

UNRWA and Humanitarian Aid

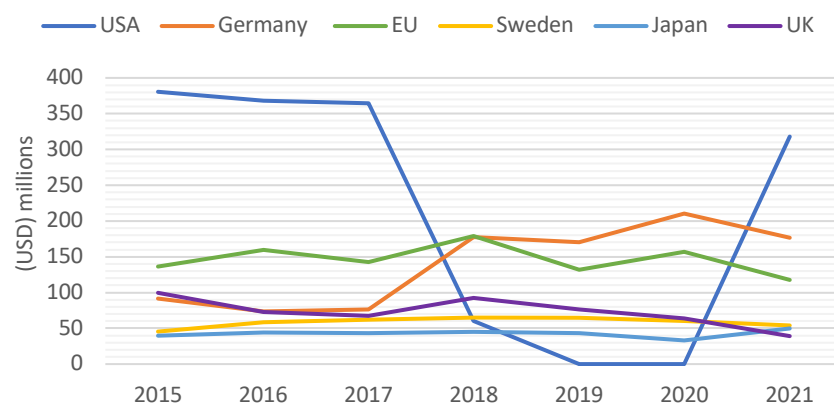
UNRWA receives 93% of its funding from UN member state donations and from the European Union.¹ The organisation is chronically underfunded, with significant yearly budget shortfalls meaning that services provided are constricting whilst the demands increase for the growing refugee population facing urgent crises and lacking a permanent political solution to their situation.² To maintain the provision of services for in 2022, UNRWA's budgetary requirement is **\$1.6 billion**.³

In 2018, the US withdrew funding from UNRWA to challenge Palestinian political demands, resulting in a demonstration of support for Israel and straining relations with UNRWA's leadership.⁴ UNRWA overcame the severe budgetary cuts of 2018-2020 and the US agreed to reinstate funding under the Biden administration.⁵ The US continues to have a great deal of influence in the disbursement of these funds with conditions attached regarding greater transparency, adherence to 'neutrality' and internal professionalisation.⁶

There is opposition from some Palestinian refugees over some US-directed policies such as biometric registration of refugees in accordance with US concerns of political terrorism among Palestinians.⁷

UNRWA's budget is divided into the core programme and non-programme budget, what is included in each is detailed in the table below.⁸ Of the core budget, 58% is dedicated to education, 15% to health and 13% to social services. This prioritisation aligns with UNRWA's basic objective to provide the services that protect refugees' fundamental human rights.⁹ The extent to which this can be achieved is increasingly precarious.

Fig. 1 Top Donors' Annual Contributions to UNRWA, 2015-21¹⁰



Programme Budget	Non-Programme Budget
<ul style="list-style-type: none"> UNRWA staff salaries. Core Services: Education, Health, Relief and Social Services, Protection. Operational costs including rental and maintenance of premises, consultancy costs, utilities, equipment, training etc. 	<ul style="list-style-type: none"> Projects and Emergency Appeals. Responses to humanitarian crises currently including recovery from the Covid-19 pandemic. Political and economic instability in Lebanon; Impact of War in Syria and recovery from May 2021 hostilities in Gaza.

¹ UNRWA 'How We Are Funded' <<https://www.unrwa.org/how-you-can-help/how-we-are-funded>>

² UNRWA Budget Proposal 2022, 18 January 2022 < https://www.unrwa.org/sites/default/files/unrwa_2022_gva_english.pdf>

³ UNRWA Budget Proposal 2022, 18 January 2022 < https://www.unrwa.org/sites/default/files/unrwa_2022_gva_english.pdf>

⁴ P. Beaumont and O. Holmes, 'US Confirms End to Funding for Palestinian Refugees', The Guardian, 31 August 2018

< <https://www.theguardian.com/world/2018/aug/31/trump-to-cut-all-us-funding-for-uns-main-palestinian-refugee-programme>>

⁵ BBC, 'Biden Administration to Restore \$235m in US Aid to Palestinians', 7 April 2021 <<https://www.bbc.co.uk/news/world-middle-east-56665199>>

⁶ 'Framework for Cooperation between UNRWA and the USA 2021-2022' < <https://www.state.gov/2021-2022-u-s-unrwa-framework-for-cooperation/>>

⁷ M. Humaid, 'Palestinian factions in Gaza call to end latest UNRWA-US deal', Al-Jazeera, 5 October 2021

<<https://www.aljazeera.com/news/2021/10/5/palestinian-factions-call-to-cancel-unrwa-us-agreement>>

⁸ UNRWA, 'How We Spend Funds' <<https://www.unrwa.org/how-you-can-help/how-we-spend-funds>>

⁹ UNRWA, 'How We Spend Funds' <<https://www.unrwa.org/how-you-can-help/how-we-spend-funds>>

¹⁰ UNRWA, Donor Charts (2015-21) < <https://www.unrwa.org/how-you-can-help/government-partners/funding-trends/donor-charts>>

UNRWA Funding in Global Context

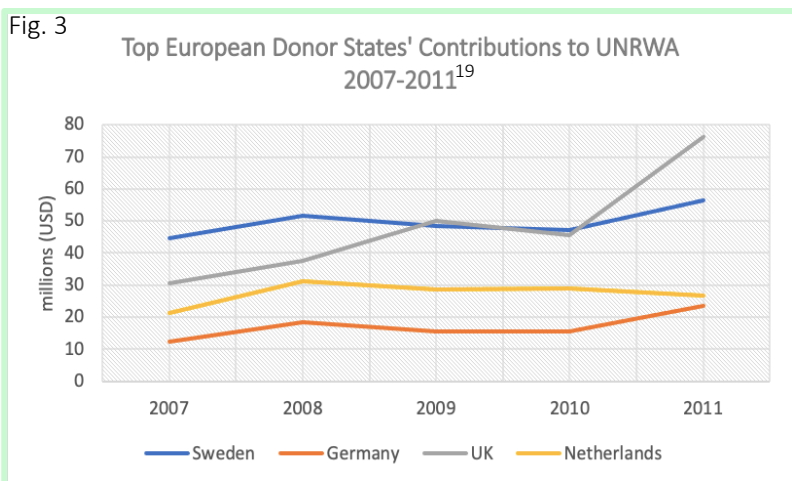
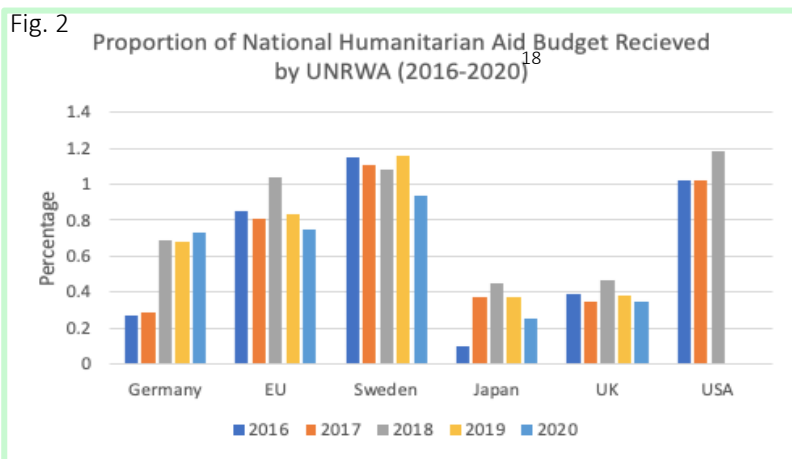
Humanitarian organisations worldwide are facing growing demands and increasingly scarce financial resources.¹¹ Relying on individual states for funding, UNRWA is forced into competition for national humanitarian budgets. Under pressure from domestic populations for transparency and efficacy of development aid, there is a trend for more tightly earmarked donations to agencies like UNRWA for specific projects.¹²

National aid budgets are vulnerable to global and national financial stability, with implications for recipient agencies. Observers warn that recovery from the Covid-19 pandemic will be reflected in reduced aid budgets and different priorities, with greater investment in global health and vaccination programmes.¹³

The 2022 invasion of Ukraine presents an additional threat to both the size and direction of humanitarian aid. Already we have seen re-assignment of Western aid to Ukraine at the expense of more distant humanitarian crises in Yemen and Afghanistan.¹⁴

The World Bank projected a global economic downturn in 2022 and 2023 even before the Ukraine crisis hit, predicting global growth slowing from 5.5% in 2021 to 3.2% by 2023.¹⁵ Fears of the negative implications for humanitarian crises and developing nations reliant on foreign aid, are therefore heightened. For UNRWA, analysis of the impact of the 2008 global financial crisis may alleviate some of these immediate fears. Figure 2 shows the recent stability in funding from main donors other than the US and Figure 3 shows the stability and slight increase of donations to UNRWA throughout the period following the 2008 financial crisis.

This may indicate a concern that economic crisis in the Middle East would prompt political instability and cause greater problems for Western states and the global economy, particularly as this period saw conflict in Gaza.¹⁶ It is possible that even if we are headed for global financial crisis in 2022, political stability in the Middle East will be prioritised by European states and this may be reflected in stable UNRWA contributions as it was in 2008, particularly in light of resurgent conflict in Gaza. Multi-year agreements, as UNRWA is increasingly keen to establish with donors, will help to weather turbulent economic periods. As such, the European Union has recently announced a three-year contribution of €246 million.¹⁷



¹¹ UNOCHA, 'Global Humanitarian Overview 2022', 'Part Two, Inter-Agency Appeals: Consequences of Underfunding' <<https://gho.unocha.org>>

¹² R. Calleja, Overseas Development Institute, 'Aid in the National Interest', < <https://odi.org/en/insights/aid-in-the-national-interest-how-the-uk-ranks/>>

¹³ OECD, 'Building Back Better', 5 June 2020 < <https://www.oecd.org/coronavirus/policy-responses/>>

¹⁴ J. Alexander and J. Rozzelle, 'Is Ukraine's Aid Bonanza Coming at the Expense of Other Crises?', *The New Humanitarian*, 24 March 2022, <<https://www.thenewhumanitarian.org/analysis/2022/03/24/ukraine-aid-funding-media-other-crisis>>

¹⁵ 'Global Economic Prospects', *World Bank Group*, January 2022 <<https://www.worldbank.org/en/publication/global-economic-prospects>>

¹⁶ DFID, UK Aid: Tackling Global Challenges in the National Interest' p. 7 and pp. 13-14

<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/478834/ODA_strategy_final_web_0905.pdf>

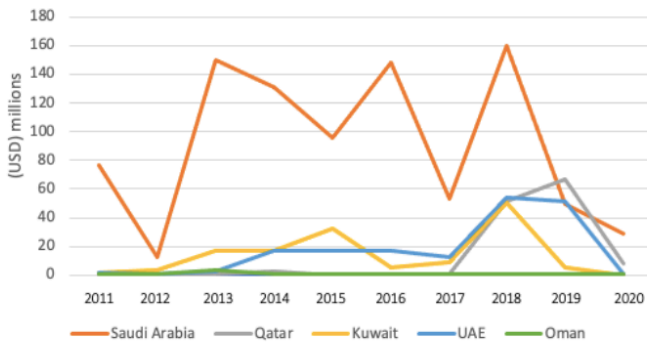
¹⁷ The European Union announces €246 million three-year contribution in support of UNRWA and Palestine refugees', UNRWA Press Release , 13 May 2022, <<https://www.unrwa.org/newsroom/press-releases/european-union-announces-eur-246-million-three-year-contribution-support>>

¹⁸ National Humanitarian Budgets from OECD Data Portal, Net ODA per country < <https://data.oecd.org/oda/net-oda.htm>>

¹⁹ UNRWA, Donor Charts – 'Overall Donor Ranking', 2007-2011 <<https://www.unrwa.org/how-you-can-help/government-partners/funding-trends/donor-charts>>

Fig. 4

Gulf States' Financial Contributions to UNRWA 2011-2020²¹



Funding from the Gulf States is highly volatile and often reflects the changing political relationship between Saudi Arabian authorities and Palestinian leadership.²⁰ With UNRWA struggling to maintain the provision of essential services, exacerbated by high unemployment and the absence of a political solution, the prospect for political instability among Palestinians refugee communities is high. Whilst political unrest may further fracture relations with the Gulf States, their proximity to such instability may prompt them to contribute greater funding in the interests of maintaining peace in the region.

Private Sector Funding

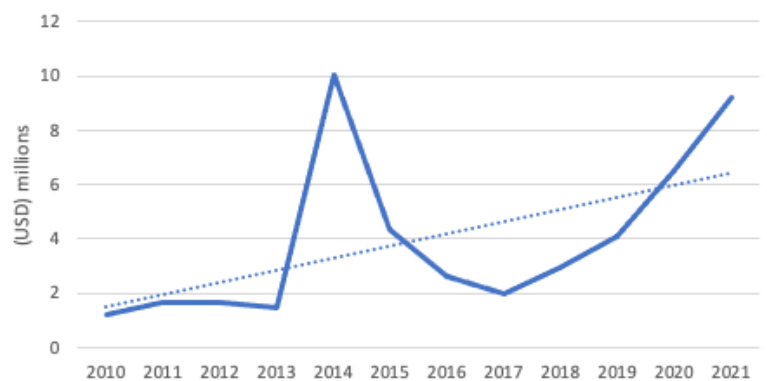
As Figure 5 shows, private sector financial contributions to UNRWA have increased by 255% since 2010, and there has been a significant increase from 2019 as alternative support was sought after the USA's withdrawal. The anomalous trend in 2014 is explained by the hostilities in Gaza and use of different terminology to include 'other sources including private donations'.²⁴

Despite the increase, still only 0.97% of total funds comes from the private sector.²⁵ In comparison, UNHCR receives 6.2% from private sector sources, as shown in figure 6.²⁶ The sector is increasingly expressing interest in humanitarian aid, presenting UNRWA with an opportunity for financial resources and valuable partnerships.

Private sector contributions to UNRWA's non-programme budget have led to some innovative projects in partnership with corporations seeking to support responsible development initiatives. The majority of private sector contributions however are given to the core programme budget, where UNRWA has greater discretion over the use of funds and is less beholden to corporative objectives.²⁷

Private Sector Funding 2010-2021²²

Fig. 5



Percentage of Total Funds Acquired from Private Sector²³

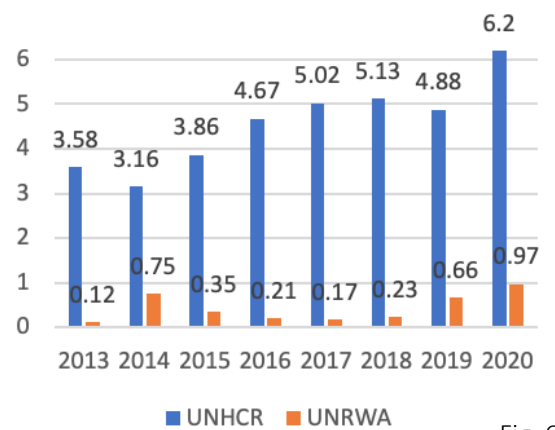


Fig. 6

²⁰ L. Alsaafin, 'Arab League Division over Palestinian Cause to Dominate Talks', *Al Jazeera*, 8 September 2020 <<https://www.aljazeera.com/news/2020/9/8/arab-league-division-over-palestinian-cause-to-dominate-talks>>

²¹ UNRWA, Donor Charts – 'Overall Donor Ranking', 2011-2021 <<https://www.unrwa.org/how-you-can-help/government-partners/funding-trends/donor-charts>>

²² UNRWA, Donor Charts – 'Overall Donor Ranking', 2010-21 <<https://www.unrwa.org/how-you-can-help/government-partners/funding-trends/donor-charts>>

²³ UNHCR, 'Global Report 2020' p. 34. <https://reporting.unhcr.org/sites/default/files/gr2020/pdf/Chapter_Financial.pdf> and UNRWA Donor Charts – 'Overall Donor Ranking' 2013-2021, <<https://www.unrwa.org/how-you-can-help/government-partners/funding-trends/donor-charts>>

²⁴ UNRWA Donor Charts – 'Overall Donor Ranking' 2014, p.5, <<https://www.unrwa.org/how-you-can-help/government-partners/funding-trends/donor-charts>>

²⁵ UNRWA, Donor Charts – 'Overall Donor Ranking', 2021 <<https://www.unrwa.org/how-you-can-help/government-partners/funding-trends/donor-charts>>

²⁶ UNHCR, 'Global Report 2020' p. 34 <https://reporting.unhcr.org/sites/default/files/gr2020/pdf/Chapter_Financial.pdf> and UNCHR, Global Focus – Budget and Expenditure 2013-2020 <<https://reporting.unhcr.org/budget-expenditure>>

²⁷ G. Boyer and Y. DuPont, 'The Contribution of the Private Sector to Solutions for Displacement', *Forced Migration Review*, 52 (2016), 36-38.

The 'UNRWA In Focus' Project

The UNRWA In Focus project is a student-centred activity at the University of Exeter, led by Professor Mick Dumper. The project is designed to provide a platform for the publication of the student's research on one of the UN's largest institutions. Project briefing papers are concise overviews providing useful information on the activities of UNRWA to explore the notion of UNRWA as a significant political actor in the Middle East and its trajectory over the next 10-15 years.

Further Reading

S. Narfeldt, 'Role of the Private Sector in Humanitarian Response', *Forced Migration Review*, 29 (2007), p.67

Humanitarian Leadership Academy and HSBC, 'The Role of the Private Sector in Humanitarian Action: Progress and Prognosis', April 2019, <https://www.humanitarianleadershipacademy.org/wp-content/uploads/2019/04/HSBCandtheAcademy_PrivateSectorHumanitarianAction_April2019_FINAL.pdf>

UNOCHA, Global Humanitarian Overview 2022 <<https://gho.unocha.org>>

Useful Links

UNRWA Programme Budget 2022-2023 <https://www.unrwa.org/sites/default/files/2022-2023_programme_budget_blue_book_-_final_211021.pdf>

UNRWA, Resource Mobilisation Strategy, 2019-2021 <<https://www.unrwa.org/resources/strategy-policy/resource-mobilization-strategy-2019-2021>>

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UK Parliament Debate, 'UN Relief and Works Agency for Palestinian Refugees' 9 December 2021 <<https://hansard.parliament.uk/lords/2021-12-09/debates/DF783DBD>>