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*United Nations Relief and Works Agency for Palestine
Refugees in the Near East (UNRWA)*

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United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)

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Summary

Since 1950, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has provided relief and social services to registered Palestine refugees living mostly in the West Bank and Gaza Strip, but also in Jordan, Lebanon, and Syria. Ninety-five percent of the UNRWA budget is funded through voluntary contributions from governments and the European Union. U.S. contributions to UNRWA come from the regular Migration and Refugee Assistance (MRA) account and also through the Emergency Refugee and Migration Assistance (ERMA) account. The U.S. contribution to UNRWA usually covers 22-25% of the UNRWA total budget. The current cycle of violence in the Middle East presents particular challenges to UNRWA, including security, funding, and the impact of deteriorating socio-economic conditions. Recent congressional attention has focused on the issues concerning the progress of refugee resettlement, use of UNRWA funds, and the content of educational materials. This report will be updated as developments warrant.

The Role of UNRWA

UNRWA was established in 1949 to provide relief assistance and programs for Palestinian refugees.¹ With the continuation of conflict between Israelis and Palestinians, UNRWA's mandate has been renewed annually ever since it began operations in May 1950 and is currently extended to June 2005. In keeping with its mission, it provides relief and social services, including food, housing, clothing, and basic health and education to over 4.1 million registered Palestine refugees living mostly in the West Bank and Gaza Strip, but also in Jordan, Lebanon, and Syria. Currently, UNRWA operates approximately 900 facilities. It also manages a microfinance and microenterprise program and infrastructure projects to address the living conditions of refugees. Not all UNRWA-registered refugees receive all the benefits available. Only one third of

¹ United Nations General Assembly Resolution 302 (IV) of December 8, 1949.

registered Palestine refugees are living in camps.² UNRWA typically provides services directly to its beneficiaries in coordination with public services provided by the host authorities. While it continues to conduct emergency and relief operations, over time it has also developed a broader human development program to address the continuing needs of Palestine refugees. UNRWA's role as provider to one group of refugees over 50 years is unique and continues to be seen as important in the evolving situation in the Middle East.³

UNRWA is a subsidiary organ of the United Nations; its chief officer, the Commissioner General, reports directly to the General Assembly. It is governed by a 10-member Advisory Commission of which the United States is a member. The Palestine Liberation Organization (PLO) is an observer on the Commission, which also includes other representatives of the Agency's major donors and host governments. Like the other members on the Commission, the United States participates in a semi-annual review of the UNRWA program and its budget. These meetings are typically held in May and September.⁴

UNRWA: Budget and Fund Distribution

Ninety-five percent of the UNRWA budget is funded through voluntary contributions from governments and the European Union. Most of these funds are in cash; approximately 7% is made up of in-kind donations. Another 4% comes largely from the U.N. regular budget and covers international staff costs. There are also voluntary cash contributions earmarked for specific projects. UNRWA funds are distributed among various programs including, education, health, relief and social services, and operational and common services.⁵ Refugees also make contributions where appropriate or possible in the form of co-payments, self help projects, or voluntary contributions.

The UNRWA's regular budget for calendar year (CY) 2003 is \$344 million. More than half of its budget is spent on educational and health programs. The project budget comprises mostly non-recurrent costs specifically earmarked by donors.⁶ UNRWA has recently made internal changes to improve its management and administration of resources, for example over the last several years, it has developed a new financial system, refined its budget presentations, and expanded its auditing procedures.

² See [<http://www.un.org/unrwa/publications/statistics>].

³ For background information, see CRS Report IB92052, *Palestinians and Middle East Peace: Issues for the United States* by Clyde Mark.

⁴ For a more comprehensive report about UNRWA and its recent activities, see "Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine in the Near East, 1 July 2001-30 June 2002" at [<http://www.un.org/unrwa/publications>].

⁵ For an overview of UNRWA statistics and activities, see "UNRWA in Figures" at [<http://www.un.org/unrwa/publications/statistics>].

⁶ See UNRWA Programme Budget for the Biennium 2002-2003, UNRWA and UNRWA Finances at [<http://www.un.org/unrwa/finances/index.html>].

U.S. Contribution to UNRWA

The Department of State, Bureau of Population, Refugees, and Migration (PRM), deals with problems of refugees worldwide, conflict victims, and populations of concern to the United Nations High Commissioner for Refugees (UNHCR). Assistance includes a range of services from basic needs to community services to tolerance building and dialogue initiatives. Key programs include refugee protection (asylum issues, identification, returns, tracing activities) and quick impact, small community projects.

Refugee emergencies lasting more than a year are funded from the regular Migration and Refugee Assistance (MRA) account through PRM. The MRA includes four major components: Overseas Refugee Assistance, Refugee Admissions, Humanitarian Migrants to Israel, and Administration. UNRWA receives funding under Overseas Refugee Assistance, where aid to refugees consists almost entirely of contributions to international organizations and to private voluntary organizations working under the direction of such organizations in caring for refugees outside the United States. A small amount, approximately 3%, is provided directly to private voluntary organizations or to governments of first asylum countries. The primary international agencies include UNHCR and UNRWA.

U.S. contributions to UNRWA come from the regular MRA account and also through the Emergency Refugee and Migration Assistance (ERMA) account, which is made available for refugee emergencies. The chart below summarizes these contributions for recent years.

Recent U.S. Contributions to UNRWA

(\$ millions)

	FY2000	FY2001	FY2002
MRA Regular Budget	\$89.0	\$101.05	\$109.26
ERMA	none	\$ 9.0	\$ 20.0

For FY2003, it is anticipated that the overall spending for UNRWA will be similar to FY2002. The State Department does not provide a line item in its MRA budget request by country or specific organization. For FY2004, the overall request for the MRA account is \$760.2 million slightly less than the \$787 million appropriated for FY2003. Of the total for next year, \$555.95 million is requested for Overseas Refugee Assistance, and of that, \$102.32 million is requested for the Near East. The U.S. contribution to UNRWA usually covers 22-25% of the UNRWA total budget. See the table below for a historical summary of U.S. contributions to UNRWA. For information about other U.S. government funding to the Palestinians, see CRS Report RS21594, *United States Aid to the Palestinians*.⁷

⁷ Other U.S. funding, averaging \$75 million per year, comes from the United States Agency for International Development (USAID). See USAID/West Bank and Gaza, Annual Report FY2002; USAID, Asia and the Near East, "West Bank/Gaza" on [<http://www.usaid.gov/regions/ane>].

Legislative Authority

P.L. 87-510, the Migration and Refugee Assistance Act of 1962, as amended, is the permanent legislative authority under which U.S. refugee relief programs operate.⁸ Annual MRA funding is authorized in Department of State authorizing bills and appropriated in the Foreign Operations Appropriations acts. Language describing UNRWA assistance appears in the State Department Budget in Brief for FY2004.

U.S. Contributions to UNRWA (Thousands of Dollars)

Year	Contribution
Cumulative 1950-1991	1,618
1992	69,000
1993	68,000
1994	78,000
1995	74,000
1996	77,000
1997	79,000
1998	78,000
1999	81,000
2000	89,000
2001	101,000
2002	100,000

Source: From 1950-1990: United States Department of State, United States Contributions to International Organizations, annual reports. After 1990: UNRWA Commissioner General annual reports.

International Donors to UNRWA

In CY2001, over 50 countries contributed to UNRWA.⁹ UNRWA appeals to donor nations for additional contributions are often used to cover emergency expenses. UNRWA continues to emphasize the critical importance of consistent and growing contributions to its regular budget.

⁸ In addition, under the provision of the Refugee Act of 1980, P.L. 96-212, as amended, the House and Senate Judiciary Committees provide oversight of refugee admissions and assistance through a required annual consultation with the Administration.

⁹ A chart of the contributions by Governments and the European Community is available in *Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine in the Near East 1 July 2001-30 June 2002* at [<http://www.un.org/unrwa/publications>].

Challenges for UNRWA

According to UNRWA, a number of factors affect its current operations.

Security. The volatile situation in Gaza and the West Bank, along with the Israeli response, have placed extra demands on UNRWA's emergency and refugee assistance. The increasing intensity of violence since February 2002 has disrupted and delayed humanitarian deliveries and affected the security and movement of UNRWA staff.¹⁰ The escalation of hostilities has also directly resulted in damage and destruction to housing and infrastructure.

Funding. The UNRWA budget, which is funded almost entirely by voluntary contributions, fluctuates according to timing, amounts contributed, and exchange rates for foreign currencies. With increased use of UNRWA services, greater demands are being placed on the funding available.

Socio-Economic Conditions. Deteriorating socio-economic conditions have had an enormous impact in terms of increasing unemployment and diminishing job security. A decline in the business sector has only aggravated the problem, placing extra demand on UNRWA's services. UNRWA reports that there is a mounting humanitarian crisis in the occupied Palestinian territory seen in deteriorating health conditions, rising poverty, and displacement of Palestinians. As the most vulnerable element of the population, refugees have been particularly affected.

Issues for Congress

Refugee Resettlement. There is some concern that no effort has been made to settle the refugees permanently. Some in Congress have also questioned whether refugee rolls are inflated. While UNRWA periodically updates the rolls to try to eliminate duplication, its mandate covers relief and social services, but not resettlement. Although the refugee camps were meant to be temporary to provide some relief to the Palestinians, more than fifty years later, some are asking whether the UNHCR might be better placed to provide ongoing assistance. UNHCR would likely pursue a durable, long-term solution for the refugees. However, others have maintained that approach cannot work until there is a settlement between the Palestinians and Israelis. While the Palestinians argue that U.N. General Assembly Resolution 194 calls for a return to their homes or compensation, the Israelis say that because they did not cause the displacement, the international community is responsible for finding a solution. At present, UNRWA is still considered by many a unique organization that is better left in place until a way forward on the peace process can be found.

Use of UNRWA Funds. For many years, Congress has raised concerns about how to ensure that UNRWA funds are used for the programs it supports and not for anything inappropriate, such as terrorist activities. In the past, some in Congress have been concerned that refugee camps were being used as military training grounds. The camps

¹⁰ *Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine in the Near East 1 July 2001-30 June 2002* at [<http://www.un.org/unrwa/publications>].

are not controlled or policed by UNRWA, but by the host countries. The FY2003 Foreign Operations appropriations requires that the GAO review efforts of UNRWA to ensure that its programs comply with Section 301(c) of the Foreign Assistance Act of 1961 and report to Congress no later than November 1, 2003.¹¹ GAO responded to this mandate and was prepared to conduct a briefing by the agreed upon deadline.¹²

In addition, although not enacted into law, in the House Report on the FY2003 Foreign Operations appropriations bill (H.Rept. 107-663), the conference committee agreed that the Secretary of State should comply with a requirement in the House-passed legislation to report to Congress on procedures that have been put in place to ensure that section 301(c) is enforced to the fullest degree possible.

Educational Materials. Concerns have been expressed about the content of textbooks and educational materials used by UNRWA with claims that they promote anti-Semitism and exacerbate tensions between Israelis and Palestinians. The host country, not UNRWA, provides the textbooks because students must take exams in host country degree programs. In House debate, amendment 15 offered by Rep. Jarold Nadler to the FY2004 Foreign Operations appropriation recommended withholding the obligation of one third of the amount made available to UNRWA by the United States until these materials and textbooks had been replaced. It also called for UNRWA to establish a refugee resettlement program. The Nadler amendment failed on a point of order.¹³

¹¹ Section 301(c) states that any contribution to UNRWA by the United States are made on the condition that UNRWA do everything possible to ensure that none of the funds are used to assist refugees being trained by the PLO or who are otherwise involved in terrorist activities.

¹² GAO briefed staff on November 6, 2003, after being asked to postpone the date to due to congressional deliberations on the supplemental appropriations bill. For a copy of the GAO report, see [<http://www.gao.gov/new.items/d04276r.pdf>].

¹³ *Congressional Record*, H7426, July 23, 2003.