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REPORT OF THE COMMISSIONER-GENERAL OF THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

Addendum

1. This addendum to the Commissioner-General's report to the General Assembly 1/ contains information on the financial results of 1986, the financial performance to date in 1987 and the Agency's proposed budget for 1988.
2. Direct assistance to Palestine refugees is also provided by local Governments in the area of operations. Information on this assistance is shown as reported by the Governments concerned in annex II.

I. FINANCIAL RESULTS IN 1986

3. As at 1 January 1986, the total regular contributions pledged to the Agency were \$175.8 million, while its estimated expenditure in the 1986 budget (less the construction part) amounted to \$183.6 million. This gap between expected income in terms of firm pledges and estimated expenditure was closed during the year partly by a number of Governments responding favorably to the requests of the Agency and partly through exchange rate movements that reduced costs in United States dollar terms in some parts of the area of operation. The Agency managed for the first time in several years -to balance its income with expenditure. It even came out, at the end of the year with a small excess of income over expenditure, which enabled the Agency to begin to restore its working capital that had been severely reduced by the financial crisis faced in 1984 and 1985. The current level of working capital is still only sufficient to cover current expenditures for a little more than one month, which is clearly inadequate. The Agency's budget for capital construction, which amounted to \$7.6 million in 1986, was largely unfunded and several construction projects had to be postponed.

II. FINANCIAL PERFORMANCE IN 1987

4. The Agency's consolidated budget estimates for 1987 were \$200.2 million, of which \$177.7 million was for the General Fund, \$13.7 million for Project Fund and \$8.8 million for the Capital Construction Fund. This budget was authorized for expenditure by the Commissioner-General in December 1986.
5. At the beginning of 1,987 the General Fund budget was nearly fully funded. Through the continued support of Governments and governmental organizations it is now possible to report that the General Fund section of the budget is fully funded for 1987, even though it has been necessary to increase the cash budget within the General Fund for 1987 from \$162.2 million to \$163.3 million. This increase was required because of unexpected price increases in some of the areas in which the Agency operates and the need to renegotiate certain service contracts. Ongoing non-construction projects are fully funded for 1987.
6. Contributions to the Capital Construction Fund, however, have so far been quite insufficient to cover

construction budgeted for 1987. The condition of some of the Agency's premises has deteriorated to such an extent that it has been impossible to postpone their replacement any longer while waiting for special contributions. Therefore, the Agency has found it necessary to seek a solution to this problem. Owing to the fortunate effect on the Agency's income of rising exchange rates of most European currencies, the Agency is able this year to make at least some funds available from the General Fund for a limited number of the most urgently needed construction projects. In spite of this the Capital Construction Fund is still likely to show a deficit in 1987 of over \$2.0 million.

III. MEDIUM-TERM PLAN

7. As reported in 1986, the Agency embarked last year on its first multi-year planning exercise covering all Agency activities and with the emphasis on its three substantive programmes, education, health and relief services. This plan was revised in 1987 to review the substantive parts of the programmes and to provide an up-to-date forecast of the level of financing that will be required over the next planning period. In this revision the description of the objectives and strategies of each programme and sub-programme have been refined. Furthermore, a system for evaluating the plan has been established and will be implemented on a broad basis throughout the Agency in the very near future. The medium-term plan for 1988-1990 has formed the basis for the policies that have been applied in the preparation of the Agency's 1988 budget.

8. This plan also sets out the projected income requirements of the Agency over the planning period. It is felt that the income projections for the period 1988 to 1990 reflect a realistic view of the funds that can be raised by the Agency. These projections of income were presented to and endorsed by the meeting of major donors in July 1987. The basic policy assumptions on which UNRWA based its medium-term plan for 1988-1990 and its 1988 budget estimates are that all administrative and support services would be held at the same level as 1987 but that there would be a limited growth in the three substantive programmes of the Agency to allow for increasing requirements due to the steady increase in population, for price and salary increases and for some limited qualitative improvements in the Agency's services to the Palestine refugees.

9. Following the practice adopted in 1985, UNRWA's proposed 1988 budget estimates are being submitted during the forty-second session of the General Assembly as an addendum to the Commissioner-General's report. These estimates are subdivided into the following three sections: General Fund, Project Fund and Capital Construction Fund requirements.

IV. BUDGET ESTIMATES FOR 1988

A. General Fund

10. The General Fund budget represents the minimum resources needed by the Agency to cover its recurrent costs and to maintain major programmes including staff and other costs necessary for education, health and welfare services provided by the Agency to about two million Palestine refugees. Each of these main programmes is described in greater detail in the sections that follow.

11. The 1988 General Fund budget estimates amount to \$188.0 million, of which \$172.2 million represents cash expenditure and \$15.8 million, expenditure of donated food commodities and services. The total shows an increase of \$9.2 million or 5.1 per cent over the approved General Fund budget for 1987.

Table 1. 1987 Approved budget and 1988 budget estimates, General Fund

(Thousands of United States dollars)

	1987 APPROVED BUDGET			1988 PROPOSED ESTIMATES		
	Cash	In kind	Total	Cash	In kind	Total
I. <u>Education services</u>						
Elementary education	53 065	18	53 083	53 938	17	53 955
Preparatory education	35 172	14	35 186	35 445	17	35 462
Vocational and professional training	8 281	791	9 072	8 283	786	9 069
Other activities	4 105	762	4 867	4 959	776	5 735
Total I	100 623	1 585	102 208	102 625	1 596	104 221
II. <u>Health services</u>						
Medical services	19 037	400	19 437	20 862	404	21 266
Environmental sanitation	6 100	533	6 633	6 351	523	6 874
Total II	25 137	933	26 070	27 213	927	28 140
III. <u>Relief services</u>						
Special hardship assistance	2 825	12 390	15 215	2 767	12 630	15 397
Relief and welfare services	3 579	-	3 579	3 905	3	3 908
Shelter	597	270	867	724	276	1 000

Total III	6 001	12 660	19 661	7 396	12 909	20 305
IV. <u>Operational services</u>						
Supply and transport services	7 257	290	7 547	7 487	328	7 815
Architectural and engineering services	1 833	-	1 833		-	4 076
				4 076 _a		
Total IV	9 092	290	9 380	11 563	328	11 891
V. <u>Common services</u>						
General management	9 658	-	9 658	10 319	-	10 319
Administration	11 824	-	11 824	13 117	15	13 132
Total V	21 482	-	21 482	23 436	15	23 451
General Fund, Total	163 333	15 468	178 801	172 233	15 775	188 008
Percentage of change				5.4	2.0	5.1

a/ All allotments for maintenance have been centralized under operational services for 1988.

B. Project Fund

12. UNRWA's ongoing projects, as shown in annex III, are fully funded in 1987 by special contributions pledged by various donors. Funding requirements for ongoing projects in 1988 are estimated at \$14.9 million, an increase of \$0.7 million over 1987, which is due to changes in the valuation of donated food commodities, a small expansion in the number of refugees benefiting from the supplementary feeding programme, and a planned expansion of the Centre for the Blind in Gaza.

Table 2. 1987 Approved, budget and 1988 proposed budget estimates, Project Fund

(Thousands of United States dollars)

	1987			1988		
	Approved budget			Proposed estimates		
	Cash	In Kind	Total	Cash	In Kind	Total
Education services	3 367	77	3 444	3 297	23	3 320
Health services	4 248	6 158	10 406	4 350	6 776	11 126
Relief services	352	3	355	446	2	448
Total	7 967	6 238	14 205	8 093	6 801	14 894
Percentage of change				1.6	9.0	4.9

C. Capital Construction Fund

13. Owing to severe financial constraints UNRWA has for many years been unable to implement a large number of much needed construction projects. The requirements have now accumulated to such an extent that the resulting backlog calls for special attention. Additional resources are required for the construction of schools, clinics and other facilities to provide an acceptable standard of services to Palestine refugees. This construction would enable the Agency to carry out its programmes more efficiently and would result in considerable savings in the long run. The question of UNRWA's construction needs was discussed at the informal meeting of donors held in July 1987. A comprehensive construction plan covering the remaining part of 1987 and the three-year period from 1988 through 1990 has been prepared by the Agency and lists its construction needs in order of priority for all of its programmes throughout the region of operations. This plan envisages expenditure on construction over the next four years amounting to about \$50 million for which special contributions will be sought. Of this total, about \$14 million is planned to be spent or committed in 1988.

14. The construction plan was presented in August 1987 to the Agency's Advisory Commission. The Advisory Commission decided to urge all Governments to support the Commissioner-General's initiative by contributing generously over and above their support for UNRWA's regular programme to enable the Agency to fulfil its construction needs over the next few years.

15. Against this background, the 1988 budget for the Capital Construction Fund has been expanded as compared to the budget for 1987. Funds are needed to build new facilities such as schools, health clinics, health sub-centres, mother and child health care units, sewing centres, distribution centres and warehousing facilities, as well as for additional classrooms to avoid triple shifting of classes. In 1987 this requirement was \$9.5 million, of which a large part remains unfunded by special contributions. As mentioned earlier, part of this

funding in 1987 is being provided from the General Fund for projects that could no longer be held up while waiting for funds to be made available by donors. Nevertheless, a number of unfunded projects for 1987 will have to be postponed and included in the 1988 the Agency to meet its budget. If sufficient funds are not found to enable the construction needs, buildings will have to continue to be rented, thus increasing the overall operating costs of the Agency. However, the availability of funds to be spent on construction would enable the Agency to reduce its operating costs by economizing on both staff and rental expenditures. Table 3 shows the proposed budget estimates for 1988 for the Capital Construction Fund.

Table 3. 1987 Approved budget and 1988 proposed budget estimates, Capital Construction Fund

(Thousands of United States dollars)
(Thousands of United States dollars)

	1987			1988		
	Approved budget			Proposed estimates		
	Cash	In Kind	Total	Cash	In Kind	Total
<u>Unfunded 1987</u>						
Education services	4 248	-	4 248	9 101	-	9 101
Health services	1 851	-	1 851	2 642	-	2 642
Relief services	288	-	288	611	-	611
Operational services	56	-	56	250	-	250
Common services	<u>1 000</u>	-	<u>1 000</u>	<u>985</u>	-	<u>985</u>
Total unfunded construction projects	<u>7 443</u> a/	-	<u>7 443</u>	<u>13 588</u>	-	<u>13 588</u>
<u>Funded 1987</u>						
Education services	-	-	1 422			
Health services	1 422	-	576			
Relief services	576	-	93			
Operational services	93	-	-			
Common services	-	-	-			
Total funded construction projects	<u>2 091</u>	-	<u>2 091</u>			
Grand total construction projects	<u>9 534</u>	-	<u>9 534</u>			
				<u>13 588</u>	-	<u>13 588</u>
Percentage of change				42.5		42.5

a/ A number of these unfunded projects to date will, however, be funded from the Agency's General Fund at a level of about \$3.2 million.

D. Programmes

16. In 1988 the education programme will account for about 55 per cent of the total General Fund budget. Health services represent 15 per cent of the budget, relief services equal 11 per cent, operational services 6 per cent and common services, 13 per cent. Each of these programmes is described below.

1. Education

17. The Agency's education programme consists mainly of elementary and preparatory schooling and vocational and professional training in Agency-operated training centres. There is also a small scholarship grants programme to help refugee students seeking higher education in or near the Agency's areas of operation. The general education programme for elementary and preparatory age group students provides schooling for 349,500 pupils enrolled in 639 Agency schools with a teaching staff of 10,330. In addition 8,685 refugee pupils are enrolled in government and private schools. It is projected that the number of pupils will increase by about 1,000 in the 1988/89 school year, requiring the hiring of about 35 additional teachers in the autumn of 1988.

18. In UNRWA's eight training centres, 3,912 training places are available to Palestine refugees for vocational and technical training and 850 for teacher training. The type and content of the courses are continually revised by the Agency to enable graduates from the centres to obtain employment and to contribute to the continuing development of the region. During the current academic year, UNRWA awarded 375 scholarships for refugees to study at universities.

19. In planning the general education programme for the 1988/89 school year, the Agency has concentrated on lowering the class occupancy level, of the most congested classrooms so that no class section will exceed 48 pupils and on strengthening the supervision of the programme by providing additional assistant headteachers

and course supervisors. The plan to lower class section occupancy levels will require the employment of a further 120 teachers in addition to those normally needed to accommodate natural population growth.

20. The aim of the Agency's construction programme for education is to provide standard Agency designed schools to replace rented schools and unsatisfactory or unsuitable existing Agency schools as well as to provide for the growth in school population. The new school building programme is also coupled with the continuing effort to provide improved sanitation facilities in current Agency schools. It will enable the Agency to save on its recurrent expenditure because of lower expenditure on rent and a lesser number of teachers inasmuch as rented classrooms are smaller than those constructed by the Agency.

21. The General Fund expenditure for the education programme is estimated at \$104.2 million for 1988 as compared to \$102.2 million in 1987. It is spread throughout the area of the Agency's operation as shown in the table below.

Table 4. General education

	Gaza	Lebanon	Syrian Arab Republic	Jordan	West Bank	Head- quarters	Total
(Thousands of United States dollars)							
1986 Expenditure	23 359	5 421	9 496	39 032	13 250	1 714	92 272
1987 Approved budget	25 172	6 172	8 758	40 810	14 117	1 992	97 021
1988 Proposed budget	28 058	4 119	12 008	42 407	15 594	1 791	103 977
Number of pupils							
1987/88	88 750	33 723	52 055	134 871	40 111	-	349 510
1988/89	90 377	33 723	52 567	133 813	40 032	-	350 512
Number of staff							
1987/88	2 776	1 352	1 752	4 047	1 475	44	11 426
1988/89	2 843	1 352	1 777	4 091	1 500	44	11 608

22. For the 1988/89 school year it is planned, to introduce seven new vocational training courses (six semi-professional courses and one trade course). The introduction of these additional courses will not increase the overall student capacity of the programme, but the courses will take the place of current courses that are being phased out because of a lack of employment opportunities for students trained in those disciplines.

Table 5. Vocational and professional training

	Gaza	Lebanon	Syrian Arab Republic	Jordan	West Bank	Head- quarters	Total
(Thousands of United States dollars)							
1986 Expenditure	1 376	238	1 174	3 395	4 056	882	11 114
1987 Approved budget	1 510	838	1 084	3 644	4 261	992	12 329
1988 Proposed budget	1 547	533	1 169	3 784	4 578	1 053	12 664
Number of training places							
1987/88	608	448	744	1 468	1 494	-	4 762
1988/89	664	656	752	1 480	1 554	-	5 106
Number of staff							
1987/88	111	114	133	262	289	19	928
1988/89	118	114	137	264	302	19	954

2. Health

23. Primary health care is provided through, curative and preventive medical care services and maternal and child health programmes. These programmes are operated through a network of 98 health centres/health points, polyclinics, hospitals, laboratories and rehabilitation centres, run either by UNRWA or Governments, which

provide services to about 1.9 million Palestine refugees eligible for health care.

24. UNRWA Provides basic community sanitation services in 61 camp locations housing Palestine refugees and displaced persons. These services cover the Provision of potable water, sanitary disposal of solid and liquid wastes, drainage of storm water and the control of disease carrying insects and rodents.

25. The policy objectives incorporated into the 1988 budget estimates have been limited to two goals. The first is to improve the quality of medical services through the lowering of the work-load of current health staff operating in clinics by employing a limited number of additional doctors and nurses. These additional staff members are in the areas of general health care, health education, the dental programme and the other support areas of laboratories and pharmacies. The second goal is to improve the availability of hospital services to refugees in the area of operations. The programme of upgrading sanitary conditions in the camps continues with an extended capital expenditure programme for garbage collection and the reconstruction of sewer systems.

26. Estimated costs for the health programme have expanded because of increases in costs for contracted medical services and the continuing growth in the cost of pharmaceuticals. The level of the 1988 General Fund budget is \$28.1 million, which is an increase of about 7.7 per cent over 1987. The spread of expenditure in the Agency's area of operation is illustrated in the table below.

Table 6. Health

	Gaza	Lebanon	Syrian Arab Republic	Jordan	West Bank	Head- quarters	Total
	(Thousands of United States dollars)						
1986 Expenditure	8 093	3 933	4 148	8 708	8 179	1 512	34 573
1987 Approved budget	9 472	4 577	3 791	9 779	9 506	1 778	38 903
1988 Proposed budget	9 367	4 679	4 521	10 634	10 928	1 778	41 907
Number of beneficiaries 1988	393 090	235 625	225 261	750 560	286 312	-	1 890 848
Number of staff members 1987	747	485	391	755	565	14	2 956
1988	753	512	408	773	595	14	3 054

3. Relief

27. The major goal of the Agency's relief programme families through its Special Hardship Case Programme, which provides basic food needs, blankets, clothing, and shelter repair and reconstruction services. Currently this programme services 117,987 beneficiaries. Limited cash grants are given to Special Hardship Cases, and adult training programmes are also carried out. Because of increased economic difficulties in the Agency's area of operations, the number of Special Hardship Case applications is expected to increase in 1988 by 10,500. Food and clothing are distributed to the eligible refugees through a network of distribution centres and distribution points located throughout the camps, with food distribution being made either monthly or bimonthly, while clothing is distributed twice annually.

28. Expansion of the relief programme has been limited to the Special Hardship Case Programme where it is anticipated that registers of special hardship cases will expand by about 121,300 additional beneficiaries in 1988. This will require an expansion of the staffing in the welfare programme to service this growing group of needy refugees. Further development of the sewing activity centres is also planned in 1988. The aim of this programme is to give participants skills that can be used to augment their family income in a region where economic conditions are worsening.

29. The 1988 General Fund budget estimates for this programme are \$20.3 million, an increase of about \$0.7 million over 1987 which is due to the increase in special hardship cases. How this budget is spread throughout the Agency's area of operation is illustrated in the table below.

Table 7. Relief Programme

	Gaza	Lebanon	Syrian Arab Republic	Jordan	West Bank	Head- quarters	Total
	(Thousands of United States dollars)						

1986 Expenditure	6 512	3 598	1 684	3 583	4 294	638	20 308
1987 Approved budget	6 511	3 582	1 667	3 814	4 285	538	20 397
1988 Proposed budget	6 301	3 916	1 914	4 217	4 442	573	21 363
Number of beneficiaries							
Regular category refugees	319 863	241 632	231 493	772 630	290 299	-	1 855 917
Special hardship cases	26 800	31 000	12 400	24 000	26 800	-	132 900
Number of staff							
1987	147	68	54	117	97	8	491
1988	108	76	56	120	107	8	535

4. Operational services

30. The three substantive programmes of the Agency are supported by a supply and transport operation and an architectural and civil engineering services group. The supply and transport operation provides procurement, freight transport and passenger transport services in all the areas of operation. In 1987, 33,400 tons of basic commodities and 5,000 tons of general cargo were handled through a network of central and satellite warehouses for final distribution to the beneficiaries of the services provided by the Agency's programmes. The logistics operations of the Agency are carried out by a fleet of vehicles that are used to transport commodities and general stores, for garbage collection, water distribution, sewage clearance services, and for transport services required by the education and health programmes. In total the Agency has a fleet of 509 vehicles. All of these vehicles are maintained by the Agency's vehicle maintenance staff. The proposed budget for this operation in 1988 is \$7.5 million, the same level as in 1987.

31. The architectural and civil engineering group is responsible for the design of all new Agency facilities and for the maintenance of existing Agency premises. In 1987 the staff has worked on the design of buildings to the value of \$6.9 million, supervised construction worth about \$6.5 million and implemented a maintenance programme of about \$2.2 million. The budget estimate for architectural and civil engineering services in 1988 is \$4.1 million. The costs associated with the construction of new facilities are, in most cases, recovered as a direct charge to the Construction Fund.

32. The level of support given to the substantive programmes by these services in the area of operation is illustrated in the table below.

Table 8. Operational services

	Gaza	Lebanon	Syrian Arab Republic	Jordan	West Bank	Head-quarters	Total
(Thousands of United States dollars)							
1986 Expenditure	1 925	916	1 045	1 559	1 325	2 433	9 201
1987 Approved budget	1 909	863	886	1 710	1 427	2 641	9 436
1988 Proposed budget	2 325	947	1 386	2 212	2 104	3 167	12 141
Number of staff members							
1987	176	159	129	111	134	36	745
1988	182	156	129	112	134	38	751

5. Common services

33. Common services support all programmes run by the Agency and cover two distinct areas: general management and administrative services. General management consists of the office of the Commissioner-General and the Deputy Commissioner-General, those of the directors in each field, and the external relations, public information, internal audit and the programme planning and evaluation of fides. Administrative services include financial, personnel, legal and data-processing functions.

34. Increases in common service costs are due to two factors. Firstly, there has been an increase in costs resulting from less favorable exchange, rates in the locations where the majority of the Agency's administrative personnel are stationed (Vienna and Amman), and secondly there is a need to strengthen certain areas of the administrative operation.

Table 9. Common services

	Gaza	Lebanon	Syrian Arab Republic	Jordan	West Bank	Head- quarters	Total
(Thousands of United States dollars)							
1986 Expenditure	1 559	1 115	1 207	2 203	1 859	9 531	17 474
1987 Approved budget	1 860	1 713	1 437	2 517	2 166	11 789	21 482
1988 Proposed budget	1 775	2 449	1 505	2 840	2 361	13 506	24 437
Number of staff members							
1987	145	153	102	155	188	139	881
1988	145	166	102	144	190	140	887

E. Cost categories1. Staff costs

35. Staff costs make up a large part of UNRWA's operating budget, as is illustrated in table 10, and are carefully controlled and monitored throughout the operating year. In preparing the 1988 budget the intention was to hold administrative staffing levels to the same levels as those of 1987 but this has not proven to be possible. Accordingly, a small increase in administrative staff has occurred. The number of staff in substantive programmes has been increased to a limited extent to provide for the continued growth in the refugee population and to eliminate continuing work-load anomalies. Table 10 shows the estimated expenditure for staff funded by the regular budget and by extra-budgetary funds, while Table 11 contains the staffing table of the Agency also subdivided by source of funding (regular budget and extra-budgetary funds) and shows the total number of staff employed. Efforts to improve the productivity of staff are continuing by providing additional training and through the introduction of improved equipment and facilities.

Table 10.

Summary of the 1988 regular and extra-budgetary cost estimates classified by expenditure groups for the General Fund

(Thousands of United States dollars)

	1987 appropriations	1988 estimates
<u>Classification of types of expenditure</u>		
I. <u>Regular budget</u>		
Established posts		
International	6 176	6 552
<u>Extrabudgetary staff costs</u>		
II. Established posts		
International	555	675
Locally recruited		
<u>Extrabudgetary other costs</u>	125 089	130 094
III. Contract services		
Operational expenses		
Supplies	5 398	8 389
Building and equipment	932	928
Premises	8 427	9 685
Grants and subsidies	4 846	5 134
Reimbursements and transfers	4 446	2 349
from production units	8 315	8 976

Subtotal	(815)	(549)
<u>Supplies and services in kind</u>	163 333	172 233
Grand total	<u>15 468</u>	<u>15 775</u>
	178 801	188 008
	=====	=====

IV.

Table 11. Staffing table

	Established posts United Nations		Established posts UNRWA budget		Post provided by UNESCO and WHO		Grand total	
	1986	1987	1986	1987	1986	1987	1986	1987
Professional and above								
USG	1	1	-	-	-	-	1	1
ASG	1	1	-	-	-	-	1	1
D-2	1	1	-	-	2	2	3	3
D-1	10	10	-	-	-	-	10	11
P-5	16	16	3	3	5	5	24	23
P-4	36	36	2	2	19	19	57	63
P-3	15	15	-	-	1	-	15	15
P-2/1	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Subtotal	<u>82</u>	<u>82</u>	<u>6</u>	<u>6</u>	<u>26</u>	<u>26</u>	<u>114</u>	<u>120</u>
General Service								
Other services	<u>10</u>	<u>10</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Subtotal	<u>10</u>	<u>10</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Area staff								
G-18			17	17			17	17
17			9	11			9	11
16			86	82			86	82
15			83	103			83	103
14			184	204			184	204
13			75	58			75	58
12			251	282			251	282
11			219	238			219	238
10			2 526	2 504			2 526	2 504
9			2 247	2 227			2 247	2 227
8			4 313	4 405			4 424	4 405
7			1 746	1 778			1 746	1 778
6			1 065	958			1 065	958
5			842	859			842	859
4			352	387			352	387
3			199	191			199	192
2			479	450			479	450
1			<u>2 865</u>	<u>2 876</u>			<u>2 865</u>	<u>2 876</u>
Subtotal	<u>-</u>	<u>-</u>	<u>17 558</u>	<u>17 630</u>	<u>-</u>	<u>-</u>	<u>17 558</u>	<u>17 630</u>
Grand total								
	92	92	17 565	17 643	26	26	17 683	17 761
	==	==	=====	=====	==	==	=====	=====

Note. Eight International posts are not included in this listing and are paid out of extra-budgetary resources raised to cover the continuing emergency in Lebanon.

36. In 1988, 350 additional staff members will be required in the education, health and relief programmes. A

small number of additional posts for administration and a number of reclassifications have been included in the budget estimates to allow for the correction of work-load anomalies and some post reclassifications that have occurred, because of the redistribution of duties and responsibilities aimed at improving efficiency and effectiveness.

37. Estimated staff costs in the General Fund for 1988 are \$130.1 million, as compared with \$125 million in 1987.

2. Non-staff costs

38. Expenditures in 1988 will increase for the maintenance of buildings and facilities, supplies, replacement of unserviceable equipment and for subsidized hospital services in all fields with the exception of Lebanon where exchange rate movements make it difficult to predict the United States dollar equivalency of expenditure. Estimated expenditure in 1988 for goods and services is \$34.9 million, as compared to \$31.5 million in 1987.

V. FINANCING THE 1988 BUDGET

39. The cash and in-kind income required to finance the 1988 budget is shown in the following table. As shown in tables 1 and 2, the percentage increases for the General Fund and the Project Fund in the 1988 budget over the budget estimates for 1987 are 5.1 and 4.9 per cent, respectively. Because of the Agency's concern with the backlog of construction needs that have built up over many years, the budget for capital construction has been increased by 43 per cent.

		1988 (Millions of United States dollars)		
		<u>Cash</u>	<u>In kind</u>	<u>Total</u>
A.	General Fund	172 233	15 775	188 008
B.	Project Fund	8 093	6 801	14 894
C.	Capital Construction Fund	<u>13 588</u>	<u>-</u>	<u>13 588</u>
Total		193 914 =====	22 576 =====	216 490 =====

40. Apart from its very small working capital, UNRWA has no reserves on which to draw on to finance the 1988 budget. Funding of the operations of the Agency's programmes will be totally dependent therefore on the contributions received from donors. These contributions are made to the Agency in two forms: cash and in kind, which are donations of basic commodities and services.

A. Cash requirements

41. To continue to provide for the core programmes of the Agency education, health, and relief services to the refugees UNRWA will need \$172.2 million in cash to finance the General Fund. This compares with an estimated income in 1987 of \$163.3 million. In addition to the cash resources needed for the General Fund operations, a further \$13.5 Million will be needed for the capital construction programme in 1988. Donors will be sought for these projects. Continuing support of about \$8.1 million is anticipated for the ongoing projects.

B. In-kind requirements

42. The in-kind requirements for 1988 are estimated to be \$22.6 million, an increase of about \$0.9 million over 1987. It has been customary for several donors to make in-kind contributions of basic commodities and services to UNRWA in the past and it is anticipated that these contributions will be adequate in 1988.

Notes

1/ Official Records of the General Assembly, Forty-second Sessions, Supplement No. 13 (A/42/13).

Contributions pledged to 30 September 1987
(United states dollars)

Contributor	Cash	In kind	Total
<u>I. Contributions from Governments</u>			
Australia	172 435	-	172 435
Austria	145 000	-	145 000
Bahrain	15 000	-	15 000
Bangladesh	5 000	-	5 000
Belgium	496 697	-	496 697
Brazil	20 000	-	20 000
Burma	1 000	-	1 000
Canada	6 939 233	-	6 939 233
Chile	5 000	-	5 000
China	50 000	-	50 000
Cyprus	2 041	-	2 041
Denmark	7 028 106	-	7 028 106
Egypt	4 525	-	4 525
Finland	1 312 232	-	1 312 232
France	1 569 977	10 000	1 579 977
Germany, Federal Republic of	4 993 370	-	4 993 370
Greece	65 000	-	65 000
Holy See	14 500	-	14 500
Iceland	9 500	-	9 500
India	16 333	-	16 333
Ireland	372 500	-	372 500
Israel	-	296 200	296 200
Italy	5 376 514	817 960	6 194 474
Japan	10 000 000	7 500 000	17 500 000
Jordan	576 472	576 472	576 472
Kuwait	1 100 000	-	1 100 000
Lebanon	-	6 033	6 033
Luxembourg	9 973	-	9 973
Malaysia	5 000	-	5 000
Maldives	1 000	-	1 000
Mauritius	1 324	-	1 324
Mexico	3 000	-	3 000
Monaco	2 517	-	2 517
Netherlands	2 934 258	-	2 934 258
New Zealand	150 250	-	150 250
Norway	9 341 678	-	9 341 678
Pakistan	20 272	-	20 272
Philippines	2 000	-	2 000
Portugal	15 000	-	15 000
Republic of Korea	5 000	-	5 000
Saudi Arabia	1 200 000	-	1 200 000
Senegal	4 000	-	4 000
Seychelles	500	-	500
Spain	1 448 628	-	1 448 628
Sri Lanka	-	2 000	2 000
Sweden	12 053 662	-	12 053 662
Switzerland	1 953 125	4 118 185	6 071 310
Syrian Arab Republic	-	118 514	118 514
Thailand	13 881	-	13 881
Tunisia	10 019	-	10 019
Turkey	35 000	-	35 000
United Kingdom of Great Britain and Northern Ireland	7 859 000	6 502	7 865 502
United States of America	67 000 000	-	67 000 000
Uruguay	1 000	-	1 000
Venezuela	10 000	-	10 000
Yugoslavia	-	50 000	50 000
Subtotal	143 794 050	13 501 866	157 295 916
<u>II. Contributions from intergovernmental organizations</u>			
European Community	28 106 375	11 826 264	39 932 639
OPEC Fund	250 000	-	250 000
AGFUND	557 600	-	557 600

Subtotal	28 913 975	11 826 264	40 740 239
<hr/>			
III. <u>Contributions from United Nations and United Nations agencies</u>			
United Nations (from regular budget)			
UNESCO	6 109 000	-	6 109 000
WHO	-	1 346 000	1 346 000
	-	481 000	481 000
<hr/>			
Subtotal	6 109 000	1 827 000	7 936 000
<hr/>			
IV. <u>Income from non-governmental sources</u>			
Arabian American Oil Company (ARAMCO) - Saudi Arabia	220 000	-	220 000
Belgian Yellow Cross	-	-	19 769
Danish Refugee Council	140 000	19 769	140 000
Ola Diakonia, Sweden	13 002	-	13 002
Gaza Authorities	-	-	101 372
Deutsche Stiftung für UNO Flüchtlinge	5 155	101 372	5 155
Near East Council of Churches	62 838	-	62 838
Norwegian Refugee Council	24 657	-	24 657
OXFAM - UK	77 479	-	77 479
Pontifical Mission for Palestine	90 109	-	91 074
Church World Service	-	964	15 000
Swedish Save the Children Fund (Rädda Barnen)	175 550	15 000	175 550
Sundry contributors	1 066 554	-	1 154 748
Save the Children Fund - UK	38 400	88 194	38 400
Turkish Cypriot People a/	2 000	-	2 000
<hr/>			
Subtotal	1 915 754	225 299	2 141 053
<hr/>			
Total	180 732 779	27 380 429	208 113 208
	=====	=====	=====

a/ The name of the contributor is that used when the contribution was pledged; it does not represent, nor should it be taken to imply, any expression of opinion by UNRWA (see A/AC.227/SR.1 of 14 November 1985).

ANNEX II

Direct government assistance to Palestine refugees

(1 July 1986-30 June 1987)

Note. All data in the table below are shown as reported by the Governments concerned and are expressed in United States dollars computed by applying United Nations operational rates of exchange. exchange.

	Egypt	Israel	Jordan	Lebanon b/	Syrian Arab Republic
Education services	106 600 000	13 080 000	89 605 801		23 260 490
Social welfare services	4 200 000	1 760 000	4 326 730		1 252 464
Medical services	c/	7 880 000	23 539 471		1 005 865
Housing	d/	1 870 000	28 710 240		3 806 357
Security services	-	-	e/		2 829 400
Miscellaneous services	d/	4 200 000	e/		3 050 041

Administrative costs	<u>198 200 000</u>	<u>-</u>	<u>6 374 200</u>	<u>4 153 248</u>
Total	<u>209 000 000</u>	<u>28 790 000</u>	<u>152 556 442</u>	<u>39 357 865</u>

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a/ This assistance was rendered direct to the refugees, in addition to contributions to UNRWA (see annex I).

b/ Figures not received.

c/ Health services are included in social welfare services.

d/ Housing and miscellaneous services are included in administrative costs.

e/ Security and miscellaneous services are included in administrative costs.

ANNEX III

Ongoing projects that are fully funded by donors for 1988

	<u>Title</u>	<u>Thousands of United States dollars</u>
1.	Supplementary feeding programme, funded by EEC	11 065
2.	Income-generating project in Gaza, funded by Co-operation for Development, United Kingdom	46
3.	Gaza Centre for the Blind, funded by the Pontifical Mission and other donors	333
4.	Husn Camp Centre for the Disabled, funded by the Mennonite Central Committee	15
5.	Ramallah Men's and Women's Training Centre, funded by the Government of Denmark	3 262
6.	ARAMCO-University scholarships, funded by ARAMCO	58
7.	Jarash community project for the disabled, funded by OXFAM	14
8.	Suf community project for the disabled, funded by OXFAM	13
9.	Income-generating project in Lebanon, funded by Norwegian People's Aid	13
10.	Baq'a Centre for the Disabled, funded by Diakonia, Sweden	13
11.	Qalqilia Hospital in West Bank - renovation funded by anonymous donors	48

