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Solution to the Problem of the 1948 Palestinian Refugees

- Background and Objectives
- Three Types of Financial Compensations and Payments
- Definitions
- Guiding Principles
- Permanent Residence and Citizenship
- Rehabilitation and Development
- Compensation for Refugeehood
- Compensation for Loss of Property
- Finality of Claims
- The International Commission

Introduction

1. Background and Objectives

In recognizing the urgent need to reach a just and comprehensive settlement for the 1948 Palestinian refugee problem, and in an attempt to address both present and historical injustices and wrongs faced by the Palestinian refugees, all parties who partook in the creation and continuance of the problem should be part of the solution.

The issue of the Palestinian refugees has numerous dimensions, including historic, moral, political, legal, emotional, and economic. These dimensions require various types of solutions.

The Geneva Accord offers one possible solution to some of these dimensions – principally, to the issues of resettlement, permanent place of residence, and compensation – and sets the legal and political framework for the solution by stipulating that the “Parties recognize that UNGAR 194, UNSC Resolution 242, and the Arab Peace Initiative – concerning the rights of the Palestinian refugees – represent the basis for resolving the refugee issue and agree that these rights are fulfilled according to Article 7 of this Agreement.”

In line with Article 7 of the Geneva Accord, the following document, prepared by a joint team of Palestinian and Israeli experts, aims at elaborating on the issues that have been agreed upon, including the role and structure of the International Commission charged with implementing some key components of the agreement.

Palestinians displaced as a result of the 1967 War face unique criteria of political and legal issues, which the parties are committed to addressing separately. The solution proposed in this document shall not prejudice the rights of individuals displaced as a result of 1967 War.

2. Three types of financial compensations and payments

The document lays out three types of financial compensations and payments for the benefit of the 1948 Palestinian refugees:

- i. Funding for rehabilitation and development, to be allocated to Palestinian refugee communities (see Chapter B);
- ii. Compensation for refugeehood, to be allocated to each Palestinian Refugee or his/her successors (see Chapter C);
- iii. Compensation for Loss of Property, to be allocated to each Original Refugee or his/her successors (see Chapter D).

3. Definitions

“Palestinian Refugee” – According to UNRWA’s operational definition – A person whose normal place of residence was Palestine between June 1946 and May 1948, who lost both his/her home and means of livelihood as a result of the 1948 Arab-Israeli conflict, and a descendant of a person who became a refugee in 1948.

“Original Palestinian Refugee” – A person whose normal place of residence was Palestine between June 1946 and May 1948, who lost both his/her home and means of livelihood as a result of the 1948 Arab-Israeli conflict, and who on the determining date was older than 21 years old, married or a parent.

“Adult Original Refugee” – an Original Refugee, who on the determining date was older than 21 years old, married or a parent.

“The determining date” – November 29, 1947.

“Host Country” – Jordan, Syria, Lebanon.

“Third Country” – Any country in the world excluding host countries, the State of Israel, and the State of Palestine.

“The Database” – The Database established and operated according to the instructions of section H(4) of this annex.

4. Additional guiding principles

This document is based on the following principles:

1. Palestinian refugees shall be entitled to choose their place of permanent residence from the following options:
 - i. The State of Palestine, in accordance with clause (a) below.
 - ii. Areas in Israel being transferred to Palestine in the land swap, following assumption of Palestinian sovereignty, in accordance with clause (a) below.
 - iii. Third Countries, in accordance with clause (b) below.
 - iv. The State of Israel, in accordance with clause (c) below.
 - v. Present Host countries, in accordance with clause (d) below.
 - a. Options i and ii shall be the right of all Palestinian refugees and shall be in accordance with the laws of the State of Palestine.
 - b. Option iii shall be at the sovereign discretion of third countries and shall be in accordance with numbers that each third country will submit to the International Commission. These numbers shall represent the total number of Palestinian refugees that each third country shall accept.
 - c. Option iv shall be at the sovereign discretion of Israel and will be in accordance with a number that Israel will submit to the International Commission. This number shall represent the total number of Palestinian refugees that Israel shall accept. As a basis, Israel will consider the average of the total numbers submitted by the different third countries to the International Commission.
 - d. Option v shall be in accordance with the sovereign discretion of present host countries. Where exercised this shall be in the context of prompt and extensive development and rehabilitation programs for the refugee communities
2. Priority in all the above shall be accorded to the Palestinian refugee population in Lebanon.
3. Funds shall be allocated for community rehabilitation and development at locations of permanent residence of the Palestinian refugees.
4. All Palestinian Refugees shall be entitled to compensation for refugeehood.
5. All Original Palestinian Refugees shall be entitled to compensation for loss of property.

6. An international commission shall be established that shall be responsible for implementing all aspects of the agreement regarding the Palestinian refugees.
7. This agreement implements UN resolutions No. 194 and 242, and provides a permanent and comprehensive solution to the Palestinian refugee problem.
8. The Parties agree that this agreement provides for the permanent and complete resolution of the 1948 Palestinian refugee problem. The Parties further agree that no claims may be raised except for those related to the implementation of this agreement.
9. After implementation of the agreement UNRWA's activities shall be terminated.

Part I: Components of the Agreement

Chapter A: Permanent Residence and Citizenship

1. **Eligibility for Permanent Residence**

Each Palestinian Refugee is entitled to a place of permanent residence.

2. **Eligibility for Citizenship**

Each Palestinian Refugee is entitled to receive the citizenship of the country where his/her permanent residence is or will be located.

3. **Eligibility for Permanent Residence and Citizenship in the State of Palestine**

Each Palestinian Refugee is entitled to permanent residence and citizenship in the State of Palestine, subject to the sovereign discretion and laws of the State of Palestine.

4. **Choice of Location of Permanent Residence**

Each Palestinian Refugee may choose freely and knowingly the location of his/her permanent residence, from the following options:

- a. The State of Palestine, in accordance with the sovereign discretion and laws of the State of Palestine.
- b. Areas transferred from the State of Israel to the State of Palestine according to this agreement, in accordance with the sovereign discretion and laws of the State of Palestine.
- c. Third countries, subject to their sovereign discretion and the laws of each country, and in accordance with numbers that each third country will submit to the International Commission. These numbers shall represent the total number of Palestinian refugees that each third country shall accept within an agreed timeframe.
- d. The State of Israel, subject to the sovereign discretion of Israel and in accordance with a number that Israel will submit to the International Commission. This number shall represent the total number of Palestinian refugees that Israel shall accept. As a basis, Israel will consider the average of the total numbers submitted by the different third countries to the International Commission.

- e. The host country where s/he is residing at the time of signing the agreement, subject to the approval of the host country and in accordance with its sovereign discretion.
5. **Default**
A Palestinian Refugee who does not declare where s/he wishes to reside permanently, shall be considered as one who has chosen to reside permanently in the country where s/he is residing at the time of signing the agreement, and shall be entitled to permanent residence and citizenship in that country and/or in the State of Palestine, subject to the sovereign discretion and laws of each country.

Chapter B: Rehabilitation and Development

1. **Allocation of funds for rehabilitation and development**
Funds shall be allocated for rehabilitation of refugee communities via investment instigating development in places of permanent residence of refugees.
2. **Target of funds**
The funds shall be targeted to the advancement of the refugees' freedom, welfare, economic growth, education, human rights, and integration within the society of the country of their permanent residence.

Chapter C: Compensation for Refugeehood

1. **Eligibility**
Each Palestinian Refugee is eligible for compensation for refugeehood.
2. **Amount of individual Compensation**
The compensation for refugeehood shall be of a fixed and equal amount for each Palestinian Refugee.

3. **Rights of Successors**

- i. Should a Palestinian Refugee pass away – his/her rights for compensation shall pass to his/her successors.
- ii. The Law of Succession applying for purposes of this section is the personal law of the testator; however, the Committee for Determination of Status shall be authorized to deviate from the testator’s personal law if in its judgment it is appropriate to do so in the name of justice.

Chapter D: Compensation for Loss of Property¹

1. **Eligibility**

An Original Palestinian Refugee is eligible for compensation for loss of property according to the instructions of this chapter.

2. **Rights of Successors**

- i. Should an Original Refugee pass away – his/her rights for compensation shall pass to his/her successors.
- ii. The Law of Succession applying for purposes of this section is the personal law of the testator; however, the Committee for Determination of Status shall be authorized to deviate from the testator’s personal law if in its judgment it is appropriate to do so in the name of justice.

3. **The Total Amount of Compensation**

- a. Based on the findings and the evaluations of a panel of experts, the parties agree that the current Total Value of the property rights that were held by the refugees on the determining date is _____ (hereinafter “the Total Value”)².
- b. A fund, to be called The Fund for the Compensation of Refugees for Loss of Property (hereafter: the Fund) shall be established whereby its sole asset shall be the Total Value.
- c. The Fund shall issue and distribute to eligible Original Refugees three types of securities: Class A securities; Class B securities; Class C securities.
- d. The aggregate value, agreed by the Parties, shall constitute the Israeli “lump sum” contribution to the International Fund. No other financial

claims arising from the Palestinian refugee problem may be raised against Israel.

4. **The Fast Track**

Each and every Original Palestinian Refugee shall be assumed to hold some property rights, even if such rights cannot be proven, and shall be entitled to submit a claim for compensation for loss of property on the fast track, and receive:

- a. A Class A security that shall be issued by the Fund, with a nominal value equal to 30% of the Total Value divided by the Number of Original Palestinian Refugees, as such number is determined by UNRWA's records. The Class A security shall be redeemable immediately upon issuance.
- b. A Class B security that shall be issued by the Fund, with a nominal value of 1 cent. Each Class B security allocated according to this section shall have equal right in the Fund, and shall entitle its holder to an equal share of the Fund's assets after its dissolution.

5. **The Evidential Track**

- a. An Original Palestinian Refugee who has not submitted a claim on the fast track, is eligible to submit a claim for compensation for loss of property on the evidential track, and subject to proof of his/her rights shall be entitled to receive a Class C security that shall be issued by the Fund, with a total nominal value of 80% of the value of the property that s/he has lost. Half of the Class C's principal amount shall be redeemable immediately upon issuance, and the rest will be paid upon the Fund's dissolution.
- b. The law applying to the Refugees' property rights is the prevailing law in Palestine on the determining date; however, the Committee for Compensation for Loss of Property shall be authorized to deviate from such prevailing law if in its judgment it is appropriate to do so in the name of justice.
- c. The value of the property in which a Refugee has proven his/her rights shall be calculated according to the same principles and financial multipliers that were used as a basis for determining the Total Value.

6. **Allocation of securities at the conclusion of investigation of claims**
After the time for submitting claims under both tracks have passed, the rights of those Original Refugees who are registered in the database and did not file a petition, either by themselves or through their successors, shall be allocated to the Palestinian State, as if these claims were submitted in the fast track³.
7. **Dissolution of the Fund for the Compensation of the Palestinian Refugees**
After all the claims have been investigated, the Fund shall be dissolved and its funds shall be distributed among securities holders according to the following order:
 - i. Class A securities
 - ii. Class B securities
 - iii. Class C securities

Chapter E: Finality of Claims

1. **Finality of Claims**
The Parties agree that no claims for residency, citizenship, compensation for loss of property or compensation for the 1948 refugees shall be recognized outside of the framework of this agreement.

Part II: The International Commission

The following outlines a proposal for the structure of the International Commission. Like other elements in this document, it represents no more than a model that has been agreed upon by the two sides. Other possible structures should not be ruled out.

Chapter F: Mandate and Structure

1. **Establishment of an International Commission**

An international commission shall be established, which shall have full and exclusive responsibility for implementing all aspects of the agreement pertaining to refugees. The International Commission shall be an autonomous judicial international organization.

2. **Seat of the Commission**

The head offices of the International Commission shall be located in Geneva.

3. **Working Language**

The official working language of the Commission shall be English. The Commission shall use additional languages as shall be required in order to administer sound communications with the persons and entities it communicates with.

4. **Board of Directors**

The supreme authority of the Commission shall be the Board of Directors.

5. **General Secretariat**

The Board of Directors shall establish a general secretariat which shall manage the daily activity of the Commission.

6. **Committees⁴**

The following committees shall operate within the framework of the Commission:

- a. The Committee for Determination of Status
- b. The Committee for Compensation for Refugeehood
- c. The Committee for Compensation for Loss of Property
- d. The Committee for Permanent Residence and Citizenship
- e. The Committee for Rehabilitation and Development
- f. Additional committees which the Board of Directors shall find it appropriate to appoint and to delegate authority to.

7. **Funds⁵**

The Commission shall manage its financial affairs via four principal funds:

- a. International Fund for Financing the Commission Administration (hereinafter: "Administrative Fund").
- b. The Fund for the Compensation of Refugees for Loss of Property.
- c. The Fund for the Compensation of Refugees for Refugeehood.
- d. The Fund for Rehabilitation and Development.

Additional funds which the Board of Directors shall find appropriate to establish for implementation of the agreement.

8. **Auditing of the Commission**

An internal auditor and ombudsman shall act within the framework of the Commission and shall audit the activities of the Commission institutions and handle complaints submitted against them.

Chapter G: Board of Directors

1. **Powers and Functions**

- a. The Board of Directors shall determine the policies of the Commission, shall supervise the activity of the committees and the Secretariat and it shall have the residual authority to determine the modes of action of the Commission in all matters which are not under the authority of any other entity in the Commission according to this agreement.
- b. Subject to the approval of the members in the board representing the parties to this agreement, the Board of Directors shall be authorized to amend this annex, on the condition that the regulations that amendment shall not deviate from the instructions of the agreement itself.

2. **Composition**

Each of the following entities shall be permitted to nominate a member of the Board of Directors and to replace him/her with another:

- i. The parties to the agreement
- ii. Host countries
- iii. A country contributing at least one billion US dollars to the funds operating within the framework of the Commission

- iv. The European Union
- v. The US
- vi. The Arab League
- vii. The UN
- viii. The World Bank

3. **Chairperson**

The UN nominee to the Board of Directors shall serve as the Board's Chairperson, and shall conduct its meetings.

4. **Meetings**

- a. The Board of Directors shall convene initially at a date to be determined by the Chairperson of the Board, and not later than three months after the signing of this agreement.
- b. The Board of Directors shall convene for an ordinary meeting once per quarter, at a date to be determined by the Chairperson.
- c. The Board of Directors shall have the authority to summon extraordinary meeting in a 30 days notice and shall be obliged to do so following the receipt of a written request signed by a member of the Board representing a party to this agreement or by three members of the Board of Directors.

5. **Method of Decision-Making**

Resolutions of the Board of Directors shall be made by a majority of two thirds of the members, excluding the following topics for which resolutions shall be made by a simple majority of the votes of the participants in the vote:

- a. Appointment and approval of appointment of functionaries of the Commission.
- b. Approval of resolutions of the Secretary General, in cases where such approval is required.
- c. Approval of annual and multi-annual budget of the Commission administration.
- d. Amendment of this annex pursuant to Chapter G, section 1(b).

Chapter H: The General Secretariat

1. Powers and Functions

Subject to the instructions of the Board of Directors, the General Secretariat shall manage the daily activities of the Commission, and shall assist the organizations acting within its framework to fulfill their functions. In order to fulfill its functions and be accessible to the refugees, the General Secretariat will comprise, among others:

- a. A Unit for Handling Refugees' Petitions
- b. A Database
- c. A secretariat in charge of the funds
- d. A secretariat in charge of the committees.

The General Secretariat shall hold, amongst others, the following powers and functions:

- e. Implementing decisions and resolutions taken by the Board of Directors, the committees and the Funds.
- f. Managing the budget of the Commission administration.
- g. Coordinating between the organs of the Commission.
- h. Coordinating between the Commission and the parties to the agreement, and between the Commission and other entities with whom coordination is required for implementation of the agreement.
- i. Handling refugees' and successors' petitions.

2. Chairperson

a. The Chairperson of the General Secretariat (hereinafter: "The Secretary General") shall be appointed by the mutual consent of the board members representing the parties to this agreement, subject to the approval of the Board of Directors, and he shall have, amongst others, the following powers and functions:

- i. Managing the General Secretariat;
- ii. Appointing the General Secretariat employees;
- iii. Reporting to the Board of Directors.

b. The duration of the Secretary General's tenure shall be for five years, unless this period shall be shortened or extended by the mutual consent of the board members representing the parties to this agreement, subject to the approval of the Board of Directors.

3. The Unit for Handling Refugees' Petitions

a. The General Secretariat shall establish and operate a unit for handling refugees' petitions.

- b. The main office of the unit for handling refugees' petitions will be located in Geneva.
 - c. The unit for handling refugees' petitions will establish and operate local branches in the West Bank, Gaza, Jordan, Syria, Lebanon and in any other location the Secretary General shall find necessary in order to facilitate the goals of this agreement.
 - d. The unit for handling refugees' petitions, through its local branches, shall be responsible for:
 - i. Dissemination of information to refugees regarding their rights under this agreement and the procedures they should follow in order to realize such rights;
 - ii. Making the petition forms accessible for refugees and successors;
 - iii. Supplying refugees and successors with technical and legal assistance, consultancy and guidance in filing their petitions;
 - iv. Collecting refugees and successors petitions and forwarding them to the appropriate Committee;
 - v. Informing refugees and successors about the status of their petitions
 - vi. Distributing payments and securities issued by the funds to eligible refugees and successors.
 - e. In order to facilitate the goals of this agreement and to fulfill its functions, the unit for handling refugees' petitions may operate an internet website by which refugees will be able to find information regarding their status and rights and file petitions.
4. **Database**
- a. The General Secretariat shall set up and maintain a database containing information regarding each refugee and successor, which is relevant for the implementation of this agreement.
 - b. In constructing the database, the General Secretariat will first rely on UNRWA's records to provide information about each refugee, including, inter alia, his/her name, age, gender, ID number, residency, citizenship and status according to this agreement (Refugee, Original Refugee, Successor).
 - c. The information contained in the database shall constitute prima facie evidence for the accuracy of such information, and unless proven otherwise, the committees may rely on it when deciding refugees' and successors' petitions.
 - d. Every individual may submit a petition, asking to include him/her in or exclude him/her from the database, or to amend any information contained in the database which is relevant to him/her. A petition submit-

ted according to this section shall stipulate the requested amendment and provide evidence in its support. The petition will be decided by the Committee for Determination of Status.

- e. The database shall be amended and updated by the General Secretariat at each stage of the petitioning procedure, starting from the petition submission, through the committees' decisions in the petitions submitted to them, and ending with the measures taken by the General Secretariat to implement such decisions.
- f. The committees and the funds shall have access to the information contained in the database.
- g. Each Refugee shall have access through the Internet to information contained in the database relating to him/her, his/her successors, his/her predecessors and other successors of his/her predecessors.
- h. The General Secretariat shall take steps to ensure the confidentiality of the information contained in the database, and that its use only for purposes of the Commission.

Chapter I: Committee for Determination of Status

1. **Powers and Functions**

The Committee for Determination of Status shall be authorized to:

- a. Decide on petitions regarding Refugees' and Successors' status.
- b. Outline the modes of action of the General Secretariat in all matters relating to the methods for handling petitions regarding Refugees' and Successors' status.

2. **Members**

The Committee for Determination of Status will consist of five members who shall be elected by the Board of Directors from a list of candidates that shall be submitted to it by the Secretary General. At least one of the members of the committee will be a senior member of the PLO.

3. **Chairperson**

- a. The Secretary General, with the approval of the Board of Directors, shall appoint one of the members of the Committee for Determination of Status to serve as the Chairperson of the Committee.
- b. The Chairperson of the Committee for Determination of Status shall conduct the committee meetings.

4. **Method of Decision-Making**

The decisions and resolutions of the Committee for Determination of Status shall be accepted by a simple majority of members participating in the vote.

5. **Applicable Dates**

- a. Petitions regarding appeals on Refugees' and Successors' status shall be submitted to the Commission within half a year from the date that the Secretary General shall announce as the date of the start of activity of the International Commission.
- b. The Committee for Determination of Status shall decide all status petitions as early as possible, and no later than one year after the date that the Secretary General shall announce as the date of the start of activity of the International Commission.

Chapter J: Committee for Compensation for Refugeehood

1. **Powers and Functions**

The Committee for Compensation for Refugeehood shall be authorized to:

- a. Decide petitions for compensation for refugeehood
- b. Outline the modes of action of the General Secretariat in all matters relating to the methods for handling petitions regarding compensation for refugeehood.
- c. Supervise the distribution of payments of compensation for refugeehood by the General Secretariat.
- d. Inform all refugees found eligible to compensation for refugeehood. The committee will notify the refugees by sending them a letter that will be signed by the chairperson of the Board of Directors and a senior representative of the PLO.

2. **Members**

The Committee for Compensation for Refugeehood will consist of three members who shall be elected by the Board of Directors from a list of candidates that shall be submitted to it by the Secretary General. At least one of the members of the committee will be a senior member of the PLO.

3. **Chairperson**

- a. The Secretary General, with the approval of the Board of Directors, shall appoint one of the members of the Committee for Compensation for Refugeehood to serve as the Chairperson of the Committee.
- b. The Chairperson of the Committee for Compensation for Refugeehood shall conduct the committee meetings.

4. Method of Decision-Making

- a. The decisions and resolutions of the Committee for Compensation for Refugeehood shall be accepted by a simple majority of members participating in the vote.
- b. In determining the compensation award for Successors of Refugees, the Committee shall allocate to each Successor the portion of the compensation according to the Successor's right in the property of the Refugee.

5. Applicable Dates

- a. Petitions for compensation for refugeehood shall be submitted to the Commission within two years from the date that the Secretary General shall announce as the date of the start of activity of the International Commission.
- b. The Committee for Compensation for Refugeehood shall decide all petitions for Compensation for Refugeehood as early as possible, and no later than three years after the date that the Secretary General shall announce as the date of the start of activity of the International Commission..
- c. The Committee for Compensation for Refugeehood shall ensure that the distribution of compensation for refugeehood shall be finalized no later than six years after the date that the Secretary General shall announce as the date of the start of activity of the International Commission.

Chapter K: Committee for Compensation for Loss of Property

1. Powers and Functions

The Committee for Compensation for Loss of Property shall have the following powers:

- a. Decide upon petitions for compensation for loss of property.
- b. Outline the modes of action of the General Secretariat in all matters relating to the methods of handling petitions for compensation for loss of property, both in the fast track and in the evidentiary track.
- c. Supervise the distribution of compensation for loss of property by the General Secretariat.

2. Members

- a. The Secretary General shall determine the number of members on the Committee for Compensation for Loss of Property, which shall not be less than five.
- b. The members of the Committee shall be elected by the Board of Directors from a list of candidates that shall be submitted to it by the Secretary General. Israel is not expected to be a member.

- c. When electing members of the Committee preference shall be given to persons with relevant professional experience and skills.
3. **Chairperson**
 - a. The Secretary General, with the approval of the Board of Directors, shall appoint one of the members of the Committee for Compensation for Loss of Property to serve as Chairperson of the Committee.
 - b. The Chairperson of the Committee for Compensation for Loss of Property shall conduct the committee meetings.
4. **Methods of Decision Making**
 - a. The Chairperson of the Committee for Compensation for loss of property shall be authorized to determine that the deliberations regarding petitions submitted to the Committee shall be conducted by small panels of three members and to appoint such panels and their chairpersons from members of the Committee.
 - b. At any stage before the panel has reached a final decision, a petitioner may request to withdraw his/her petition in the evidentiary track and to submit a petition in the fast track, even if the final date for submission of claims in the fast track has passed. The panel will approve such a request only if it finds that the petitioner has acted in good faith.
 - c. In determining the compensation award for successors of Original Refugees, the Committee shall allocate to each successor the portion of the compensation according to the successor's right in the estate of the Original Refugee.
 - d. Decisions and resolutions of the Committee for Compensation for Loss of Property, including the decisions of small panels as mentioned in Section 51(1), shall be accepted by a simple majority of the members participating in the vote.
5. **Applicable Dates**
 - a. Petitions for compensation for loss of property, both in the fast track and in the evidentiary track, shall be submitted to the Commission within two years from the date to be announced by the Secretary General as the date of start of activity of the International Commission.
 - b. The Committee for Compensation for Loss of Property shall decide all petitions submitted in the fast track as early as possible, and no later than three years from the date to be announced by the Secretary General as the date of start of activity of the International Commission..
 - c. The Committee for Compensation for Loss of Property shall decide all petitions submitted in the evidentiary track as early as possible, and no later

than ten years after the date to be announced by the Secretary General as the date of start of activity of the International Commission.

- d. The Committee for Compensation for Loss of Property shall ensure that the distribution of securities to all petitioners in the fast track shall be finalized no later than six years from the date to be announced by the Secretary General as the date of start of activity of the International Commission.
- e. The Committee for Compensation for Loss of Property shall ensure that the distribution of securities to all petitioners in the evidentiary track shall be concluded no later than 10 years from the date to be announced by the Secretary General as the date of start of activity of the International Commission

Chapter L: Committee for Permanent Residence and Citizenship

1. **Powers and Functions**

The Committee for Permanent Residence and Citizenship shall be authorized to:

- a. Determine the policy and criteria according to which the place of permanent residence and citizenship of each refugee shall be determined, with the aspiration that the location shall be as close as possible to the preference of the refugee, while taking into account the family unity.
- b. Rule upon refugees' petitions regarding permanent residence and citizenship.
- c. Outline the modes of action of the General Secretariat in all matters relating to the methods of handling petitions regarding permanent residence and citizenship.
- d. Supervise the implementation of its decisions in refugees' petitions by the General Secretariat.
- e. Approach, collect and list all countries willing to accept refugees, the numbers of refugees each country is willing to accept and the conditions for accepting them.

2. **Members**

The Committee for Permanent Residence and Citizenship shall consist of five members that shall be elected by the Board of Directors from a list of candidates that shall be submitted to it by the Secretary General.

3. **Chairperson**

- a. The Secretary General, with the approval of the Board of Directors, shall appoint one of the members of the Committee for Permanent Residence and Citizenship to serve as Chairperson of the Committee.

- b. The Chairperson of the Committee for Permanent Residence and Citizenship shall conduct the Committee meetings.
4. **Method of Decision-Making**
Decisions and Resolutions of the Committee for Permanent Residence and Citizenship shall be made by a simple majority of the members participating in the discussions or the vote.
 5. **Applicable Dates**
 - a. Petitions regarding permanent residence and citizenship shall be submitted to the Commission within three years from the date to be announced by the Secretary General as the date of start of activity of the International Commission.
 - b. Refugees will be entitled to one additional petition in case their original petition was refused.
 - c. The Committee shall decide all refugees' petitions regarding permanent residence and citizenship within seven years from the date to be announced by the Secretary General as the date of start of activity of the International Commission.

Chapter M: Committee for Rehabilitation and Development

1. **Powers and Functions**
The Committee for Rehabilitation and Development shall be authorized to:
 - a. Determine regulations for submission of programs for rehabilitation and development of refugee communities.
 - b. Approve rehabilitation and development programs or condition their approval on terms and amendments to be determined by the Committee.
 - c. Determine the funds to be allocated for each of the approved programs.
 - d. Supervise the implementation of the rehabilitation and development programs approved by the Committee and the use of the funds allocated for these programs.
 - e. Establish procedures through which refugees may express their positions regarding programs submitted to the Committee.
 - f. Outline the modes of action of the General Secretariat in all matters relating to rehabilitation and development.
2. **Members**
 - a. The Committee of Rehabilitation and Development shall consist of five members which shall be elected by the Board of Directors from a list of candidates that shall be submitted to it by the Secretary General.

- b. When electing the Committee members preference shall be given to those with relevant professional experience and skills.

3. **Chairperson**

- a. The Secretary General, with the approval of the Board of Directors, shall appoint one of the members of the Committee for Rehabilitation and Development to serve as Chairperson of the Committee.
- b. The Chairperson of the Committee for Rehabilitation and Development shall conduct the Committee meetings.

4. **Method of Decision-Making**

Decisions and Resolutions of the Committee for Rehabilitation and Development shall be made with a simple majority of the voting members.

5. **Allocation of Funds**

- a. The Committee shall allocate funds for rehabilitation and development to the host countries and to the State of Palestine, on the basis of the programs that the countries shall submit, and following consultation with the Director of the Rehabilitation and Development Fund, taking into account, amongst others, the following considerations:
 - i. The number of refugees residing or expected to reside permanently in the petitioning country;
 - ii. The number of refugees residing in the petitioning country at the time of signing the agreement;
 - iii. The number of refugees that the petitioning country sees fit to receive within its borders within the framework of the agreement;
 - iv. The quality of the program and its contribution to the development of refugee communities and to rehabilitation of the environment in which they live including:
 - 1. The contribution of the program to the advancement of independence and economic welfare of the refugees, for creation of jobs and opportunities to acquire education;
 - 2. The contribution of the program for promoting human rights and protection of the environment;
 - 3. The assimilation of refugees in the society of the host countries.
 - v. The budget required for implementing the program, and additional sources of financing offered by the petitioning country;
 - vi. The views of the refugees expected to be affected by the rehabilitation and development program under discussion;
 - vii. The funds available to the Rehabilitation and Development Fund.

- b. The Committee shall be entitled to determine that the funds for financing the rehabilitation and development programs shall be allocated in stages, and condition that each stage must meet the terms as shall be determined.
6. **Submission of Rehabilitation and Development Programs**
 - a. The Committee for Rehabilitation and Development shall publish regulations and dates for submission of rehabilitation and development programs.
 - b. The Committee for Rehabilitation and Development shall instruct the Secretariat to establish a system of aid to the countries when designing the rehabilitation and development programs.
7. **Participation of Refugees in Decisions on Approval of Programs**

The Committee for Rehabilitation and Development shall determine regulations for publishing the programs submitted to it, and for submission of responses of refugees to those programs.

Chapter N: Sources of Financing

1. **Collection of Contributions**

The Secretary General shall be responsible for collecting money or pledges for the purpose of implementing this annex.
2. **Allocation of Money to Funds**

The money and the pledges collected by the Secretary General shall be allocated to the funds operated within the framework of the Commission according to the following priority:

 - a. In the first priority, money or pledges shall be allocated to the Administrative Fund, but no more than 1% of the total contributions collected by the Commission (excluding the Total Value), whichever is higher.
 - b. In the second priority, money or pledges shall be allocated to the Fund to cover the Total Value.
 - c. In the third priority, money or pledges shall be allocated to the compensation for refugeehood fund to cover the expected sum needed to cover the compensation for refugeehood.
 - d. In the fourth priority, money or pledges shall be allocated to the Rehabilitation and Development fund.

Chapter O: Administrative Fund

1. **Functions**

- a. The Administrative Fund shall manage and allocate the money required for operation of the Commission mechanism, according to the annual and multi-annual budgets of the Commission administration.
- b. In order to carry out its functions the Fund shall be permitted to deposit money with financial institutions that shall be approved by the Board of Directors, or to receive credit from such institutions.

2. **Director**

- a. The Fund Director shall be appointed by the Secretary General with the approval of the Board of Directors.
- b. The Fund Director shall consult with the Secretary General regarding the planning of the annual and multi-annual budget of the Commission.

3. **Reports**

The Fund Director shall submit quarterly and annual reports to the Secretary General and Board of Directors, regarding the financial status of the Commission, including a financial forecast.

Chapter P: The Fund for the Compensation of Refugees for Loss of Property

1. **Establishment**

- a. The Fund for the Compensation of Refugees (hereafter: the Fund) shall be a public limited liability company which shall be incorporated in England according to British law.
- b. The only shareholder of the Fund at the time of its establishment shall be the Commission; the securities that shall be held by the Commission shall not be eligible for dividends or rights on liquidation.
- c. The Secretary General shall be responsible for establishing the Fund and designing the incorporation documents in a way that shall enable it to carry out its functions as noted in this annex.

2. **Functions**

- a. The Fund shall issue three types of securities – named Class A, Class B, Class C – to the refugees according to the decisions and instructions of the Committee for Compensation for Loss of Property.

incorporation documents and the corporate governance of the Fund, in order to enable such listing.

10. **Liquidation of the Fund**

After the Secretary General has notified the Fund on the conclusion of the work of the Committee for Compensation for Loss of Property, and after the Fund has allocated all Class C securities to the Palestinian State as detailed in Section 18, the Fund shall decide on its voluntary liquidation, and its assets shall be distributed according to the British liquidation laws, by the following order:

- i. Class A securities
- ii. Class B securities
- iii. Class C securities

Chapter Q: Compensation for Refugeehood Fund

1. **Functions**

- a. The Compensation for Refugeehood Fund shall allocate money to refugees according to the decisions and instructions of the Committee for compensation for refugeehood.
- b. In order to carry out its functions the Fund shall be permitted to deposit money with financial institutions approved by the Board of Directors, or to receive credit from such institutions.

2. **Director**

The Fund Director shall be appointed by the Secretary General with the approval of the Board of Directors.

3. **Reports**

The Fund Director shall submit audited quarterly and annual financial reports to the Secretary General, to the Committee for compensation for refugeehood, and to the Board of Directors of the Commission.

Chapter R: Rehabilitation and Development Fund

1. **Functions**

- a. The Rehabilitation and Development Fund shall allocate money to the countries according to the decisions and instructions of the Committee for Rehabilitation and Development.

- b. In order to carry out its functions the Fund is permitted to deposit money in financial institutions approved by the Board of Directors, or to receive credit from such institutions.
2. **Director**
The Fund Director who shall be appointed by the Secretary General with the approval of the Board of Directors.
3. **Reports**
The Fund Director shall submit to the Secretary General, to the Committee for Rehabilitation and Development and to the Board of Directors of the Commission audited quarterly and annual financial reports.

Chapter S: Internal Auditor and Ombudsman

1. **Appointment**
The Board of Directors of the Commission shall appoint an individual with the relevant skills and experience to serve as Internal Auditor and Ombudsman of the Commission.
2. **Functions**
The Internal Auditor and Ombudsman shall supervise execution of decisions and resolutions taken by the Board of Directors and the Committees, shall audit the activities of the Commission institutions and shall handle complaints submitted against them.
3. **Reports**
 - a. The Auditor and Ombudsman shall submit an annual work program to the Board of Directors.
 - b. At the end of each working year the Auditor and Ombudsman shall submit a report to the Board of Directors on the performance of the Commission and its institutions and the complaints that were submitted against the Commission and the way in which they were handled by him/her and by the Commission institutions.
4. **Regulations for Submission of Complaints**
The Ombudsman shall adopt regulations for submission and treatment of complaints, and shall ensure their publication.
5. **Budget**
The budget for the Auditor and the Ombudsman shall be determined by the Board of Directors, following consultation with the Director of the Administrative Fund.

Chapter T: General Instructions

1. **Exemption from Personal Liability**

The appointed functionaries of the Commission shall be exempted from personal liability for resolutions and actions (including failures) that were taken or carried out within the framework of their position, unless they acted with gross negligence or with malice or bad faith.

2. **Salaries**

a. Salaries of the members of the Board of Directors shall be determined and paid by their sponsors

b. The salary of the Secretary General shall be determined by the Board of Directors on the basis of the UN standards, and shall be paid by the Administrative Fund.

c. The salaries of the rest of the Commission employees shall be determined by the Secretary General with the approval of the Board of Directors, on the basis of the UN standards, and shall be paid by the Administrative Fund.

3. **Dismantling of the Commission after conclusion of activities**

Following the Board of Directors determination that the International Commission has concluded its work, and not later than twenty years from the signing of this agreement, the Commission shall be dismantled and shall cease to exist.

Notes

1. The perceptions and assumptions which form the basis of the instructions of the section dealing with compensation for loss of property are:
 - a. Anyone who meets the definition of an Original Palestinian Refugee had, before he or she became a refugee, a home and means of living, even if formally he or she did not have the right of ownership to assets (as he or she was a tenant farmer, permit holder or any other status). Therefore, although in the Geneva Accord it is stated that receipt of compensation on the fast track shall require from the complainant proof of ownership of assets (Section 7(11)(e)(II)(1)), it has been decided to waive this requirement.
 - b. A large number of the rights of the refugees who lost their assets cannot be proven today due to difficulties like the difficulty of proof of joint ownership, in particular in assets that passed in inheritance to a large number of family members.
 - c. Regarding distribution of capital on the determining date, the majority of the assets were held by a relatively small minority of the Palestinian population (whereby each of those held assets of great value), and a small share of the assets was held by all the rest (thus each of them held assets of a relatively low value). According to customary evaluations, approximately 15% of the entire Palestinian population that lived in Israel at the determining date held about 80% of the assets, and the other 85% held together approximately 20% of the assets (see for example Michael R Rischbach, *Records of Dispossession: Palestinian Refugee Property and the Arab-Israeli Conflict* (New York: Columbia University Press, 2003), p. 129).
 - d. Agreement can be reached regarding the value of all the assets that were held by the Palestinian refugees (hereinafter: the total amount).
 - e. The total compensation that all the refugees shall receive for loss of assets must be based on the total amount.

Based on the above principles, it has been determined that the compensation for loss of property shall be awarded in two alternative tracks – a regular track (“evidential”) for which the complainants shall be required to prove their rights, and a fast track, whereby any Palestinian refugee who was an adult at the determining date shall be eligible to receive a fixed sum of compensation without proof of damages.

2. The “Total Value” is based on the evaluations of a panel of experts before the signature of the agreement and is an integral part of the agreement itself. This, unlike the wording of Section 7(9)(b) to the Geneva Accord whereby a panel shall be established which will submit its recommendations within

six months from the date of signing the agreement. The total amount was determined according to two sets of principles:

- a. Legal principles for determining the scope of property which was under private ownership of the Palestinians at the determining date (the question is how to interpret the law applying in Palestine on the determining date).
 - b. Economic principles for determining the financial value of the property on the determining date, and the formula for deriving the current value of the property from the original value.
3. The allocation of securities to the Palestinian state is intended to prevent a situation whereby a refugee who has submitted a claim on the fast track prospers on the account of another refugee who for ideological or other reasons did not submit a claim at all.
 4. The Committees appearing in this annex were determined in the spirit of the Geneva Accord. However, for organizational efficiency they are not identical to the Committees appointed in the agreement.
 5. In the Geneva Accord there are only two Funds – the International Fund and the Refugee Fund. It is recommended to replace them with the four Funds noted here.

Designated Roads

- Background and Objectives
- Sovereignty
- Joint Investment
- Palestinian Vehicle Traffic
- Israeli Vehicle Traffic
- The Multinational Force
- Control Rooms
- Security
- Jurisdiction
- Medical Treatment
- Insurance