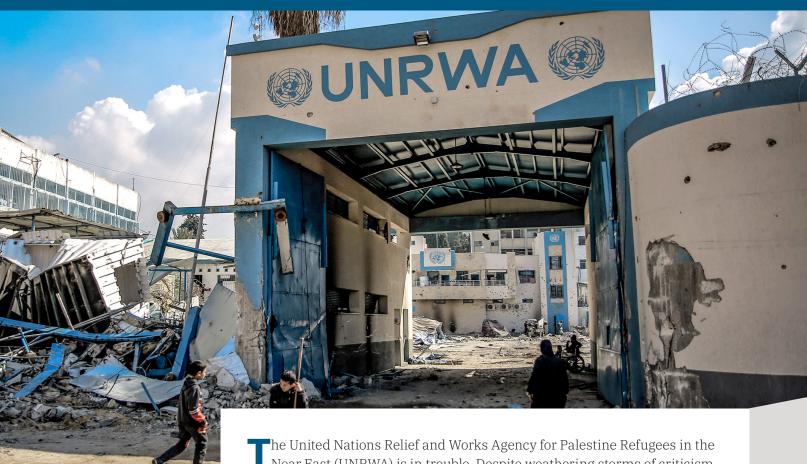
Options for UNRWA

From Systemic Reform to Dissolution

James G. Lindsay



Damaged UNRWA building in Gaza City. REUTERS he United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) is in trouble. Despite weathering storms of criticism over the years, the agency somehow always found a way to survive, largely because it filled a need that other countries and institutions did not want to fill themselves. But recent Israeli reports—namely, that certain personnel were deeply involved in Hamas's October 7 attack on Israel;¹ that more than 450 employees are "military operatives" within Hamas and other terrorist organizations;² and that numerous UNRWA institutions were used as cover for Hamas arsenals, warehouses, military installations, and computer servers³—have triggered unprecedented anger and frustration toward UNRWA.

Indeed, the potential for change is greater now than at any time since the Trump administration eliminated all U.S. support for UNRWA over the agency's alleged refusal to institute reforms, funds that were restored by the Biden administration in 2021 on condition that certain reforms be implemented.⁴ And while current ire focuses on

UNRWA operations in Gaza, decisions taken to correct deep-seated problems there will have profound implications for the agency's operations elsewhere—in the West Bank, Jordan, Syria, and Lebanon.

What follows, then, is a list of problems facing UNRWA and recommendations for reforms:

PROBLEM

Terrorists and terrorist supporters on UNRWA's staff.

For decades, UNRWA has declined to make meaningful reforms with regard to prohibiting the employment of or provision of services to members and supporters of terrorist organizations. 5 Specifically, UNRWA has consistently refused to vet its employees against the U.S. list of terrorists—the so-called OFAC list (referring to the Office of Foreign Assets Control).6 Twenty years ago, UNRWA's commissioner-general admitted, "I am sure that there are Hamas members on the UNRWA payroll and I don't see that as a crime."7 That view apparently remains unchanged even after the October 7 massacre, with the senior UN official for humanitarian affairs declaring, "Hamas is not a terrorist group. For us, of course, as you know, it's a political movement."8 The reported involvement of UNRWA personnel in the October 7 events, the reportedly large numbers of personnel associated at various levels with terrorist groups,9 and UNRWA's seeming deference to Hamas have exposed the woeful inadequacy of the agency's area-staff vetting procedures. 10 UNRWA says it welcomes incriminating information about its staff and will take measures against those identified as having clear terrorist connections—the "few bad apples." ¹¹ Yet UNRWA still seems unwilling to take any proactive measures to vet staff or even to sever its connection with Hamas members or supporters who may not have been direct participants in terrorist acts. 12

RECOMMENDATION

Donor nations should demand—on threat of suspension of financial support (or its elimination, in the event of persistent noncompliance)—that UNRWA immediately implement a system to vet all current area staff and all new hires using information from all donor and host nations, including the Israeli government.

All staff found to be members, affiliates, or supporters of terrorist groups should be dismissed and not be considered for any UN-related employment for a period not less than five years. Even then, UNRWA should not consider rehiring unless there is convincing evidence, including a public renunciation of membership in a terrorist organization and support for terrorism, that the former staff member has fully separated from all terrorist associations. UNRWA should implement a similar staff vetting process for all organizations, companies, and institutions that contract with it or serve as partners in the delivery of services to UNRWA or its beneficiaries.

PROBLEM

Terrorists receiving UNRWA benefits.

A separate and more complicated problem is that UNRWA should not provide benefits—e.g., healthcare, shelter—to terrorists, their supporters, or their immediate families even if they meet the UNRWA definition of a "Palestine refugee." Vetting recipients of UNRWA benefits requires a massive initiative, but it is essential to ensure that donor funds are not inadvertently assisting terrorists.

RECOMMENDATION

Donor countries should insist that UNRWA initiate a vetting process, using data from donors as well as the Israeli government, to ensure that terrorists, their supporters, and their immediate families do not receive UNRWA benefits.

In practice, this means that persons identified as terrorists or supporters of terrorist groups should be banned from receiving UNRWA benefits for a period not less than five years. UNRWA should not consider reinstating benefits unless there is convincing evidence, including a public renunciation of membership in a terrorist organization and support for terrorism, that the former beneficiary has fully separated from all terrorist associations.

PROBLEM

Recognizing as "refugees" millions of people who do not meet the international definition.

According to the UN Convention and Protocol Relating to the Status of Refugees (hereafter, UN Convention on Refugees), persons who are citizens of a state are not considered "refugees." ¹³ UNRWA applies a unique definition—different from every other refugee context globally—by applying refugee status based on patrilineal lineage to persons displaced from their homes in Palestine in the 1947–49 war, regardless of their current citizenship.14 The result is that UNRWA's 5.9 million registered refugees include millions of beneficiaries who would not merit inclusion based on the universally recognized definition of refugees. This has multiple deleterious effects, from inflating UNRWA's budget to perpetuating a refugee problem where it does not exist and denying legitimate refugees the focused attention and support they deserve. 15

RECOMMENDATION

Donor countries should demand that continued financial aid to UNRWA be contingent on aligning the agency's definition of "refugee" with the language in the UN Convention on Refugees.

Such a change would prompt the removal from UNRWA rolls of all citizens of a state as well as any person "recognized by the competent authorities of the country in which he has taken residence as having the rights and obligations which are attached to the possession of the nationality of that country."16 The move would strike millions from UNRWA rolls and allow huge savings in the agency's operations. Recognizing that this reform will impose new costs on countries that heretofore relied on UNRWA to provide health, education, and other services, donors should consider increasing direct bilateral aid to the affected countries to offset associated financial, institutional, and bureaucratic hardships. Such assistance could include additional sums to ease the transition of service provision from UNRWA to state authorities.

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PROBLEM

Status-based distribution of UNRWA services.

In addition to providing benefits based on a uniquely broad definition of "refugee," UNRWA furnishes many of its services without regard to recipients' ability to pay. The agency did not always eschew such "means testing": UNRWA was founded to provide assistance to those in need and only gradually became a provider to those not in need.¹⁷ The result is that donor funds are now, in many cases, subsidizing healthcare, education, and other expenses for large numbers of beneficiaries who could pay for these services directly. This has the effect of squeezing the money allotted for recipients who genuinely need UNRWA support. Addressing this issue would not be unprecedented. In 1982, donor pressure compelled the agency to halt food distribution to beneficiaries who were not in need.18

RECOMMENDATION

Donor countries should use the power of the purse to compel UNRWA to adopt and implement a need-based distribution of agency services.

Those who can afford to pay for services should do so, with savings applied either to supplement the benefits of truly needy recipients or to reduce UNRWA's overall budget.

PROBLEM

Political advocacy by UNRWA staff.

UNRWA claims to be a politically neutral organization, but its leadership—especially commissioners-general—make many political statements, often in opposition to the interests of donors. 19 Such statements are objectionable in themselves for an aid agency, but they also violate UNRWA's own rules for area staff, who are forbidden to "publicly support or represent, or publicly associate with any party, organisation, movement, conference, group or person which has as one of its or his/ her functions or purposes to support, oppose, influence or determine the internal or external policy of any government or governments, or to discuss publicly such policies, or proposals or controversies related thereto."20 The area staff rule should be applied to international staff as well-including the commissioners-generaland strictly enforced for everyone.

RECOMMENDATION

Donor nations should make continued funding contingent on strict enforcement of UNRWA's existing rules banning political speech by staff.

This provision should include political speech by the agency's commissioners-general.

PROBLEM

Including anti-Semitic and other objectionable material in UNRWA textbooks and educational resources.

For decades, observers have alerted UNRWA to problems with its teaching materials—let alone what is actually taught in agency-run schools.²¹ The July 2021 "Framework for Cooperation" signed between the U.S. Department of State and UNRWA enabling the resumption of American funding was supposed to address these problems, but they were still apparent in UNRWA schools afterward.²² For instance, inflammatory materials remained in UNRWA textbooks in 2022, although UNRWA stated that it had instructed teachers to abandon those materials in favor of other, agency-produced content.²³ UNRWA claims it must use national materials produced by governments of the states in which it operates, but it has never threatened to stop educating students if it cannot eliminate content inconsistent with UN principles. Thus UNRWA, by its own admission, continues to expose its students to anti-Semitic, anti-peace, jihadist, and other inflammatory or unbalanced material.

RECOMMENDATION

Remove all expressions of anti-Semitism and other content incompatible with UN principles from educational materials employed in UNRWA schools—including from materials provided by the Palestinian Authority and other regional states.

This urgent task includes revising textbooks and educational curricula as necessary. Donor nations should insist that continued funding of UNRWA schools and their personnel is contingent on vetting all resources used by a team of independent experts led by a separate UN agency, such as the Educational, Scientific, and Cultural Organization (UNESCO).

Taken together, these reforms would make UNRWA a smaller, more rational, and less political organization, all of which will likely improve its ability to deliver vital services to the people who deserve them.²⁴ Yet even the most robust reform process will not fix what ails UNRWA in Gaza if the territory remains under the influence of Hamas and other terrorist groups. If such groups do keep power, terrorists will retain the ability to

intimidate UNRWA, even if all terrorist affiliates and supporters are removed from UNRWA's ranks. For this reason, Israel's success in achieving its principal war aim—dismantling Hamas's military capacity and political governance—is essential for ending the group's regime of fear imposed on the people of Gaza, and is a prerequisite for any serious effort at UNRWA reform there.

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The Nuclear Option: Dissolution

The list of needed UNRWA reforms is long. Securing implementation will be a constant struggle against entrenched defenders of the status quo—including powerful voices inside the organization, among Arab states where UNRWA provides services, and within the broader UN system. That alliance has fought successfully against substantive reform for decades. While the moment appears ripe for the United States and other outraged donors to impose real change on a largely recalcitrant and unrepentant UNRWA, one should not underestimate the agency's ability to wait out its critics and find a way to carry on as is.

This is why donor countries must act now to formulate an alternative path—the incremental dissolution of UNRWA by lopping off discrete tasks and entrusting other UN agencies and international NGOs with their implementation. This would provide an opportunity for real change by circumventing the UN General Assembly's control of the agency's mandate.

Specifically, for example, donor countries could take steps such as the following: divert funding for UNRWA's food distribution and provision of emergency shelters to the World Food Programme; direct UNESCO or education-focused international NGOs to assume operational responsibility for UNRWA schools;²⁵ and ask the World Health Organization or some of its twenty partner NGOs to manage UNRWA's healthcare facilities. 26 The mix of aid agencies delivering services could differ from country to country, based on local needs and preferences. Because these other specialized agencies and international NGOs would lack UNRWA's decades of institutionalized opposition to reform, they are more likely to cooperate with donor-inspired requests for structural change.

In addition, a strong argument can be made for the

UN High Commissioner for Refugees (UNHCR) to assume responsibility in a country like Lebanon for noncitizen "Palestine refugees" who clearly have not been given "the rights and obligations which are attached to the possession of [Lebanese] nationality." After all, UNHCR is entrusted by the UN to "assume the function of providing international protection... to refugees who fall within the scope of the present Statute [from which Palestine refugees under UNRWA are specifically excluded and of seeking permanent solutions for the problem of refugees."27 A similar case can be made for those "Palestine refugees" in Syria and Jordan who are not citizens of those states or who are not "recognized by the competent authorities of [those states] in which [they have] taken residence as having the rights and obligations which are attached to the possession of the nationality of that country."

One must recognize that UNHCR assumption of responsibility for this much smaller group of refugees would not be a panacea. UNRWA's core mandate is protection; and UNHCR's mandate includes repatriation—efforts to return refugees to the country of original residence—which would give the claims of these refugees to return to land in present-day Israel a strong advocate within the UN system. Therefore, even though UNHCR's mandate also includes integration in host countries and resettlement in third countries, this solution could have its own problems, as beneficial as it would be to remove these refugees from UNRWA's care.

Moreover, a clear alternative route exists for challenging the UNRWA role in Gaza and the West Bank. Israel and the United States may disagree on certain political outcomes, with Washington supporting an expanded role for a "revitalized" Palestinian Authority in Gaza and the current Israeli government advocating the empowerment of "local officials" with "administrative experience."²⁹ But both paths—the PA approach advocated by the United States and the "local officials" approach advocated by Israel—share the possibility of these alternative administrations eventually absorbing UNRWA's responsibilities, in the process receiving,

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so long as is necessary, the funding UNRWA currently expends to fulfill these tasks. Much has to happen before this is a practical option, but devising a plan now to eventually dismantle UNRWA in the West Bank and Gaza and give its responsibilities to a local Palestinian administration would be a sobering prospect for UNRWA's staunchest defenders.

In summary, articulating a plan for the incremental dissolution of UNRWA—death by a thousand cuts, as it were—should the agency and its allies prove

resistant to change would be a powerful tool to advance the cause of systemic reform. And if reform is still blocked, dissolution could then become the default option. Whichever path donor countries take—reform or dissolution—the result will be a dramatic improvement over the bloated, politicized, anti-Semitic, reportedly terrorist-infiltrated UNRWA of today. There are two prerequisites to achieving this objective—the dismantling of Hamas rule in Gaza, which will end its regime of fear imposed on the local population, and the persistence, determination, and spine of donors, led by the United States.

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NOTES

- See Tia Goldenberg, Najib Jobain, and Jack Jeffrey, "Document Spells Out Allegations Against 12 UN Employees Israel Says Participated in Hamas Attack," Associated Press, January 29, 2024, https://apnews.com/article/israel-hamas-war-news-01-29-2024-4c49c2fb89c3bfd4963f2260b34943c1. Such allegations prompted the U.S Department of State to suspend support for the agency: see "Statement on UNRWA Allegations," January 24, 2024, https://www.state.gov/statement-on-unrwa-allegations/. Also see comments by Ambassador David Satterfield, U.S. envoy for humanitarian affairs in the Middle East, cited in Etgar Lefkovits, "Congress Has Made It Clear: U.S. Funding to UNRWA Will Stop," Jewish News Syndicate, February 18, 2024, https://www.jns.org/us-envoy-unrwa-funding-freeze-is-permanent/.
- See Yonah Jeremy Bob and Reuters, "IDF Implicates More UNRWA Officials in October 7 Massacre Following Release of Recordings," *Jerusalem Post*, March 4, 2024, https://www.jpost.com/israel-hamas-war/article-790191; and Reuters, "Israel Says Over 450 UN Aid Agency Workers in Gaza Are 'Military Operatives,'" March 4, 2024, https://www.reuters.com/world/middle-east/israel-over-450-un-aid-agency-employees-gaza-are-military-operatives-2024-03-04/.
- 3 See, e.g., Emanuel Fabian, "Directly Beneath UNRWA's Gaza Headquarters, IDF Uncovers Top Secret Hamas Data Center," *Times of Israel*, February 10, 2024, https://www.timesofisrael.com/directly-beneath-unrwas-gaza-head-quarters-idf-uncovers-top-secret-hamas-data-center/.
- For details, see James G. Lindsay, "A Missed Opportunity in America's Refunding of UNRWA," PolicyWatch 3529, Washington Institute for Near East Policy, September 2, 2021, https://www.washingtoninstitute.org/policy-analysis/missed-opportunity-americas-refunding-unrwa.
- For a more detailed discussion of this issue, see James G. Lindsay, *Fixing UNRWA: Repairing the UN's Troubled System of Aid to Palestinian Refugees*, Policy Focus 91 (Washington DC: Washington Institute, 2009), 27–32, 59–60, https://www.washingtoninstitute.org/policy-analysis/fixing-unrwa-repairing-uns-troubled-system-aid-palestin-ian-refugees.
- 6 See Lindsay, *Fixing UNRWA*, 29, https://www.washingtoninstitute.org/policy-analysis/fixing-unrwa-repairing-uns-troubled-system-aid-palestinian-refugees. OFAC is under the U.S. Department of the Treasury. UNRWA argued that it could not, as an international organization, take action based on a list provided by a national source.
- 7 See "Canada Looking at UN Agency over Palestinian Connection," Canadian Broadcasting Corporation, October 4, 2004, https://www.cbc.ca/news/world/canada-looking-at-un-agency-over-palestinian-connection-1.506576.
- 8 Martin Griffiths, UN undersecretary-general for humanitarian affairs, cited in Danielle Greyman-Kennard, "'Hamas Is Not a Terrorist Group,' Says UN Relief Chief Martin Griffiths," *Jerusalem Post*, February 15, 2024, https://www.jpost.com/israel-hamas-war/article-787084.
- 9 See Tovah Lazaroff, "Israeli Intelligence Accuses 190 UNRWA Staff of Hamas, Islamic Jihad Roles," *Jerusalem Post*, January 29, 2024, https://www.jpost.com/israel-hamas-war/article-784213.
- In 2021, for example, Matthias Schmale, the director of UNRWA's Gaza field, made the mistake of referring to Israeli bombardments during the May 2021 conflict with Hamas as "precise" and "sophisticated." Allegedly, Hamas declared Schmale and his deputy, David de Bold, personae non gratae, and UNRWA withdrew both from the territory. See "UNRWA Gaza Chief Recalled After Uproar over Claim that IDF Strikes 'Precise,'" *Times of Israel*, June 2, 2021, https://www.timesofisrael.com/unrwa-gaza-chief-recalled-after-uproar-over-claim-that-idf-strikes-precise/. Thus far, none of the small number of international staff appear to have been directly involved with Hamas, although evidence does suggest that international personnel who did not comply with Hamas's wishes were relieved of their UNRWA employment in Gaza. See also David Luhnow, "A U.N. Agency Is Accused of Links to Hamas. The Clues Were There All Along," *Wall Street Journal*, February 2, 2024, https://www.wsj.com/world/middle-east/hamas-israel-attack-united-nations-unrwa-0ec8d325?st=eses3gutb9iznev&reflink=article_whatsapp_share.
- For alleged "bad apples" in each category, see "Israeli Intel Shows 10% of UNRWA Workers in Gaza Have Ties to Terror Group—Report," *Times of Israel*, January 29, 2024, https://www.timesofisrael.com/israeli-intel-shows-10-of-unrwa-workers-in-gaza-have-ties-to-terror-groups-report/. Israeli intelligence indicates that at least 12 UNRWA staff members participated in the October 7 attack, 190 are terrorist operatives, around 1,200 (or 10%) are associated with terrorist groups, and some 6,000 (a bit less than 50%) have a close relative with ties to terrorists. For updates to this analysis, see Bob and Reuters, "IDF Implicates More UNRWA Officials," https://www.jpost.com/israel-hamas-war/article-790191, and Reuters, "Israel Says Over 450 UN Aid Workers," https://www.reuters.com/world/middle-east/israel-over-450-un-aid-agency-employees-gaza-are-military-op-

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- 12 See Lindsay, *Fixing UNRWA*, 30, https://www.washingtoninstitute.org/policy-analysis/fixing-unrwa-repairing-uns-troubled-system-aid-palestinian-refugees. Note that while UNRWA says it has dismissed the employees identified as participating in the October 7 atrocities, employees can appeal personnel actions to the Administrative Tribunal at UN Headquarters in New York.
- See the United Nations Convention Relating to the Status of Refugees, Art. 1, Sec. C (3), https://www.unhcr.org/in/media/convention-and-protocol-relating-status-refugees.
- 14 For details, see UNRWA's Consolidated Eligibility and Registration Instructions, updated most recently in 2009, https://www.unrwa.org/resources/strategy-policy/consolidated-eligibility-and-registration-instructions.
- UNRWA indicates the presence of approximately 5.9 million registered "Palestine refugees" residing in its five areas of operation. See "UNRWA in Action," https://www.unrwa.org/sites/default/files/unrwa_in_action_2023_eng.pdf.
- UN Convention on Refugees, Art. 1, Sec. E. This is further explained as applying to persons "who have been received in a country where they have been granted most of the rights normally enjoyed by nationals, but not formal citizenship...frequently one where the population is of the same ethnic origin as themselves...[and are] fully protected against deportation or expulsion..." UN High Commissioner for Refugees, *Handbook on Procedures and Criteria for Determining Refugee Status Under the 1951 Convention* and the 1967 Protocol Relating to the Status of Refugees, paras. 144–45, https://www.unhcr.org/media/handbook-procedures-and-criteria-determining-refugee-status-under-1951-convention-and-1967.
- 17 Indeed, "need" was one of the original requirements to be considered a "Palestine refugee"; whether a person was needy was ignored for years, however, and formally removed as a requirement in 1993. See Lindsay, *Fixing UNRWA*, 24, https://www.washingtoninstitute.org/policy-analysis/fixing-unrwa-repairing-uns-troubled-system-aid-palestinian-refugees.
- For a discussion of past efforts at reforming UNRWA, see James G. Lindsay, "Reforming UNRWA," *Middle East Quarterly* 19, no. 4 (Fall 2012): 85–91, https://www.meforum.org/3404/reforming-unrwa.
- 19 These pronouncements consist largely of criticism of Israel, although in the past they also included pro-Hamas statements contrary to the stance of many donor nations. See Lindsay, *Fixing UNRWA*, 21, 59, https://www.washingtoninstitute.org/policy-analysis/fixing-unrwa-repairing-uns-troubled-system-aid-palestinian-refugees.
- 20 Lindsay, *Fixing UNRWA*, 30, https://www.washingtoninstitute.org/policy-analysis/fixing-unrwa-repairing-uns-troubled-system-aid-palestinian-refugees.
- 21 See, e.g., Lindsay, *Fixing UNRWA*, 41–45, https://www.washingtoninstitute.org/policy-analysis/fixing-unrwa-repairing-uns-troubled-system-aid-palestinian-refugees.
- 22 See Yardena Schwartz, "Palestinian Schools Have a Problem—and Are Running Out of Time," *Foreign Policy*, November 5, 2021, https://foreignpolicy.com/2021/11/05/unrwa-palestine-israel-refugees-united-states-fund-ing-corruption-education/; and Review of 2022 UNRWA-Produced Study Materials in the Palestinian Territories, IMPACT-se, July 2022, https://www.impact-se.org/wp-content/uploads/Review-of-2022-UNRWA-Produced-School-Materials.pdf.
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- For a list of the World Health Organization's partner NGOs, see https://www.who.int/emergencies/partners/non-governmental-organizations.
- 27 See "History of UNHCR," https://www.unhcr.org/about-unhcr/overview/history-unhcr.
- 28 For details of UNHCR's mandate, see https://www.unhcr.org/what-we-do.
- Jacob Magid, "Netanyahu Presents Post-War Plan to Cabinet, Aims for 'Local Officials' to Govern Gaza," Times of Israel, February 23, 2024, https://www.timesofisrael.com/presenting-post-war-plan-to-cabinet-pm-aims-for-local-officials-to-govern-gaza/.

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