

## EXECUTIVE SUMMARY

### State of play

The United Nations Relief Works Agency in the Near East's (UNRWA) mandate as per UN Resolution 302 (IV) gives it a dual responsibility.

- The implementation of relief works 'in collaboration with local governments [...] as recommended'.
- The consultation of regional Near Eastern Governments 'in preparation for the cessation of international assistance'.

**Over its 70-year mandate, UNRWA has expanded its humanitarian services massively due to the evolving needs of Palestine refugees, consequently making the Agency a 'quasi-state institution'. However, such expansion has been counterbalanced by concrete restrictions on the Agency's political bargaining power as its mandate clearly defines UNRWA's role on the ground as a purely humanitarian one, except for dealings related to a transition of power. Nonetheless, the fact that UNRWA has become a 'quasi-state institution' has given the Agency a 70-year hegemony on certain aspects of humanitarian aid, which has made it reluctant to relinquish control. UNRWA has shown inflexibility, and in particular a certain refusal, to transfer some of its responsibility to the PA, in defiance of its mandate.**

The historical-political developments within the conflict have resulted in the Agency morphing from a short-term solution focused on immediate humanitarian relief, to a bureaucratic and heavily politicized quasi-state institution which provides essential education, healthcare services to over five million individuals. This has been exacerbated by extreme financial difficulties since 2018, when the US (long-term donor for the Agency) decided to withdraw USD \$305 million funding in January 2018. **In reaction, the European Union and European Member States increased their funding to USD \$465 million becoming the largest donors of the Agency.**

These financial difficulties inflated and subsequently revealed severe ethical allegations towards high-level UNRWA staff, detailing nepotism, retaliation, discrimination and other abuses of authority. These allegations have led many external actors to advocate for an institutional change. More importantly, these charges are having a serious impact on the activities of the Agency, with the Netherlands, Belgium, New Zealand and Switzerland suspending their funding to UNRWA over this ethics report. That being said, **the expansion of UNRWA's internal structure gives insight as to how its primary donors, i.e. the EU and its members, should react, considering the pivotal role they have towards the Agency's survival.**

### EU and EUMS policy

The role of donors is essentially one of a board of directors and investors, in particular as they provide all sources of funding for the Agency. **This role could be utilized to implement large scale reform within UNRWA to tackle the abovementioned crisis factors.**

Erroneously, the EU has placed certain political responsibility on UNRWA, a responsibility which is not UNRWA's to hold due to the nature of its mandate, which is incredibly limited in scope when considering anything outside humanitarian advocacy. Particularly poignant examples of this imposed responsibility come from the official EU statements by former EU High Representative, regularly stating that "UNRWA is essential for the very perspective of a two-state solution". Furthermore, **as a result of poor communication, several EUMS and their agencies have put UNRWA in a position where there was a surplus of funds for a specific area but a lack in many others, due to**

the presence of multiple stream of budget all supposedly funding the same sector of activities. As a matter of fact, the paper analyses EUMS supports using official UNRWA records of donation. Germany, France, Belgium and Sweden are selected as case studies, as they are the Agency's most consistent and largest donors.

**This belief that UNRWA can act as an independent political agent highlights not only a misunderstanding of the mandatory restraints the Agency has, but also of a fundamental misunderstanding of their own EU-UNRWA Joint Declaration for 2017-2020.** In essence, although the EU appears to have a clear understanding of the Agency's humanitarian importance on the ground, it does not seem to take into account the actual constraints experienced by the Agency which impede it from having any political role, or even from providing the space for one.

## Policy recommendations

- **The EU and EUMS, when it comes to any foreign policy related to UNRWA, should abandon any language that is not limited to humanitarian aid** and exclude discussion on the political role that the Agency plays within Israel and the Occupied Palestinian Territory. In accordance, **The UNRWA-EU Joint Declaration should be re-considered** in the current tumultuous context. As the document is not legally binding, the EU and EUMS should leverage on their funding support for the Agency having in mind the limits of UNRWA's mandate and posing certain constraints. These constraints should:

- a. **Require UNRWA to reorganize its administration** to avoid further ethical problems and
- b. **Foster accountability within the Agency's organization** with regards to its own mandate.

- **The EU, as UNRWA's primary donor, should be more present, by observing the minutiae of the Agency's administrative organization and general handling of funding with greater detail.** The Department of Planning and the External Relations and Communication Department at UNRWA Headquarter could be asked to take on more responsibility in donor communication, with the Monitoring and Evaluation indicators being pivotal leverage to foster transparency. Coherently, the EU and EUMS **should take a more coordinated approach** to the two funding tracks that the EU has in relation to UNRWA, i.e. coordinating the funding that the EU gives as a singular entity and the funding given by individual EUMS.

- Dealing with UNRWA's probable transition, the EU and EUMS should focus on **establishing a transition plan, working closely with the UNRWA policy makers.** This plan should include transition some of UNRWA's responsibilities to both host countries and to the Palestine refugees themselves. **The most feasible option for this transition of services would be to begin with Jordan Field Office coordinating directives with UNRWA Headquarter in Amman.**

- Finally, **the EU should push for a permanent budget,** overseen by the UN for the Agency as an attempt to rectify the ethical issues within the Agency along with increased and unified Monitoring & Evaluation regulations.