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agency for palestine refugees  
in the near east

## WHY DONORS SHOULD NOT SUSPEND AID TO UNRWA

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Why Donors Should Not Suspend Aid to UNRWA

*Following Israel's allegations that staff of the UN agency serving Palestinian refugees participated in the 7 October 2023 attack, several capitals paused or threatened to suspend their funding. In this Q&A, Crisis Group expert Daniel Forti explains why it is vital that they reverse course.*

On 18 January, Israel presented (<https://www.ft.com/content/e326a1d3-7b45-4609-8179-dfb6a66abae9>) to the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) allegations that twelve of its roughly 13,000 employees in the Gaza Strip had participated in the 7 October 2023 attack on Israeli towns led by the Palestinian militant group Hamas. The allegations, which were publicly disclosed (</newsroom/official-statements/serious-allegations-against-unrwa-staff-gaza-strip>) by UNRWA on 26 January and spelled out in an Israeli intelligence document shared with several media outlets (<https://apnews.com/article/israel-hamas-war-news-01-29-2024-4c49c2fb89c3bfd4963f2260b34943c1>) three days later, also claimed that nearly 10 per cent of the agency's staff have ties to Hamas. Thus far, Israel has not provided evidence (<https://press.un.org/en/2024/db240205.doc.htm>) in writing to the UN to substantiate its allegations. A cascade of countries reacted to the news by pausing or threatening to suspend their funding for UNRWA, which was already struggling to address the humanitarian calamity in Gaza caused by the Israeli military operations launched in response to the 7 October attacks. UNRWA is by far the largest humanitarian provider in the strip, where virtually all the residents rely on it for aid, which is often life-saving or life-sustaining.

The UN has scrambled to address Israel's claims. UNRWA Commissioner General Philippe Lazzarini summarily terminated the contracts of the accused and activated an administrative probe under the Office of Internal Oversight Services (OIOS), the UN's highest internal investigative authority. On 31 January, UNRWA announced (<https://webtv.un.org/en/asset/k1l/k1l00vij6d>) that two of the accused are confirmed dead, one had yet to be identified and one was not a UN employee. Six days later, Secretary-General António Guterres appointed an independent panel (<https://www.un.org/sg/en/content/sg/statement/2024-01-28/statement-the-secretary-general-unrwa>) led by former French Foreign Minister Catherine Colonna to undertake a full review of the agency's institutional safeguards – including vetting and risk management practices – building on a commitment (<https://www.un.org/sg/en/content/sg/statement/2024-01-28/statement-the-secretary-general-unrwa>) Lazzarini had made shortly before the scandal broke.

Meanwhile, some twenty donor countries have placed a hold on funding commitments to UNRWA or said they would reassess future pledges. These include the agency's three largest donors (based on 2022 figures) – the U.S., Germany and the European Union – along with other prominent contributors such as Canada, Japan, Sweden, Switzerland and the United Kingdom. Others, including Belgium, Ireland, Italy, Norway, Qatar, Saudi Arabia, Spain and Türkiye, expressed concern at the allegations but said they would continue funding the agency. While some media outlets that

reviewed Israel's intelligence document have questioned (<https://www.channel4.com/news/israels-evidence-of-unrwa-amas-allegations-examined>) the credibility (<https://news.sky.com/story/israeli-intelligence-report-claims-four-unrwa-staff-in-gaza-involved-in-amas-kidnappings-13059967>) of certain allegations, at least some donors have their own sources of information that may be shaping their decisions.

Unpacking the financial implications of each country's decision is complicated. Although the UN General Assembly mandated UNRWA to provide humanitarian assistance, health and educational services to some three million Palestinian refugees now spread among Gaza, East Jerusalem, the West Bank, Jordan, Lebanon and Syria, the agency does not draw on the UN general budget. Instead, it must rely on ad hoc funding in the form of voluntary contributions. Donor pledges and payment schedules are bound neither to uniform time periods nor to the agency's fiscal year. This patchwork system is partly responsible for UNRWA's chronic financial straits, as Crisis Group reported (<https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean-mena/israelpalestine/242-unrwas-reckoning-preserving-un-agency-serving-palestinian-refugees>) last September.

Unless donors resume funding quickly and in full, [UNRWA] says, it could run out of resources by the end of February.

While UNRWA is accustomed to working amid financial uncertainty, the January developments create a new level of peril. Unless donors resume funding quickly and in full, the agency says, it could run out of resources by the end of February. UNRWA representatives are looking for ways to reshuffle expenditures to push the moment when the shortfall hits into April. Some donors have quietly argued that their suspensions will not have a major immediate impact. For example, the U.S. pause will affect only \$330,000 (<https://www.state.gov/briefings/department-press-briefing-january-30-2024/>) of imminent payments, while the European Commission does not have a payment due until the end ([/newsroom/news-releases/gaza-strip-humanitarian-crisis-deepens-time-funding-suspensions-put-unrwa-aid](https://civil-protection-humanitarian-aid.ec.europa.eu/news-stories/news/european-commission-statement-unrwa-2024-01-29_en#:~:text=It%20expects%20UNRWA%20to%20agree,its%20staff%20in February. Still, a freeze in contributions from the agency's largest donors places its operations at grave risk. UNRWA projects (<a href=)) that approximately \$440 million of near-term funding hangs in the balance, and the deficit could snowball if this crisis cannot be resolved. Humanitarian agency employees are both privately and publicly (

unrwa-funding-cuts-threaten) expressing great alarm about what this news could mean for the welfare of the millions of Palestinians who depend on UNRWA's support.

### **How have UNRWA donors and UN leaders responded to Israel's allegations?**

Though donors have converged upon a common set of public messages when responding to UNRWA's latest crisis, their actions have varied considerably. All the agency's donors and partners except Israel affirmed its central humanitarian role in Gaza. They also threw their weight behind the UN's plan to conduct immediate, thorough investigations of Israel's allegations.

But their united front broke apart when it came to funding decisions. As noted above, some donors suspended pending financial commitments, while others undertook reviews of their existing commitments without formally pausing forthcoming payments. Still others announced that they would not alter any of their commitments to UNRWA, pending the outcome of the OIOS investigation. Two outliers, Spain (<https://www.reuters.com/world/spain-give-unrwa-extra-38-mln-after-key-donors-suspend-aid-2024-02-05/>) and Portugal (<https://efe.com/en/latest-news/2024-02-02/portugal-announces-extra-million-euro-donation-to-unrwa-despite-accusations/>), agreed to increase their funding for the agency.

As for UN leaders, beyond their support for the OIOS investigation, they have taken great pains to make clear how seriously they take the allegations, although as of the date of publication Israel has no plans ([https://x.com/pass\\_blue/status/1754840515533488371?s=46](https://x.com/pass_blue/status/1754840515533488371?s=46)) to submit its dossier or substantiating evidence to the organisation. The Secretary-General's spokesperson said (<https://press.un.org/en/2024/db240129.doc.htm>), "any employee involved in acts of terror will be held accountable, including through criminal prosecution".

At the same time, however, the Secretary-General and the heads of UN development and humanitarian agencies have been unequivocal in calling upon UNRWA's donors to reverse course, so that the agency can continue its life-saving work in Gaza and keep the lights on in its other areas of operation. Guterres underscored ([https://www.timesofisrael.com/liveblog\\_entry/un-chief-meets-with-unrwa-donor-countries-to-appeal-against-funding-freeze/#:~:text=UN%20Secretary%20General%20Antonio%20Guterres%20r](https://www.timesofisrael.com/liveblog_entry/un-chief-meets-with-unrwa-donor-countries-to-appeal-against-funding-freeze/#:~:text=UN%20Secretary%20General%20Antonio%20Guterres%20r)) messages in a closed-door meeting with 35 UNRWA donors and partners on 30 January.

## **What is UNRWA's role in Gaza?**

As the largest humanitarian actor in Gaza, UNRWA is the primary conduit for international aid coming into the besieged enclave. The agency was created ([/what-mandate-unrwa-0](#)) by the UN General Assembly in 1949 to “provide assistance and protection for registered Palestine refugees” who fled or were forced off their land before, during and after Israel’s war of independence in 1948. It has been seeing to the needs of these people and their descendants ever since. Before Israel launched its military campaign in response to Hamas’ 7 October attacks, the agency was serving the 1.7 million ([/where-we-work/gaza-strip](#)) registered Palestinian refugees in Gaza. It works closely with Arab host governments and Israel to provide services. It also worked with Hamas, the de facto government in Gaza, and had put in place institutional safeguards ([/sites/default/files/content/resources/wrd\\_response\\_to\\_hfac\\_1.2024.pdf](#)) to protect its status as a humanitarian actor while operating in this context.

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UNRWA is best understood as an unofficial substitute for the state in the areas where it operates. It provides primary and secondary education (uniquely among UN agencies), along with food aid, health care and relief services – in some cases stepping in for host countries that do not extend national health care services or offer education to Palestinian refugees. Especially in Gaza, UNRWA has become part and parcel of daily life. Prior to 7 October, UNRWA’s operations in the strip involved nearly 40 per cent of its Palestinian staff and consumed an estimated 41 per cent of its overall budget.

Gaza’s dependence on UNRWA has only grown since the war began. No other UN humanitarian entity or international NGO operating in the enclave can match its capacity or its reach, particularly now that the hostilities have forced many to suspend operations even as the population’s needs have risen exponentially. Four months of fighting have displaced 85 per cent ([https://unctad.org/publication/preliminary-assessment-economic-impact-destruction-gaza-and-prospects-economic-recovery#anchor\\_download](https://unctad.org/publication/preliminary-assessment-economic-impact-destruction-gaza-and-prospects-economic-recovery#anchor_download)) of Gaza’s population of 2.2 million, nearly all of whom depend to some degree on UNRWA-distributed assistance. The agency’s basic education services have stopped altogether, and the UN is sounding the alarm about the mounting risk of famine (<https://www.theguardian.com/world/2024/jan/28/famine-in-gaza-is-being->

made-inevitable-says-un-rapporteur). Despite the risks of venturing out into a war zone, nearly one quarter of UNRWA's staff in Gaza, approximately 3,000 people, continue to show up for work – not least because they rely on the UN for their livelihoods in an economy otherwise in shambles. Martin Griffiths, the UN humanitarian chief, has lauded them as “indispensable (<https://reliefweb.int/report/occupied-palestinian-territory/mr-martin-griffiths-under-secretary-general-humanitarian-affairs-and-emergency-relief-coordinator-briefing-security-council-situation-middle-east-including-palestinian-question-31-january-2024>)” to the UN's entire response to the war, since they not only manage UNRWA shelters and deliver food aid but are also the backbone of the UN's “distribution, warehousing, logistics and human resources” infrastructure in the enclave.

UNRWA's flag has also traditionally provided a measure of safety to displaced Palestinians, because the facilities over which it flies generally enjoy protected status under international humanitarian law. Over 1.7 million displaced Palestinians have sought refuge either inside or near one of UNRWA's 154 shelters throughout Gaza. In the best (<https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean-mena/israelpalestine/surviving-the-war-in-gaza>) cases, UNRWA's facilities are overcrowded, unsanitary and unsafe. At worst, they have provided no shelter at all. Claiming ([https://www.youtube.com/watch?v=ZwnU3fffYeg&ab\\_channel=NBCNews](https://www.youtube.com/watch?v=ZwnU3fffYeg&ab_channel=NBCNews)) use by Hamas, Israel has raided a number of facilities in the north; others have been struck either directly by Israel fire or otherwise sustained damage amid the fighting. The agency estimates (</resources/reports/unrwa-situation-report-72-situation-gaza-strip-and-west-bank-including-east-Jerusalem>) that over 376 displaced people sheltering in UNRWA facilities have been killed, and another 1,335 injured, since hostilities began. The war has also been deadly for UNRWA staff, with more UN employees dying in Gaza over the past four months (152) than in the rest of the world over the past twelve years.

Should donors not resume funding to UNRWA, the agency may, as noted, be forced to reduce its services in both Gaza and its other areas of operation. Cutbacks would in turn harm other UN agencies that rely on UNRWA's network for their own distribution. An aid reduction could turn an already desperate population hostile to UN operations at large, thereby risking the safety of UN staff, both local and international, with the potential outcome that the UN may have to withdraw international personnel. These disruptions would both spell disaster for Gaza's already overwhelmed humanitarian system and risk deepening instability across the region.

**Does UNRWA's predicament have implications beyond the humanitarian sphere?**

Yes. UNRWA is of great symbolic importance to Palestinians. While the agency itself goes to great lengths to clarify that it is a strictly humanitarian organisation, and not a political one, Palestinians believe that UNRWA's existence is an assurance (if not insurance) that their refugee status will remain in effect and that they retain the right of return to their lost homeland until a political settlement delivers the two-state solution they have long been promised. They consider any notion of reducing UNRWA's budget and services taboo, and they strongly object to the idea of shifting any of UNRWA's responsibilities to other UN agencies, including the UN High Commissioner for Refugees (UNHCR), which was established after the onset of the Palestinian refugee crisis and is the organisation's main refugee relief agency. Beyond symbolism, there would be practical obstacles to making this change: UNHCR has no mandate to provide education, for example.

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Israeli officials hold more complicated views of UNRWA. Much of Israel's political class rejects UNRWA precisely because of its symbolic value to the Palestinians. They argue that any entity that stands for the preservation of the Palestinians' right of return directly threatens the Israeli state's existence and legitimacy. Israeli Prime Minister Benjamin Netanyahu reiterated (<https://www.middleeasteye.net/news/war-on-gaza-unrwa-mission-must-be-terminated-netanyahu>) his longstanding (<https://www.reuters.com/article/us-israel-palestinians-un-idUSKBN1920L0/>) calls on the UN to shut down UNRWA on 31 January; on 7 February, he claimed (<https://www.i24news.tv/en/news/israel-at-war/1707322212-netanyahu-to-address-hamas-hostage-deal-in-jerusalem-press-conference>) to have ordered its "replacement". Yet he faces resistance from within Israel's security establishment, which recognises (<https://www.timesofisrael.com/we-oppose-axing-unrwa-mid-war-senior-israeli-official-says-amid-global-funding-halt/>) that the agency's services are an indispensable source of stability in the Palestinian territories as well as in neighbouring states. Should UNRWA collapse, responsibility for the services it provides would fall directly upon Israel's shoulders as the occupying power in Gaza and the West Bank and on the governments of Lebanon, Jordan and Syria within their jurisdictions – risking enormous blowback from local populations.

These allegations are not the first time that Israel has drawn links between UNRWA and Hamas, though they are unquestionably the most significant. The agency's ubiquity throughout Gaza, combined with the degree to which

Hamas is embedded in the local population, makes it difficult for UNRWA to guarantee that its safeguards against staff misconduct or aid diversion are infallible. Once a year, UNRWA submits a list of all its staff to host governments, including Israel, for vetting; UNRWA says (<https://www.channel4.com/news/israels-evidence-of-unrwa-hamas-allegations-examined>) Israel has not commented when presented with the list. UNRWA also says it has investigated ([/sites/default/files/content/resources/wrd\\_response\\_to\\_hfac\\_1.2024.pdf](/sites/default/files/content/resources/wrd_response_to_hfac_1.2024.pdf)) (</newsroom/official-statements/neutrality-and-inviolability-unrwa-installations-must-be-respected-all>) of misconduct, including accusations that militants were using the agency's facilities as cover for their operations, and shared its findings with Israel when it could substantiate the allegations. Israel's current charges (<https://www.wsj.com/world/middle-east/hamas-israel-attack-united-nations-unrwa-0ec8d325>) against UNRWA staff go above and beyond these previous claims, and Israel's new foreign minister, Israel Katz, has denounced ([https://twitter.com/Israel\\_katz/status/1751153470617379008?ref\\_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1751153470617379008](https://twitter.com/Israel_katz/status/1751153470617379008?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1751153470617379008)) the agency as an ostensible "civilian arm of Hamas". UNRWA has prepared an extensive rebuttal of the Israeli government's allegations in a document shared with Crisis Group.

### **What happens next?**

The UN expects (<https://press.un.org/en/2024/db240131.doc.htm>) OIOS to conclude its administrative investigation in approximately four weeks, and Colonna's probe has been tasked with reporting back to the Secretary-General by the end of April. Depending on the outcomes, the UN may face the challenge of attempting significant institutional reforms to address their findings while simultaneously trying to deliver life-saving aid in a war zone. While important to pursue with rigour, such reforms are unlikely to sway Israel from its deep mistrust of the organisation. They may only partially address donor concerns, given that Hamas' deep roots in Gaza could make it difficult or impossible for the agency to insulate itself from all indirect links with the militant group.

UNRWA will also need to make its case to the public in donor countries. While many capitals that paused funding continue to back the agency's work in Gaza, the scandal created by Israel's allegations has turned support for it into a political football. For example, open hostility to the agency surfaced during a recent U.S. Congressional subcommittee hearing (<https://foreignaffairs.house.gov/hearing/unrwa-exposed-examining-the-agencys-mission-and-failures/>). U.S. senators are now considering ([https://www.huffpost.com/entry/senate-border-bill-block-funds-gaza-aid\\_n\\_65c13314e4b0dbc806adb1ef](https://www.huffpost.com/entry/senate-border-bill-block-funds-gaza-aid_n_65c13314e4b0dbc806adb1ef)) legislation that would bar UNRWA from



receiving any of Washington's anticipated multi-billion dollar package in humanitarian assistance for Gaza. While prominent Democratic Senators have urged

([https://www.murphy.senate.gov/imo/media/doc/gaza\\_humanitarian\\_aid\\_lett](https://www.murphy.senate.gov/imo/media/doc/gaza_humanitarian_aid_lett) accountability measures to enable support for the agency to resume, it will be an uphill climb to get further funding through the U.S. Congress in the near term. The challenge will only get steeper should Donald Trump return to the presidency following November's election. (Trump cut off assistance to the agency in 2018, echoing many of Israel's complaints about the organisation.)

But as important as it will be for UNRWA to identify areas where its checks and safeguards have failed it, and make corrections as needed, donors would be terribly misguided in jeopardising the entirety of the UN's operations in Gaza in the meantime. UNRWA is the main lifeline for the vast majority of Palestinian refugees in Gaza and the Middle East. Extended aid pauses would almost certainly bring UNRWA to its knees and court disaster from the perspective of humanitarian impact and regional stability. Even short lapses in UNRWA's life-saving aid provision would further contribute to the immiseration of Gaza's civilian population, and risk fuelling even greater instability in Palestine and the wider region.

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Find the Q&A on the Crisis Group

(<https://www.crisisgroup.org/>) website here

(<https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean-mena/israelpalestine/why-donors-should-not-suspend-aid>).

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## **Background Information:**

UNRWA ([https://eur02.safelinks.protection.outlook.com/?](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.unrwa.org%2F&data=05%7C01%7CHQ-)

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[PIO%40UNRWA.ORG%7C7edfcbc8399c400e4a6c08dafba2254d%7C262f6a4120e941408d3efdf](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.unrwa.org%2F&data=05%7C01%7CHQ-)

the United Nations Relief and Works Agency for Palestine Refugees in the Near East. The United Nations General Assembly established UNRWA in 1949 with a mandate to provide humanitarian assistance and protection to registered Palestine refugees in the Agency's area of operations pending a just and lasting solution to their plight.

UNRWA operates in the West Bank, including East Jerusalem, The Gaza Strip, Jordan, Lebanon and Syria.

Tens of thousands of Palestine refugees who lost their homes and livelihoods due to the 1948 conflict continue to be displaced and in need of support, nearly 75 years on.

UNRWA helps Palestine Refugees achieve their full potential in human development through quality services it provides in education, health care, relief and social services, protection, camp infrastructure and improvement, microfinance, and emergency assistance. UNRWA is funded almost entirely by voluntary contributions.

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