this is the case, the view that UNRWA would siphon of Islamic philanthropic funds is misplaced. Indeed, given the magnitude of worldwide Islamic philanthropy, the entrance into this field by UNRWA would have, they argue, a negligible impact for wider Palestinian civil society and NGOs.

The Green Economy

72. Due to the already average very high temperatures across the Middle East, the impact of the climate emergency will impact the region very significantly.⁶⁰ In some areas, heatwaves may in the near future surpass human adaptability, rendering them uninhabitable and acting as a catalyst for large-scale migration.⁶¹ By 2050, average temperature increases in the occupied Palestinian territories (oPt) are projected to range between 1.3°C - if emissions see an immediate and drastic decrease, to 4.4°C - if conditions remain as they are.⁶²
73. Rainfall is also projected to decline, particularly in the Levant where it has been estimated that Jordan will see a 30% decrease in annual rainfall by the end of the century. The combination of diminishing groundwater and rising temperatures will lead to extreme water scarcity and threaten agriculture. More irrigation will be required to feed a growing population and it has been projected that between 80-90 million people across the Levant alone – the area of UNRWA operations - will experience some form of water stress by 2025, less than two years from now.⁶³ The economic effects on communities across

59 C. Stirk (2015) 'An Act of Faith: Humanitarian Financing of Zakat', Bristol: Global Humanitarian Assistance. <https://gsdrc.org/document-library/an-act-of-faith-humanitarian-financing-and-zakat/>

60 Data for this section has been drawn from the work of my Research Assistant, Anna Banks, published in "UNRWA and the Climate Emergency", UNRWA in Focus (Briefing Paper no. 12, 2022) Available online: <https://blogs.exeter.ac.uk/unrwainfocus/briefing-papers/>

61 K. Fanning and Y. Meklberg, 'The Coming Climate Migration Crisis in the Middle East and North Africa', Newlines Institute for Strategy and Policy, 7 Dec 2021: <https://newlinesinstitute.org/climate-migration/the-coming-climate-migration-crisis-in-the-middle-east-and-north-africa>

62 ICRC Climate Centre, Regional-level Climate Fact Sheet: Middle East, 2021, p. 2 https://www.climatecentre.org/wp-content/uploads/RCCC-ICRC-Countryprofiles-Region_Middle_East.pdf

63 R. Alaaldin, 'Climate Change May Devastate the Middle East, Here's How Government's Should Tackle It', Brookings, 14 Mar 2022: <https://www.brookings.edu/blog/planetpolicy/2022/03/14/climate-change-may-devastate-the-middle-east-heres-how-governments-should-tackle-it/>

the region will be severe. Livelihoods of farmers in rural areas will be threatened leading to urban immigration and exacerbating water shortages and costs.

UNRWA's response to the environmental emergency

74. It is possible to argue that UNRWA's response to these alarming trends has been both "playing catch-up" and, simultaneously, being "ahead of the curve". In 2017, for example, it was ranked in the worst 25% from among the 53 UN agencies for its carbon footprint per capita.⁶⁴ Since then, steps have been taken to integrate environmental issues into its Medium Term Strategy. The 2016-2021 Medium Term Strategy referred to actions which would "gradually implement the Green approach" as part of the Agency's commitment towards sustainable environmental management, particularly in the upgrading of its facilities.
75. In 2022 UNRWA introduced an Environmental Sustainability Policy and an Environmental Management and Policy Framework (EMPF).⁶⁵ The 2023 Strategic Plan proposes a further embedded set of environmental goals stating that "UNRWA is committed to mainstreaming and integrating its Environmental Sustainability Policy and EMPF into all planning, design, environmental infrastructure works and construction and rehabilitation practices."⁶⁶ In early 2023, the Agency received funds from the UN Regular Budget to appoint a Senior Environmental Manager in its Department of Planning. It is also in the process of recruiting an additional (international) junior professional officer to support this work for at least two years.
76. In the short term, the impact of the climate change emergency on operations of UNRWA will involve higher running costs as water and energy prices increase. Finding stable funding to meet the environmental challenges are therefore also being sought. At this stage it is not clear whether the UN Green Climate Fund is accessible to UNRWA for funding or whether the Loss and Damage Fund put in place after Cop26 and COP27 will also accept applications from UNRWA.⁶⁷ An accreditation process for such applications may result in some delays in making progress in this aspect of the green economy.⁶⁸
77. In the meantime, ensuring that energy and water supplies to Palestine refugees can be maintained in the longer term has led to the search for creative and sustainable solutions. These have included initiatives to raise awareness of environmental issues in UNRWA schools.⁶⁹ UNRWA is also exploring building on refugee initiatives, such as the recycling of Ramadan decorations to encourage a 'circular economy' approach and to emphasise "the 5Rs": refuse, reduce, reuse, repurpose, recycle.⁷⁰

It is possible to argue that UNRWA's response to these alarming trends has been both "playing catch-up" and, simultaneously, being "ahead of the curve".

64 UNEP, 2007, Greening the Blue: The UN System's Environmental Footprint and Efforts to Reduce It. Available online: <https://www.greeningtheblue.org/reports/greening-blue-report-2022>

65 UNRWA (2022) Environmental Sustainability Policy. Available online: <https://www.unrwa.org/resources/strategy-policy/environmental-sustainability-policy>

66 UNRWA, 2022, Strategic Plan, 2023-2028. Available online: [www.unrwa.org › content › resources › strategic_plan_2023-2028](http://www.unrwa.org/content/resources/strategic_plan_2023-2028). Paragraph 236: UNRWA is committed to mainstreaming and integrating its Environmental Sustainability Policy and ESMF into all planning, design, environmental infrastructure works and construction and rehabilitation practices. Here, the focus will be on energy efficiency, conserving natural resources and interacting with the planet responsibly in support health and wellbeing, now and in the future. Central to this is the implementation of a wheeling station project in Jordan that will provide approximately 70 per cent of UNRWA's electricity consumption needs in that field. See UNRWA (2021) 3MW Solar PV Power Project, Environmental and Social Impact Assessment (ESIA). Available online at: <https://www.unrwa.org/resources/reports/unrwa-3mw-solar-pv-power-project-environmental-and-social-impact-assessment-esia>

67 For the potential opportunities for such funding, see Robert Rybski, "Energy in the European Green Deal: impacts and recommendations for MENA countries", The Journal of World Energy Law & Business, Volume 16, Issue 2, April 2023, Pages 127–142, <https://doi.org/10.1093/jwelb/jwac033>

68 Communications between the author and UNRWA staff indicate that the Agency is also in discussions with donors for project funding for related activities, linked initially to photovoltaic cells, monitoring of energy consumption, awareness raising and environmental governance.

69 In 2022, Layan al Bairouti, "Palestinian refugee student won a prize with UNICEF's Environmental Project for her video on reducing plastic usage". UNRWA Press Release, 'UNRWA Student Wins the UNICEF Environmental Project: Layan's Environmental Awareness Video', 24 Mar 2022 <https://www.unrwa.org/newsroom/features/unrwa-student-wins-unicef-environmental-project-layan's-environmental-awareness>

70 UNRWA Press Release, Ramadan Decorations from Ramadan Camp, Syria: Upcycled Lanterns and Climate Action' 13 Apr 2022 <https://www.unrwa.org/newsroom/features/ramadan-decorations-ramadan-camp-syria-upcycled-lanterns-and-climate-action>

- Furthermore, it has installed photovoltaic (PV) and solar panels on its offices, replaced halogen lighting with more efficient LED, planted roof gardens and introduced a clearer office waste management strategy.⁷¹
78. Initiatives in the region, such as the installation of PV systems with battery storage in the Za'atari camp for Syrian refugees in Jordan, offer a possible model for UNRWA refugee camps for Palestinians.⁷² PV systems can provide energy for water pumps and purification, domestic lighting, cooling systems and communication. The Za'atari project also suggests a mechanism for financing such initiatives as it was carried out by the Jordanian government in partnership with the Swedish international corporation, IKEA.⁷³
79. The Zaatari plant is expected to reduce annual CO2 emissions from the camp by 13,000 tonnes and is saving UNHCR around \$5.5 million per year.⁷⁴ At the same time, it should be noted that the Za'atari initiative was only possible because the German government put up €15 million for the installation of PV, and since its completion it has led to a rise in refugee energy consumption which threatens to overwhelm parts of the system!
80. Another argument put forward in favour of extending UNRWAs mainstreaming of the Green Economy is the potential for cooperation with the private sector. This is clearly an activity where International Finance Institutions can support national authorities in host countries seeking to address the global climate emergency on a national scale and where Palestine refugee camps could potentially benefit. However, in UNRWA's five fields of operation, national authorities have not yet seen the benefits of this approach. In some cases, host countries national strategies and policies exclude refugee camps as being under UNRWA's responsibility – which is not the case.⁷⁵

Some Risks to Consider

81. At the same time, it should be noted there are also risks involved. While private sector funding may be readily available for green initiatives such as solar and photo-voltaic installation, the unstable security in many of the camps, particularly in Lebanon and Syria, but also more generally, may prove to be a critical deterrent in attracting such investment.⁷⁶ Refugee camps, especially in Lebanon and Syria in recent years, are often teetering on the cusp of a vicious cycle – cuts in funding reduce the services provided and thus have an impact on the quality of life and prospects of refugees. This in turn can lead to internal conflicts and instability which will deter funding from private and governmental sources.
82. While the gravity of the climate emergency and its impact on refugee security and livelihoods is not in question, a number of concerns have been raised from a Palestine refugee perspective. Beyond advancing green awareness in its educational programmes, it is not clear if UNRWA can make progress in this field without host governments, donors and other organisations cooperating. It is also not clear whether UNRWA's EMPF has the capacity to rise to this challenge which dwarfs any amount of recycling. Without this broader strategic engagement, the EMPF may end up as little more than UNRWA lip service to systematic greening of its operations ("greenwashing"). In addition, Palestine refugee youth are calling

71 Green Economy, Circular Economy: Can UNRWA be a Catalyst for Change?' Presentation given by Arab Renaissance for Democracy and Development (ARDD) at Workshop held by Palestine Economic Policy Research Institute (MAS), 'Rethinking the Financing of UNRWA 2020-2030', August 2021. Available online <https://mas.ps/en/unrwa/#>. See also : <https://www.unrwa.org/resources/reports/unrwa-3mw-solar-pv-power-project-environmental-and-social-impact-assessment-esia>

72 Ossenbrink, P. Pizzorni, T. van der Plas, 'Solar PV Systems for Refugee Camps', ETH Zurich, Jan 2018, < <https://ethz.ch/content/dam/ethz/special-interest/mtec/mtecdepartment-dam/news/files/solar-pv-in-refugee-camps>>

73 UNHCR and IRENA, 'Renewables for Refugee Settlements', December 2019, pp.1-5 <https://www.irena.org/publications/2019/Dec/Renewable-solutions-for-refugee-settlements>

74 O. Grafham and G. Lahn 'The Costs of Fuelling Humanitarian Aid' Moving Energy Initiative, Chatham House, 2018, p.33. <https://www.chathamhouse.org/2018/12/costs-fuelling-humanitarian-aid>. In the light in the sharp rise in energy prices since 2018, the savings in 2023 are undoubtedly very much higher.

75 UNRWA is only responsible for its own installations (schools, health centres, etc.) in the camps. The Agency does not administer the camps themselves.

76 This is clearly spelt out in Salamey, I., and Tartitr, A., "Analysis of Key Security Trends in UNRWA's Areas of Operation", in Bocco, Riccardo & Fritz Froehlich eds. (2022), UNRWA and the Palestine Refugees: Challenges for Developing a Strategic Vision, The Graduate Institute Geneva, pp.100-141.

to be involved in projects with an environment focussed approach but are often being blocked by local committees that are patriarchal and exclusionary, as well as UNRWA bureaucratic obstacles, and the EMPF has little to say about changing the power balances in the camps.

83. There is also the concern that a focus on green issues may overlook the environmental knock-on effects of other important activities. For example, projects to improve food security, investment in small business development can also have environmental benefits, such as improving working conditions and better air quality. Paying attention to long term measures such as food resources in the surrounding environment, sustainable shelter etc., requires a community environmental action plan which is lacking in the EMPF. In this context, it was noted that UNRWA's ground-breaking and still successful microfinance programme (around 140,000 small loans since 1996) does not have the green economy as its core focus.

Can Green Economy initiatives meet the urgent needs of refugees?

84. In addition, pushing the green economy agenda may come at the expense at urgent refugee needs, such as vocational training for young people and improving the quality of life in refugee camps. In Lebanon, for example, due to the economic crisis there, the Green Economy is not perceived as a priority. With only 2 hours of electricity daily available in the camps, any new initiative amongst refugees is crippled. Food security is a paramount consideration. At the same time, the crisis is also providing an impetus for switching to PV energy, but it should be recognised that this is mainly for financial and supply reasons rather than an active endorsement of environmental concerns. Hence, the option may only be appropriate in the more stable environment of camps in Jordan, and somewhat the West Bank and Gaza Strip.
85. On the political level, there is a concern that adding another layer to the service provision by UNRWA may distract it from its role in providing refugee protection and the search for a durable solution. Refugees are wary that in trying to harness the "green corporate bandwagon" might lead to UNRWA diverting funds from these priorities and urgent refugee needs.
86. There is also a concern that the expectation that the Green Economy can make a big difference to the budget crisis in UNRWA is premature. Indeed, the one perspective is that the Green Economy, as pursued by UNRWA and others, primarily relates mainly to limiting expenditures rather than expanding the range of funding sources.
87. Nevertheless, there is an awareness that UNRWA can be a catalyst for change. With over 30,000 employees it has a proven capacity to deliver services to around 3 million refugees. The opportunities for UNRWA to respond effectively to the climate emergency and to channel benefits to refugees are significant. However, as already emphasized, it is unlikely that the a rigorous introduction of the green agenda will be significantly resolve either UNRWA's budgetary crisis or, more importantly, advance a durable solution to the Palestinian refugee question.

Without this broader strategic engagement, the EMPF may be seen as a form of UNRWA "greenwashing".

Refugee Assets and the Financing of UNRWA

88. This section examines to what extent can efforts to reclaim Palestine refugee assets, which have been acquired by the State of Israel, contribute towards Palestine refugee protection and finding a durable solution to their exile even in the absence of an imminent political solution. However unlikely such a possibility for the Palestine refugee case may be in the short and medium term, there are precedents in South Africa, the Balkans, post-Soviet Eastern Europe, Canada, New Zealand, Australia and the USA. These examples demonstrate that the confiscation of land from the indigenous population by colonising states can be reversed long after the original dispossession has occurred. It is quite common practice in many other conflicts to find that income derived from former refugee properties have been used to assist refugees and in providing reparation.⁷⁷

⁷⁷ See for example: Bosnia and Herzegovina (Dayton Agreement 1995), the Annan Plan for Cyprus (2003), Guatemala (1996), the Jewish Holocaust reparations (1952 onwards), post-Baath Iraq (2003), Kosovo (1999), post-Communist Europe (1989 onwards), Rwanda (Arusha Accords, 1993) and South Africa (Land Rights Act, 1994). For some comparative studies see: Leckie, Scott, (2007) Housing, Land and

89. The illegal acquisition of Palestine refugee property by the Israeli Custodian of Absentee Property (ICAP) is not disputed, but little research or discussion has taken place as to whether there are possibilities to direct some of the income attributed to such assets to refugee collective needs pending a negotiated solution. From a Palestine refugee perspective, while there are legal and moral obstacles to the former assets of individual Palestine refugees being linked to the funding of UNRWA, the political implications of such a link are important. The deliberate prevention of their return to their homes after the 1948 war by Israel has led to the loss of their land and property.⁷⁸ Indeed, operationalising such a link would also go some way to assuaging refugee anxieties and suspicions over the how the funding crisis may be used to reduce the commitment of the international community to resolving the refugee issue.
90. This section will look at three issues related to this theme. While they are clearly not short to medium term possibilities, nevertheless, scattered around the UN system are various mechanisms which suggest that this alternative form of identifying and evaluating refugee assets should not be dismissed out of hand. Indeed, both UNRWA and the UN Conciliation Commission for Palestine (UNCCP) have kept detailed records of Palestine refugee losses for the purpose of providing data for some form of acknowledgment of ownership and loss.

While there are legal and moral difficulties in the former assets of Palestinian refugees being linked to the funding of UNRWA, the political implications are very important.

Refugee Assets held by the Israeli Custodian of Absentee Property

91. During and after 1948, Israeli authorities confiscated land and moveable property left behind by Palestine refugees and placed it under the control of a government office, the Israeli Custodian of Absentee Property (ICAP). Most of this property was quickly sold or leased by the Custodian to various Israeli state bodies and individuals. While Israel pledged to compensate Palestine refugees for some types of this confiscated property, it linked a compensation scheme with an overall settlement of the Israeli-Palestinian conflict, and thus in the absence of such a settlement, no largescale compensation has occurred.
92. In theory, the Israeli Custodian was to keep records of any money generated from such property, although no such records are publicly available. The Israeli Custodian still controls some non-landed property and as late as 1990 it controlled “absentee” shares of stock in companies said to be worth “tens of millions of U.S. dollars”. The relevance of this topic to the debate over the re-financing of UNRWA is in two areas.
93. First, the idea of establishing a (non-Israeli) Refugee Property Custodian to manage the properties of refugees and allow them to benefit from it - pending a final diplomatic settlement of Palestine refugee property claims - is not a new one. Discussion on this possibility was already taking place in the late 1940s. In fact, in 1953 when the Israeli Custodian carried out the first sale of refugee land to the Israeli Development Authority, several Arab states complained to the UN.
94. Furthermore, in November 1955, a number of Arab states introduced (at the UN General Assembly’s Ad Hoc Political Committee) the idea of a “UN Property Custodian” which could receive and manage funds from refugee property held by the Israeli Custodian and use them to finance UNRWA. In this way, the refugees could benefit (indirectly, through UNRWA) from the income derived from their confiscated assets.⁷⁹
95. The Advisory Commission of UNRWA also discussed the idea of some kind of Refugee Property Custodian and in 1960-61, this was followed up by the Arab states again appealing at the UN for a Refugee Property Custodian, who they said should be the UNRWA Director. However, Israel strongly objected to the idea and the U.S. secured the votes to block the resolution. Nevertheless, the argument continued and in

a UN Refugee Property Custodian, who should be the UNRWA Director.

Property Restitution Rights of Refugees and Displaced Persons: Law, Cases and Materials. (Cambridge: Cambridge University Press); Wühler, Norbert, and Heike Niebergall, (2008) Property Restitution and Compensation: Practices and Experiences of Claims Programmes. (Geneva: International Organization for Migration); Dumper, M., (ed) (2006) Palestinian Refugee Repatriation: Global Perspectives. (London: Routledge).

78 Fischbach, M., (2003) Records of Dispossession: Palestinian Refugee Property and the Arab-Israeli Conflict, (Columbia University Press) p. 70.

79 The origin of this idea goes back to the UNCCP’s Clapp Mission. In November 1949, Clapp wrote privately of his recommendation for a “Refugee Property Trustee” to be created.

December 1981, the UN General Assembly finally adopted a formal Resolution requesting the Secretary-General, in consultation with the (dormant but still existing) UNCCP, to take steps to safeguard and administer refugee property in Israel and “establish a fund for the receipt of income derived therefrom”.⁸⁰

96. Hence the concern of some that such a linkage undermines refugee rights was not an issue among Arab states in the immediate aftermath of the Nakba. It should be emphasized that the idea under discussion here pertains primarily to income derived by the Custodian from refugee properties, and not to the value of the assets themselves. It is beyond the scope of this paper to enter into further details save to note that the Oslo Peace process and the Track 2 discussions that accompanied bilateral and multilateral negotiations developed these ideas much further.⁸¹ More recently, the NGO BADIL Resource Center for Palestinian Residency and Refugee Rights has advocated a version of this idea.⁸²

97. Another version of this idea which also stems from the Track 2 discussions is that of a Palestine Refugee Repatriation Trust Fund. The establishment of this body would be predicated on funds derived, less from refugee confiscated assets, but from pledges made by the international community as their contribution to facilitating a peace agreement which includes a just resolution of the refugee issue. These financial contributions would include funds not only for reparations and compensation but also funds for infrastructural development to absorb the return of Palestine refugees.⁸³ Such funds would not address the current funding needs of UNRWA but would be geared towards more long-term solutions in support of Palestine refugees, and could be endowed until a settlement becomes possible, with income accruing to UNRWA current expenditures.

Precedents in Israeli Law and Practice

98. The second area where this linking of income from refugee assets to the financing of UNRWA is relevant can be found in the precedent set by the recent release in Israel of assets of Jewish Holocaust victims which had been held by the Israeli Custodian.⁸⁴ What this legal development underscored was that legal title to property continued for Jewish Holocaust victims even though the Custodian had taken control of and held it. Furthermore, it also demonstrates that heirs to victims can benefit from that property too. Hitherto, Israel has maintained that only the individuals who left Palestine can be deemed as refugees and not their descendants, but this case contradicts this.⁸⁵

99. Finally, the Holocaust victims’ case has shown that even when victims could not be located to be allocated payments, funds from those assets were paid out for care of elderly victims, for Holocaust education, etc. Thus, assets held by the Israeli Custodian were used for collective purposes as well as for individual.⁸⁶

80 UNGA A/Res/36/146 C, Revenues Derived from Palestine Refugee Properties, Available online at: <https://daccess-ods.un.org/tmp/1514682.62076378.html>

81 Brynen, R. and El-Rifai, R. (Eds) (2014) *The Palestinian Refugee Problem: The Search for a Resolution* (Pluto Press, London)

82 See Badil, (2018) *Confronting the Campaign Targeting the United Nations Relief and Works Agency (UNRWA)*.p20. <http://www.badil.org/en/publication/press-releases/87-2018/4900-pr-en-021018-30.html> .

83 For further details see Dumper, M., *Challenges facing UNRWA in an Uncertain Future*, (DFID, March, London) Unpublished, pp41-42. Discussion of this idea with refugee groups took place during 2016.

84 These points are based on the presentation given by Michael Fischbach entitled *Holding the Israeli Custodian of Absentee Property to Account*, MAS Expert Panel Workshop Series: UNRWA 2020-2030: Rethinking the Financing of UNRWA, 14th July, 2021. Available online at: <https://mas.ps/en/publications/4249.html>

85 Other relevant precedents identified by Fischbach include a) the fact that Jews from Arab countries who as Arab citizens had been declared “absentees” according to Israeli laws passed in 1948 and 1950 and who had their land seized generally, also had their land restituted to them upon immigration to Israel ; b) Jewish Holocaust survivors from Axis countries who formerly had their assets controlled by Israel’s Custodian of Enemy Property (inherited from the British Mandatory office by that name) had their assets restituted as well. See Fischbach, *Records of Dispossession*, p.25. Even some Palestine refugees had their bank accounts and items in safety deposit boxes restituted in the 1950s as a result of an initiative of the UNCCP, Fischbach, *Records of Dispossession*, 195-209.

86 Before these issues can be taken further some clarification will be required as to whether the Custodian actually took legal title of Holocaust victim assets and then restituted them anyway or whether that office merely “holding” the assets, in which case it wasn't really restituting legal title but just returning assets. The Absentees’ Property Law of 1950 and subsequent Israeli policies clearly showed that Israel severed the Palestinians’ legal title to their property in which case, restitution may require new legislation.

Palestinian Perspectives

100. Discussions at MAS in the past years, and with refugee groups generally, raised some concerns over these issues. The most strongly expressed question is whether using funds derived from refugee assets controlled by the Israeli Custodian to fund UNRWA rather than being distributed to refugees and their descendants would be acceptable to most refugees, and legally justifiable. Not only is it feared that beneficiaries might lose financially, but also such a framework would signal that a resolution to the refugee question has not been resolved/will not be resolved and is being normalised by UNRWA having access to these funds.
101. In addition, even if UNRWA was seen as an appropriate Custodian of income from refugee assets - in principle - the management of these funds would also be a source of great concern. What kind of oversight and accountability would be put in place? There is a great deal of mistrust between refugees and the Agency, as well as between them and their political representatives. Another concern is that despite the fact there are precedents for using funds held by the Israeli Custodian for the public good, it is unlikely to lead to any shift in Israel's position regarding refugee assets. There is no scenario where Israel would cooperate in such an action unless it concluded that it was in its own best interests to do so, or it was under great pressure from the international community.
102. The precedents mentioned above clearly show that none of these options, however sensible they might appear to objective observers, are likely to take be feasible in the current balance of power which is strongly in favour of Israel. Therefore, the political energy and capital required to initiate and advance them risks detracting from other more pressing refugee issues and securing the necessary resources for their immediate care. At the same time, there was a recognition among all experts that the political situation is extremely fluid. The current balance of power may shift in unexpected directions both inside Israel and in the region.
103. This may open up possibilities whereby the Israeli Custodian will be increasingly held to account for its use and management of refugee assets. Therefore, for the interim period, there is great advocacy value in linking refugee assets to the funding deficits experienced by UNRWA and more could be made of the fact that funds are there, but they are being appropriated by state of Israel. However, once again, this would require transparent discussions with the refugee community to ensure their acceptance to such an approach or lack thereof. The option should not be taken off the table and research into the valuation of refugee assets should be widely encouraged.

Other International and UN-based options

104. The final set of options examined below are not alternative funding models for UNRWA as such but are included briefly here as they have been the subject of some discussion during the current debate over the refinancing of UNRWA. All three require a key donor or UN member state to take a lead for them to progress as viable options.

The Global Compact for Refugees

105. The 2016 New York Declaration for Refugees and Migrants and the 2018 Global Compact on Refugees (GCR) has been adopted by the UNGA and is seen as applicable to all refugees, including Palestine refugees.⁸⁷ It can be seen as a major step forward towards incorporating UNRWA and the Palestine

87 An accessible overview of the GCR by UNHCR can be found here: <https://www.unhcr.org/about-unhcr/who-we-are/global-compact-refugees>

refugees into the body of international laws, codes and practices known as the international refugee regime. This has both advantages and disadvantages from a Palestine refugee perspective.

106. The GCR specifies that any response to refugee situations needs to always include a combination of humanitarian assistance, international protection and durable solutions. The main mechanism for this is through the elaboration of a Comprehensive Refugee Response Framework based upon a multi-stakeholder approach. Significantly, it also states that educational and health services to refugees should not be provided through “parallel systems” such as UNRWA, but through host countries.⁸⁸ Nevertheless, as an in-depth study emphasizes, the Framework’s “focus on root causes and protracted situations resonates well with the situation of Palestinian refugees and the GCR makes a strong call for robust political action to bring an end to refugee displacement”.⁸⁹
107. The advantages of the GCR approach for the Palestinian situation is that it embeds the refugee issue in international law. There is an emphasis on refugee rights and the Compact has obtained, remarkably, the almost unanimous support of UN member states, with 193 states voting for it. In addition, while it pivots on the engagement of host countries and also offers international support to the durable solutions of local integration and resettlement, it does not prejudice the right of refugees to return to their homes.⁹⁰
108. For some states, the main advantage of the GCR is that it detaches refugee issues from political processes concerning a conflict which are often paralysed to the detriment of refugee welfare.⁹¹ Furthermore, the GCR is supported by the World Bank who are in a position to fund a range of development actors in refugee issues.

Palestinian Reactions to the GCR

109. There have been a range of reactions in the Palestine refugee communities and from civil society supporters of Palestine refugee rights.⁹² One of the doubts expressed has been how the GCR’s multilateral and multi-stakeholder approach would introduce many actors into the process of supporting Palestine refugees which would, in turn, introduce much greater complexity into any decision-making and thereby lead to the dilution of Palestinian voice - which is already being drowned out. Some of the main questions being asked is: do Palestine refugees need a new international protection framework like this, while there is already an established international regime represented by (UNCCP, UNHCR, and UNRWA)? Moreover, would the GCR undermine the existing international regime, which needs to be implemented and activated, rather than to be changed?
110. In addition, there is a concern that with its problem-solving ethos, the GCR approach will prioritize the durable solutions of Local Integration and Resettlement. Some Palestinian observers note that the model of private voluntary financing to support ‘development’ in the GCR is very similar to the dependence development models of the 1970s. This may work, they argue, in countries with very low-skill labour pools but it would not translate effectively to Palestine refugee situation.
111. In this context, the momentum of the multi-stakeholder approach will result in these solutions becoming the permanent ones. In this way, the refugee right of return to their homes is eclipsed and, in the Palestinian case at least, the GCR approach will become, it is feared, an alternative to repatriation.

88 More detailed analysis of the relevance to the Palestine refugees and UNRWA can be found in Lilly, D., (2021) Palestinian refugees and the Global Compact on Refugees, Refugee Studies Centre, Working Paper Series No 136; Albanese, Francesca & Takkenberg, Lex (2021) Rethinking solutions for Palestinian refugees – A much-needed paradigm shift and an opportunity towards its realization, Refugee Studies Centre, Working Paper 135.

89 Lilly, D., (2021) Palestinian refugees and the Global Compact on Refugees, Refugee Studies Centre, Working Paper Series No 136; p.6.

90 Global Compact on Refugees, A/73/12, para 7, p.2.

91 Palestinians have noted that this is possibly one reason why the GCR received strong support from the US.

92 These observations have been drawn from the MAS workshops in 2021, two sessions of the Academic Friends of UNRWA – in 2018 and 2019, and a series of workshops organised by the Arab Renaissance for Democracy and Development on the refugee issue in which this topic was discussed at length, particularly in 2019.



Added to the “depoliticization” of humanitarian aid and the detachment from the political process that has led to the refugee situation, which is a corner stone of the GRC, the Palestine refugee perspective is primarily that repatriation will remain completely “off the table” and “out of the equation”.

112. Furthermore, a key pillar of the GCR is the role of host countries and the attempt to offer them greater support. In the Palestinian case, this would be the transition of services to host countries and will clearly have a critical impact on UNRWA’s role as main provider of services. For all their criticisms and frustrations with UNRWA, the prospect of losing the protective mantle of UNRWA without a) the corresponding protection of their own internationally recognised state or b) a political solution to their right of return, it is unlikely this will be acceptable to the majority of Palestine refugees.
113. Finally, a practical consideration which is also of concern is that a key stage of the GCR is the implementation of a Programme of Action which requires a lead actor or sponsor. Currently UNRWA, which had contributed to the early discussions leading up to the adoption of the GCR, would not have the capacity to take on this role, and it is likely that neither the host countries nor the leading donors would have the trust of the majority of Palestine refugees to take on this task. While there has been some discussion in academic, activist and UNRWA circles to the GCR, it would be possible to characterize the response to be less than lukewarm.

Resuscitating the UNCCP

114. The mothballing of the UN Conciliation Commission for Palestine (UNCCP) has been a bone of contention for many decades. In essence, the UNCCP was designed to search for a political solution to the problem of the displacement of Palestine refugees. Its absence from the process since 1964 has placed a burden of expectations on UNRWA which, as a humanitarian agency, UNRWA was not established or mandated to meet. This paper is not the place to outline the purposes, history, successes and failures of the UNCCP. Major studies have already covered this in detail.⁹³
115. Nevertheless, it is pertinent here to draw attention to the fact that the absence of a political solution remains at the heart of the funding crisis for UNRWA. Despite the attempts of another UN agency, office of the UN Special Coordinator for the Middle East Peace Process (UNSCO) set up after the 1993 Oslo Accords, it conspicuously failed to advance a political solution. Thus, the UN drive to achieve durable solutions on behalf of the Palestine refugees is once again in abeyance, and as a result, placing the burden of expectations on UNRWA as the only UN agency that has been able to offer some protection of the rights of Palestine refugees.
116. This suggests that as UNSCO is not mandated to deliver a political solution, and if UNRWA is prevented from doing so due to the constraints on its mandate, then an alternative should be considered.⁹⁴ In which case, why create a new body or a new process to safeguard and reclaim Palestine refugee rights, when the UNCCP has both already been given a mandate to do so and has carried out much relevant documentation research? It may be that a resuscitated UNCCP can begin to offer the political horizon that UNRWA cannot and that the funding of crisis of UNRWA will be regarded as more manageable if such a political horizon is once again seriously being advanced.

93 See for example: Albanese, Francesca, & Lex Takkenberg (2020), *Palestinian Refugees In International Law*. Oxford University Press. A good summary of the “void” left by UNCCP can also be found in Albanese, Francesca & Ardi Imseis, Ardi, “ The UN Mandate Toward Palestinian Refugees: The Legal Imperatives of a Moral Responsibility”, in Bocco, Riccardo & Fritz Froehlich eds. (2022), *UNRWA and the Palestine Refugees: Challenges for Developing a Strategic Vision*, The Graduate Institute Geneva, pp. 35-38. See also Fischbach, Michael R. (2003), *Records of Dispossession: Palestinian Refugee Property and the Arab-Israeli Conflict*. Columbia University Press, whose research is based on the UNCCP data base.

94 Albanese and Imseis strongly argue that the Global Compact on Refugees offers a mechanism through which UNRWA can shepherd the implementation of durable solutions. See Albanese, Francesca & Ardi Imseis, Ardi, “ The UN Mandate Toward Palestinian Refugees: The Legal Imperatives of a Moral Responsibility”, in Bocco, Riccardo & Fritz Froehlich eds. (2022), *UNRWA and the Palestine Refugees: Challenges for Developing a Strategic Vision*, The Graduate Institute Geneva, pp. 34-35.

A UN Trusteeship and UNRWA

117. Over the decades of its existence, UNRWA's role as a humanitarian provider has metamorphosed into a quasi-state administration providing both essential services and, through its registration of refugees, a form of national identity. This can be seen particularly in the Gaza Strip and also in enclaves (refugee camps) in failed or failing states such as Syria and Lebanon.⁹⁵ Recently, the notion of a Trusteeship for Palestine has re-emerged on the sidelines of the discussion regarding the future financing for UNRWA. For example, the UNRWA-commissioned study by the Geneva Graduate Institute observed that "while the UN regime for Palestinians was not conceived as a trusteeship, it possesses the features and rationale of a trusteeship".⁹⁶
118. The UN Trustee Council was established in 1945 to replace the League of Nations mandate system and to ensure that territories placed under its trusteeship were administered in the best interests of its inhabitants.⁹⁷ Its operations were suspended in 1994 following the independence of the island of Palau, the last trustee territory under its authority.⁹⁸
119. While the possibility of a Trusteeship for Palestine in which UNRWA plays a role may seem, initially, a diversion from the main goal of securing a durable solution for Palestine refugees, it has had some significance at certain junctures. For example, in 1948, the US, in its attempt to head off partition, proposed that mandatory Palestine be designated a UN Trustee territory but this was dropped following the declaration of independence by Israel.⁹⁹ Since then, there have been a number of studies exploring the possibility of a UN Trusteeship for Palestine, not least by the former US Ambassador to Israel and the US's chief negotiator during the Middle East peace process.¹⁰⁰
120. In this context, it is not so much that this option is not feasible, but that at this particular juncture UN Trusteeship may not advance the solution to the problems of either finding a durable solution to the Palestine refugees or of UNRWA's budget shortfall and looming future crisis. It is possible, however, that given the volatility of the current political situation in Israel and the oPts, an extraterritorial Trusteeship linked to UNRWA may prove to be legal status that offers significant protections to Palestinians and refugee communities.
121. Various future scenarios such as the possible collapse of the PNA in the oPt, a unilateral Israeli annexation of the West Bank and East Jerusalem, a paralysis in governance in Israel due to civil unrest, etc., all point to the need for a strong international response to offer protection to Palestine refugees. As in response to the takeover of the Gaza Strip by Hamas in 2006, UNRWA stepped up to the plate and offered security and stability. The onus, therefore, is on

In 1948, the US, in its attempt to head off partition, proposed that mandatory Palestine be designated a UN Trustee territory.

95 A former Director of the Gaza Field Office once referred to their role as being akin to that of international "Pro-Consul".

96 Albanese, Francesca & Ardi Imseis, Ardi, "The UN Mandate Toward Palestinian Refugees: The Legal Imperatives of a Moral Responsibility", in Bocco, Riccardo & Fritz Froehlich eds. (2022), *UNRWA and the Palestine Refugees: Challenges for Developing a Strategic Vision*, The Graduate Institute Geneva, pp.38.

97 For more information on the evolution and application of UN Trusteeship see: Matz, Nele.(2005) "Civilization and the Mandate System under the League of Nations as Origin of Trusteeship", *Max Planck Yearbook of United Nations Law*, 9, pp. 47–95; Sayre, Francis. (1948) "Legal Problems Arising from the United Nations Trusteeship System". *The American Journal of International Law*, 42(2): pp.263–298; Søbberg, Lene M. (2007) "Trusteeship and the Concept of Freedom". *Review of International Studies*, 33: pp.475–488; Stahn, Carsten. (2008) *The Law and Practice of International Territorial Administration: Versailles to Iraq and Beyond*. New York: Cambridge University Press; Wilde, Ralph. (2008) *International Territorial Administration: How Trusteeship and the Civilizing Mission Never Went Away*. New York: Oxford University Press.

98 UN Trustee Council website: <https://www.un.org/en/about-us/trusteeship-council>

99 Cohen, Michael J., "Truman and the State Department: The Palestine Trusteeship Proposal, March 1948" *Jewish Social Studies*, Vol. 43, No. 2 (Spring, 1981), pp. 165-178.

100 Indyk, Martin. (2007) "Is Trusteeship for Palestine the Answer?". *Foreign Affairs*. <http://www.foreignaffairs.com/articles/64247/martin-indyk/is-trusteeship-for-palestine-the-answer>. See also the article of Jeffrey Pugh who argues that Palestine does not meet the criteria for Trusteeship. Pugh, Jeffrey D. (2012-11-01). "Whose Brother's Keeper? International Trusteeship and the Search for Peace in the Palestinian Territories". *International Studies Perspectives*. 13 (4): 321–343. doi:10.1111/j.1528-3585.2012.00483.x. ISSN 1528-3577.



Palestinian and other representatives of international civil society and academics to explore the contours of such a response, and an international Trusteeship model may be the most appropriate to explore further.

Part Three: Conclusions

122. Reading this paper, it is possible to imagine representatives of the donor and diplomatic communities and representatives of host countries showing a range of facial expressions revealing their despair at its contents – eyebrows being raised, eyes being rolled, heads shaking from side to side or being dropped into hands. The gap between the short-term decisions they must take, and the priorities held by many Palestine refugees seems to be as wide as ever. While the UN Secretary-General’s initiative in 2016 concerning the financing of UNRWA may have given renewed emphasis to and expanded UNRWA’s resource mobilisation activities, it is clear there is continuing resistance to tackling the underlying political issues concerning the Palestine refugee situation.
123. The lack of progress on this suggests that in the context of other urgent demands on the humanitarian aid budgets of member states, the path being taken by the donors is one of retrenchment and the search for further budget reductions in areas which will cause the least political fallout in the region. In effect, it portends a gradual replacement of the “muddling through” framework, with one which is part “muddling through”, part diversification of funding sources but within an overall framework of “managed decline”.
124. The research for this paper and its precedents can confirm that there is an understanding in the refugee communities and Palestinian civil society that none of the options of refinancing UNRWA examined are gamechangers. Corporate loans and donations, a World Bank loan, zakat donations and a waqf, the green economy are all urgently needed but they are the pot of gold at the end of the rainbow that we all wish to find.. Even if these options meet the hoped-for targets, they will supplement rather than replace the existing model of UN member state voluntary contributions being the core of UNRWA funding. And, for Palestinians, this constant engagement with the member states is important politically.
125. Yet, if voluntary contributions are reduced and additional sources of funding do not meet the gap, then from a Palestinian perspective, the option which seems to be most promising, and least controversial, is that of expanding UNRWA’s involvement in the Green Economy. The prospect of greater use of renewable energy, introducing a circular economy with a resulting healthier environment offers the prospect of financial savings for UNRWA and individuals, greater resilience and operational autonomy for the Agency.
126. Nevertheless, our ongoing research also reiterates that these will continue to be short-term solutions which will not dodge the impending financial crisis. While it is inconceivable that UNRWA will continue to be funded in 2043 in the same way as it is being funded in 2023, a shorter timeline for change is imminent. The US Republican Party’s antipathy towards UNRWA is well-established and we can say, fairly definitely, that if there is not another serious financial crisis for UNRWA as a result of the 2024 US elections, then there will be one after the next elections in 2028. UNRWA therefore has 1 or 5 years to resolve this issue.
127. It is for this reason that despite the presumed scepticism of bureaucrats and policymakers towards our “out-of-the-box” proposals, longer term solutions need to be considered urgently. The Palestinian issue is not going to disappear if UNRWA’s managed decline is implemented. It may or may not ignite a violent pushback on the part of Palestine refugees, but any future policy has to also factor in the fact that Palestinians will not willingly be absorbed into neighbouring states or forego the reparation they are entitled to.

Reading this paper, it is possible to imagine representatives of the donor and diplomatic communities showing a range of facial expressions revealing their despair – eyes being rolled, etc..

a framework which is part “muddling through” and part diversification of funding sources but within an overall framework of “managed decline”.

128. From the precedents referred to in the section on Refugee Assets, where refugees and dispossessed indigenous peoples have fought to and in some cases succeeded in having their land restituted, we can see that the Palestine refugee case as one of the world's most protracted refugee case is joining the group of populations which continue to resist their dispossessed and exiled status over many decades if not centuries.¹⁰¹
129. The impact of Palestinian dispossession in 1948 has had a different trajectory from these wider international precedents, in that their resistance to dispossession has also been woven into wider regional conflicts. So, too many parallels should not be drawn. But, at the same time, we can see a pattern of how dispossession is not the end of a people's story. A new generation of Palestinians are finding new ways of expressing their national identity and of mobilizing resistance. Furthermore, a colonial-type occupation as carried out by Israel is not a stable political situation and requires huge financial, military and political resources to maintain. In the end, Israel and the international community will be confronted once again with the need to address the historical injustice of Palestinian dispossession.
130. In this context, a Palestine refugee perspective on the refinancing of UNRWA would call for a twin-track approach. Yes, look for alternative sources of funding to supplement the existing model. But at the same time, also consider seriously other longer-term strategies that would obviate the necessity of UNRWA to be continually searching to cover its growing budgetary shortfall – resuscitating the functions of UNCCP, identifying refugee assets that be utilised, exploring the potential of the Global Compact on Refugees. Indeed, a clear commitment to undertaking such innovative activities would go a long way to reassuring Palestine refugee communities that their future is being taken seriously and not being shelved as a problem which the international community hopes will go away.

¹⁰¹ Thirty years ago, who would have thought that Jewish families from countries in the former Soviet bloc would start receiving reparations for the confiscation of their properties by Nazi Germany? Ten years ago, who would have thought that European states would be yielding to pressures to offer reparations for their involvement in the Slave Trade.



Points for Discussion

- A. The US Presidential elections in 2024 may bring back a Republican administration that could revert to the Trump-era funding crises. How could UNRWA prepare for such a contingency?
- B. What are the realistic and practical diplomatic paths toward a process demanding the re-activation of the UNCCP, considering its important role in the refugee cause and in the protection of refugee rights, where UNRWA has limited capabilities.
- C. Of the various funding options, an especially innovative one is where the donors could engage with UNRWA as a non-territorial Trustee of the human development and welfare of the refugees (i.e., a demographic without an internationally designed territory) that would be funded by a multi-year trust fund administered by key donors or the World Bank. What can we learn from any precedents? What are the possibilities?
- D. An alternative funding option is the Islamic philanthropy approach of creating an endowment (waqf); how could this option be elaborated and linked with specific UNRWA fixed assets for example (educational and health facilities...etc.)?

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