

General Fund Appeal 2008-2009

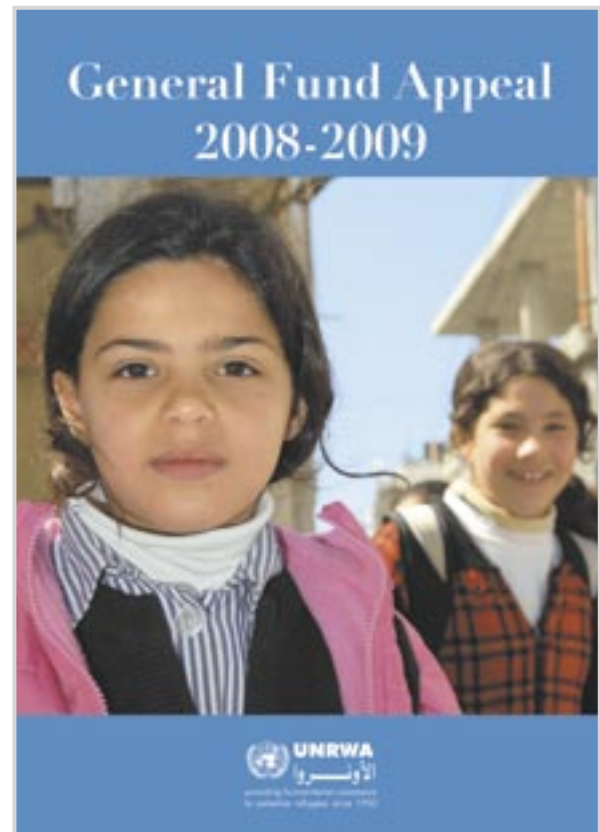


UNRWA

الأونروا

providing humanitarian assistance
to palestine refugees since 1950

General Fund Appeal 2008-2009



Foreword

I am pleased to present to you UNRWA's General Fund Appeal for 2008-2009. This document outlines in a concise and simple format the principal programmes through which UNRWA performs its humanitarian and human development work. For the first time, we have adopted the concept of an appeal for the General Fund with a view to furnishing current and future donors with a text for easy reference.

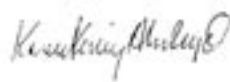
My agency and I feel privileged to serve the population of 4.5 million Palestine refugees in Syria, Jordan, Lebanon, and the occupied Palestinian territory. We apply ourselves with dedication to the programmes we offer in the areas of education, health, social services, micro-finance and infrastructure and camp improvement. Over recent years, however, the impact of our work has been threatened as chronic under-funding strains our capacity to deliver services to the standards of efficiency and quality that we would like and that Palestine refugees deserve.

This brochure candidly describes the challenges and constraints posed to UNRWA's work as a

result of insufficient funding. It shows what action is being undertaken to address them and how additional donor support could really make a difference.

This Appeal is a fair reflection of UNRWA's needs. It rightfully portrays the Agency as a dynamic organization, striving to address the many challenges it faces in a creative fashion, and applying the energy and commitment of its staff to prepare Palestine refugees for a better future. It nevertheless underlines the reality that a significantly higher level of funding is urgently required if UNRWA is to achieve its full potential.

I am confident you will find this appeal for the General Fund worthy of your interest and your support.



Karen Koning AbuZayd
Commissioner-General





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Establishing lasting peace is the work of education;
All politics can do is keep us out of war

-Maria Montessori-

Education

Palestinians are renowned for the premium they place on education. Palestine refugees recognize education as the key to a better future and they are regarded as one of the most highly educated groups in the Middle East. This reputation was achieved over the decades through UNRWA's provision of high quality education to three generations of refugees. That achievement would not have been possible without the generous support of the donor community since 1950.

As an agency that delivers its services directly to refugees, UNRWA works in partnership with host authorities, local communities and other UN Agencies towards the goal of universal primary education by 2015, as set out in the Millennium Development Goals (MDG 2).

Today, education is UNRWA's largest programme. It currently accounts for over 50 % of the Agency's budget and more than three-quarters of its staff. Across its five fields, UNRWA operates 668 elementary and preparatory schools for nearly half a million children. The Agency was the first in the Middle East to establish equal enrolment of boys and girls in the 1960s. This testifies to UNRWA having achieved gender parity in its schools decades before it became one of the Millennium Development Goals (MDG 3). The education programme includes teacher training, technical and vocational training and work placement and career guidance which are geared towards improving the employability of young Palestinians.



The Challenge of Academic Excellence

In spite of tremendous efforts, there are indications that the high educational standards to which the Agency aspires are not being met. There is a concern that the academic excellence that was achieved in the first 50 years of joint effort between UNRWA and the donor community is in danger of slipping away.

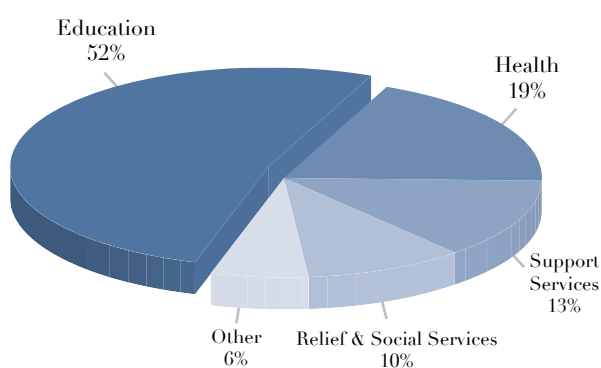
In Gaza, for example, recent independent testing revealed failing achievements in both Arabic and Mathematics. The reasons for this are complex and some of those reasons may apply to the West Bank, as well.

According to a World Bank report from September 2006 on an *Education Sector Analysis*, which was based on a comparative survey of private, UNRWA and Palestinian Authority (PA) governmental schools in the occupied Palestinian territory (oPt), the academic performance of Palestinian students lags behind regional standards. Private schools outperformed PA and UNRWA schools by a wide margin.¹

UNRWA students in Syria and Jordan appear to be doing better, often outperforming their peers in the host-government schools (in Syria by a wide margin) in monitoring exams testing students' achievement in core subjects.

In Lebanon and Jordan, however, results in state-run examinations and state-run tests, respectively, show worrying downward trends.

General Fund Budget 2008-2009



Factors Affecting Achievement of Goals

There are a variety of factors affecting academic achievement in UNRWA's fields of operation. A number of these factors are outside the scope of the Agency's direct influence. These include parental disinterest; poor and declining economic conditions; armed conflict (in the oPt and Lebanon) and restricted humanitarian access (oPt).

Improving Education in Gaza

In response to the results of the independent testing in Arabic and Mathematics, a programme of urgent remedial action has been proposed to improve educational standards in Gaza. The action plan envisages the hiring of some 1,500 new classroom assistants, limiting class sizes in boys' schools to 30, adding extra classes in Arabic and Mathematics and the building of a new teacher training college. UNRWA is also embarking on a special Gaza Recovery Plan with a wide range of steps including a programme of training for staff and specific school-based interventions. The Agency also plans to undertake a comprehensive review of the education programme in the West Bank. An "awards for excellence" initiative will also be launched across all areas of operations to reward the best UNRWA teachers and to celebrate excellence in education.

¹ West Bank and Gaza: Education Sector Analysis – Impressive Achievements under Harsh Conditions and the Way Forward to Consolidate a Quality Education System, The World Bank Group, Middle East and North Africa, Human Development Group, September 7, 2006.

There are, however, other factors within the Agency's purview which, if effectively addressed, will go a long way towards raising standards of educational achievement in UNRWA schools. The Agency's focus in the medium term will be on one of these factors, namely, creating a strong learning environment in its schools.

Creating a Strong Learning Environment

UNRWA is committed to steps that will enhance the learning environment in its schools in a holistic manner that facilitates the total development of the Palestine refugee child. The Agency's starting point is that maintaining and enhancing the quality of teaching is the key to improving the quality of education.



which was launched by UNRWA in 2006 and is now in effect. The Gaza "Schools of Excellence" initiative is part of this process. It is also one of the components of the mandatory teacher training.

As a further step to addressing the issue of failing academic achievement in the oPt, UNRWA will introduce Monitoring Achievement Tests in 2008. This will involve testing a cohort

This means that teacher training is a critical component both in terms of recruiting highly skilled teachers and in the provision of on-the-job training to upgrade the professional and pedagogical skills of existing staff. It is important that training covers subjects central to UNRWA's curriculum enrichment policy such as human rights, conflict resolution and tolerance, the CRC and Schools as a Focus for Development (SFD).

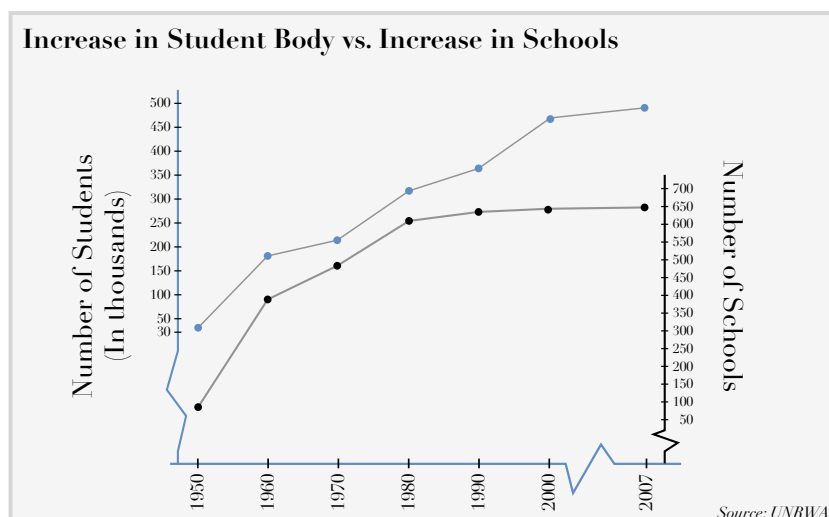
of students against international standards in collaboration with UNESCO.

Among the factors affecting academic achievement are the high teacher/student ratios and double-shifting both of which are prevalent in so many of UNRWA's schools. In 2006, for example, 77 % of UNRWA schools operated on double-shifts.

Another component of the holistic approach is the Quality Assurance Framework (QAF),

Double-shifting refers to a practice in which the same school facility accommodates two consecutive school streams on a given day. The practice is the antithesis of a conducive learning environment for children. Given the pressure it generates on facilities and staff, it frequently leads to shortened school days and a lack of space and time for extra-curricular activities.

Overcrowding denies children the individual attention they require to learn and can make the implementation of important enrichment activities, such as



The Right to Education

Children have a right to education and achieving universal primary education is one of the Millennium Development Goals (MDG 2). UNRWA, as the primary service provider to Palestine refugees, has an obligation to protect this right, not only to provide and ensure access to basic education, but also, and equally, to guarantee quality and content in accordance with international standards and good practice, measured by actual learning outcomes for children.²

The General Assembly has recently encouraged UNRWA to consider the needs and rights of children in its operations in accordance with the Convention on the Rights of the Child (CRC).³

human rights and non-violence programmes, problematic as classroom space and time are often inadequate or unavailable.

Double-shifting is a prominent symptom of the imperfect learning environment in many UNRWA schools. It can only be addressed through the construction of additional schools.

The need to maintain and improve the quality of teaching staff requires a substantial injection of financial resources. In UNRWA's present condition of serious under-funding, it is an immense challenge – if not impossible – for the Agency to remain a competitive employer in the field of education.

their abilities. Thus far, some funding has been secured to conduct a survey of children with special needs and to outline recommended solutions. More generous funding is, however, required to make the SEN initiative a part of UNRWA's regular education programme.

There are clear indications in Lebanon that young refugee boys lose interest in school because of limited academic and employment opportunities. This is reflected in high drop-out rates, resulting in a reverse gender gap favouring girls by a ratio of 70 to 30. The Agency is taking steps to assess the extent of this trend and to develop alternative educational opportunities, such as vocational training schools.

Other Challenges

There are several challenges faced by the Agency's Education Programme. One of them is the initiative for children with Special Education Needs (SEN). While there is as yet no comprehensive system in place to identify these students, it is estimated that roughly 100,000 children, or 20 % of children in UNRWA's schools may require – and are not at the moment receiving – special help under this initiative.

In common with other children, those with special needs are entitled to education as a right. We deny them this right if we fail to implement measures that enable them to overcome their individual constraints and fully benefit from educational activities to the best of



² Convention on the Right of the Child, Articles, 28, 2 and GC 1 (2,3) (2001).

³ UN General Assembly Resolution 61/114 of 15 January 2007, operative para. 8.



Lack of funding has prevented our Vocational Training Centres (VTC) from offering the variety of courses that meet the requirements of local labour markets. UNRWA is embarking on a number of initiatives under the general programme and through specialized projects to address this issue, as well as others, impacting the employability of Palestinian youth in local labour markets. The Agency aims, among other things, to increase the number of VTC training places; to re-design syllabi to meet market demands; to conduct training of trainers more extensively; and to involve future employers in the development of the curricula.

Another important component is to streamline the Agency's placement and career guidance work. The objective here is to ensure a more targeted approach in identifying job placement opportunities for Palestinian youth.

Budget

UNRWA needs to restore its traditionally high standards in education and to address in an effective way the challenges posed to educational achievement by its often volatile operational environment. Steps in this direction are necessary if the Agency is to contribute to

achieving the Millennium Development Goal universal primary education by 2015, (MDG 2). UNRWA's US\$565 million budget for 2008-2009 is a reflection of how seriously the Agency takes the achievement of this goal.



Every Child has a Right to Education

Haitham is a 16-year-old boy living in Tulkarm Camp in the West Bank. By all accounts he is an exceptionally bright child from a family that looks after its children's education. He was failing in school and had dropped out of eighth grade. His academic future would improve drastically following a chance encounter with an UNRWA Operations Support Officer (OSO), and a subsequent intervention.

The OSO convinced Haitham's family to have him attend an UNRWA remedial class and it was soon discovered this bright boy was illiterate. Following further testing by UNRWA's only learning disabilities specialist, Haitham was diagnosed with phonetic dyslexia.

Recognizing that this case may not be unique, the headmaster of Tulkarm Camp Boys' school (where up to 805 of the boys are described as weak or failing) agreed to have 25 of the weakest students tested for learning disabilities. The results were astounding. Out of 25 children, 13 were dyslexic and 12 had developmental asphasia. All 25 boys started treatment in UNRWA's Speech and Slow Learning Programme (SSLP) which began work in 2003 to identify children with learning disabilities through the local camp committees. After completing a two-month course, seven of the 13 dyslexic students were able to read at Grade 2 level and should soon be reading at the age-appropriate Grade 4 level if they continue.

Another group of 68 academically weak girls from Al Amari Camp Girls' School (West Bank) were also tested. Eighty-five % were found to have some form of previously undiagnosed learning disability which could be corrected through special education. Some 60 % of the children improved considerably after the first round of treatment and the remaining 40 % will be able to attend regular classes following a second round of treatment.

Specialists from UNRWA's SSLP suspect that

up to 20 % of students in UNRWA schools may suffer some form of learning disability and that the initial tests only identified what was sure to be the tip of the iceberg. Severe under-funding of the programme, however, limited the scope of the identification and treatment of the students.

Working in partnership with UNRWA for the short term, a Canadian NGO, HumanServe, has agreed to extend the programme to 13 camps in the West Bank for a period of one year, covering the cost of 13 additional staff members, thus providing 1900 treatment slots. Should further testing confirm that some 20 % of students have some form of special education needs of this sort, UNRWA's traditional remedial teaching programme may not suffice to address the problem and the SSLP should be integrated into regular programming of the Education Department through the General Fund.

Haitham himself had this to say about the change in his life: "Before I took the classes I couldn't read a word... If my mother asked me to go to the shops for her, it was as if I was lost in my own town. I couldn't read the signs and I always had to ask people for help. Now I'm independent, I can go by myself."

Haitham's good fortune to have had his disability diagnosed and addressed is almost accidental as it followed a chance encounter with an UNRWA staff member. His story is a clear indication of why UNRWA needs a policy on Special Education needs to ensure that every refugee child gets an education.





Health

For the past six decades, the United Nations Relief and Works Agency (UNRWA) has been the main primary health care provider for Palestine refugees. Thanks to decades of dedicated intervention, including through vaccination campaigns, ante- and post-natal care and supplementary feeding programmes, refugees have enjoyed primary health standards in many areas matching or surpassing those prevailing in the region.

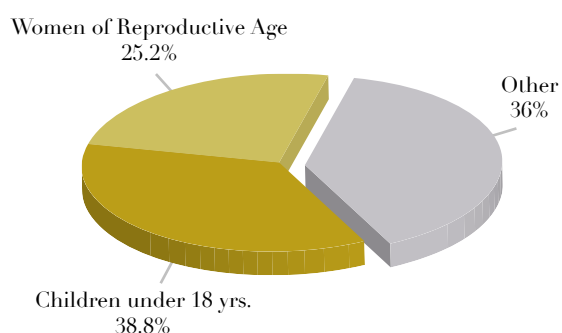
An illustration of this is the substantial overall drop in infant mortality rate from 160 per 1000 live births in the 1960s to 22 in 2006 – a health status that exceeds the World Health Organization (WHO) target for middle-income countries. There have been no reports of polio or tetanus in the Agency's areas of operation for the past 10 years.



As mothers and children comprise about two-thirds of the total refugee population, the Agency successfully focuses its interventions on preventive maternal and child care.

In spite of these endeavours, UNRWA is facing new challenges which are seriously jeopardizing the Agency's ability to preserve the health of the refugee population at current levels. Chief among them is the rise in incidence of non-communicable diseases (NCDs) like hypertension, diabetes and cancer and the sharp increase in poverty levels in some fields leading to such problems as wide-spread anaemia.

Refugee Population (2007)



Today, the goal of the Health Programme remains to protect, preserve and promote the health status of Palestine refugees, consistent with the UN Millennium Development Goals, the Convention on the Rights of the Child, and the policies and strategies of the WHO.

The Agency's 127 clinics handle almost 9 million consultations per year. UNRWA also provides environmental health services to over 1.3 million refugees living in camps, including solid waste control and access to safe drinking water in collaboration with local municipalities.



Challenges

The overall health of a population is generally a reflection of the socio-economic situation in a country. Palestinian society is undergoing change as reflected in increased urbanisation and changing nutritional habits and life-styles.

In recent years there has been a significant rise in the incidence of NCDs without there being full control of communicable diseases (CD) such as intestinal infestation and viral hepatitis. UNRWA has to cope with the double burden this presents.

Diseases like hypertension, diabetes and cancer are typically much more expensive to treat than diarrhea and respiratory tract infections, especially if they are not detected early. Late detection of diabetes and hypertension, often leads to complications such as cardiovascular illnesses which require surgery or other expensive interventions. The result is a significant increase in hospitalisation costs for the Agency.

There has been a sharp socio-economic decline in the occupied Palestinian territory (oPt) in particular, resulting in 80 % of Palestine refugees in the oPt now living below the poverty line, as compared to 20 % in 2000. As fewer refugees can afford private medical care, more of them turn to the Agency. One consequence has been a near doubling of refugees seeking medical care at UNRWA facilities in the oPt since the start of the intifada.

Poverty - and related poor nutrition - has always been a determinant of ill-health. Malnutrition affects health status at all stages of life and is a principal cause of low birth-weight, growth retardation, anaemia and increased exposure to diseases.

Recent data indicate a worrisome decline in the nutritional status of some refugees. A worrying example is the incidence of low birth-weight for infants in Gaza which doubled during the period between January and March 2007 and reached 9.6 % as compared to the January 2006 baseline of 4.2 % (WHO, August 2007).

Low-birth weight and premature birth have replaced infectious diseases as the leading cause of infant mortality among Palestine refugees.

Anaemia is one of the principal health challenges faced by Palestine refugees. Iron-deficiency anaemia, for example, remains a major problem in all fields despite decades of intervention to combat it. On average, a quarter of all pregnant and nursing refugee women are anaemic, with the incidence in Gaza reaching 31 and 45 % respectively in 2006. Incidence of anaemia among refugee infants of 6 to 11 months is 44 % in Lebanon and nearly 60 % in Gaza.

The violent conflict-ridden environment has had a hugely traumatising effect on the refugee population in the oPt and Lebanon. Consequently, post-traumatic stress disorders and other psychological and behavioural problems are widespread. A recent Country Cooperation Strategy prepared by WHO and the Palestinian Authority for the oPt showed that 100 % of the general population reported feeling stressed, 92 % felt no hope for the future, 84 % expressed feelings of constant anger because of



circumstances beyond their control, and 52 % of those surveyed had thoughts of ending their lives.

UNRWA recognizes that excellence in health service provision depends on the quality of health staff. Over the years, it has striven to provide outstanding working conditions for its health staff. Unfortunately, chronic under-funding limits the Agency's ability to retain and motivate competent staff.

Other problems with the delivery of UNRWA health services relate to the high patient caseload and the cost of medication. On average, doctors see 95 patients per day as opposed to the recommended standard of 70. The rising costs of medication place pressure on already overstretched budgets.

Special mention needs to be made of women refugees who are married to non-refugees (MNR). The decision in 2006 to extend UNRWA services to these women and their children means that over 360,000 new beneficiaries will seek access to UNRWA's service across the five fields. The additional annual cost to the Agency in staffing, medicines and hospitalisation is estimated at about US\$ 7.2 million for the Health Department alone.

The strain that these challenges place on the Agency's health infrastructure and human resources are compounded by chronic under-funding. UNRWA faces an immense challenge in coming years to maintain improvements in the refugee population's health profile and to raise the quality of service delivery to an international standard.

Addressing the Challenges

UNRWA recognizes that it needs to improve the monitoring and evaluation of its programmes. It has therefore launched an initiative to identify weaknesses and gaps as a first step towards improving quality against existing baseline standards.



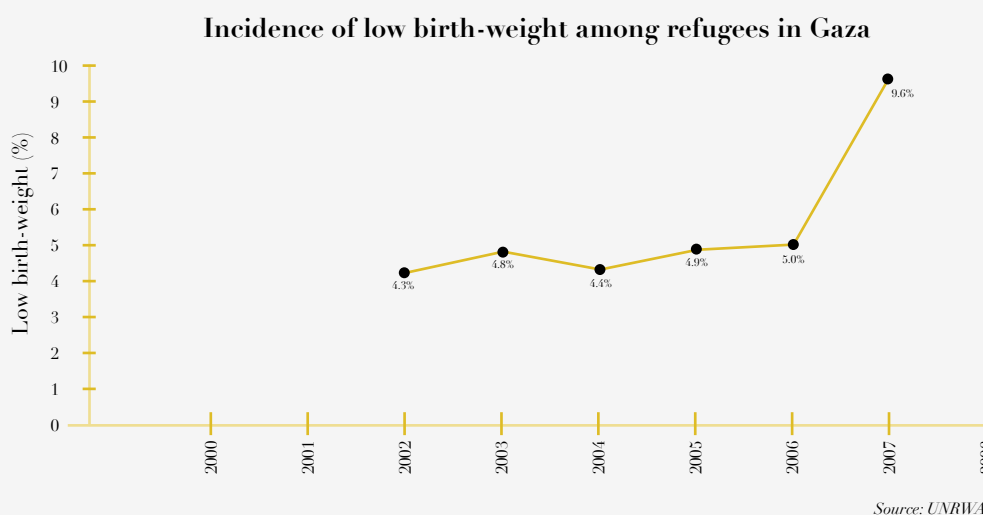
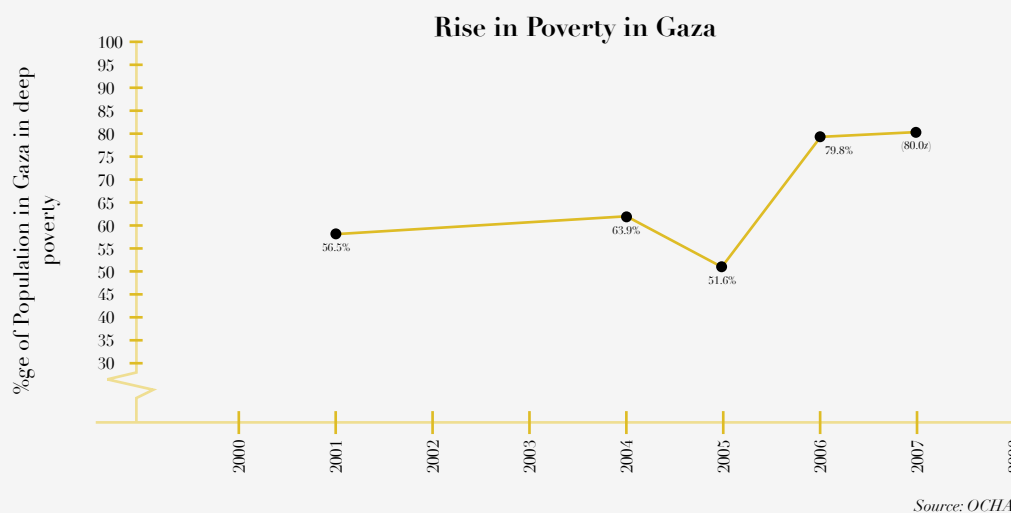
Integral to this process will be the new health information system whose aim it is to streamline digital information-gathering via integrated Agency-wide computer networks. This would allow real-time data analysis and help in identifying deficiencies and health needs at an early stage. This system will initially be piloted in Lebanon, followed by Gaza, and will be fully operational in a number of years.

As regards NCDs, UNRWA must also pro-actively promote healthy lifestyles in the whole refugee community as a means to stem the incidence. It must also promote active screening and early detection to gain more representative data on the scope of the problem.

Currently, UNRWA statistics are only reflective of the incidence of NCDs among refugees visiting UNRWA clinics. For example, while the prevalence of diabetes among refugees attending UNRWA clinics in Jordan is 8.8%, the prevalence in Jordan as a whole is 20%. This suggests that many refugees are not approaching the health centres for treatment, at least in the early stages.

Early detection and management of cancers, in particular breast and cervical cancers, which are fully treatable if detected early, is critical. Failure to improve the rate of early detection will lead to an increase in mortality and higher costs to UNRWA in longer-term treatments. Refugees must be guaranteed hospital coverage for cancer treatment if the benefits of early detection are not to be nullified.

Nutritional deficiencies in children and pregnant women are being addressed through preventive micro-nutrient supplement programmes, including the provision of iron supplementation to pregnant women and children aged 6 to 26 months. Much more must be done to increase the scope of coverage and ensure sustainability of this programme in the long term.



Of equal importance in meeting the major challenges are the questions of management, human resources and infrastructure.

UNRWA will conduct a comprehensive needs assessment and training to upgrade staff skills and capabilities in line with our proposed intervention strategies. Partnerships with host countries and exchange programmes will be actively encouraged.

Beyond the obvious need to continually upgrade, expand and construct new UNRWA health facilities, grassroots managerial alternatives need to be explored to better control the patient-flow. Strategies could include reducing unnecessary repeat visits through better counselling, rationalizing the number of stops currently needed by a chronic

patient, and possibly, training nurses to screen patients before referring them to staff doctors.

Budget

In tackling these basic challenges, UNRWA aims to mitigate the effects of the decline in the general socio-economic situation on the refugee population. UNRWA's interventions address a number of Millennium Development Goals, including the eradication of extreme hunger and poverty, reducing child mortality, improving maternal health and combating HIV/ Aids and other diseases (MDG 1,4,5 and 6).

To this end, the Health Department has budgeted for a total of US\$ 212 million for the next biennium.



Poverty is the worst form of violence

-Mahatma Gandhi-

Relief and Social Services

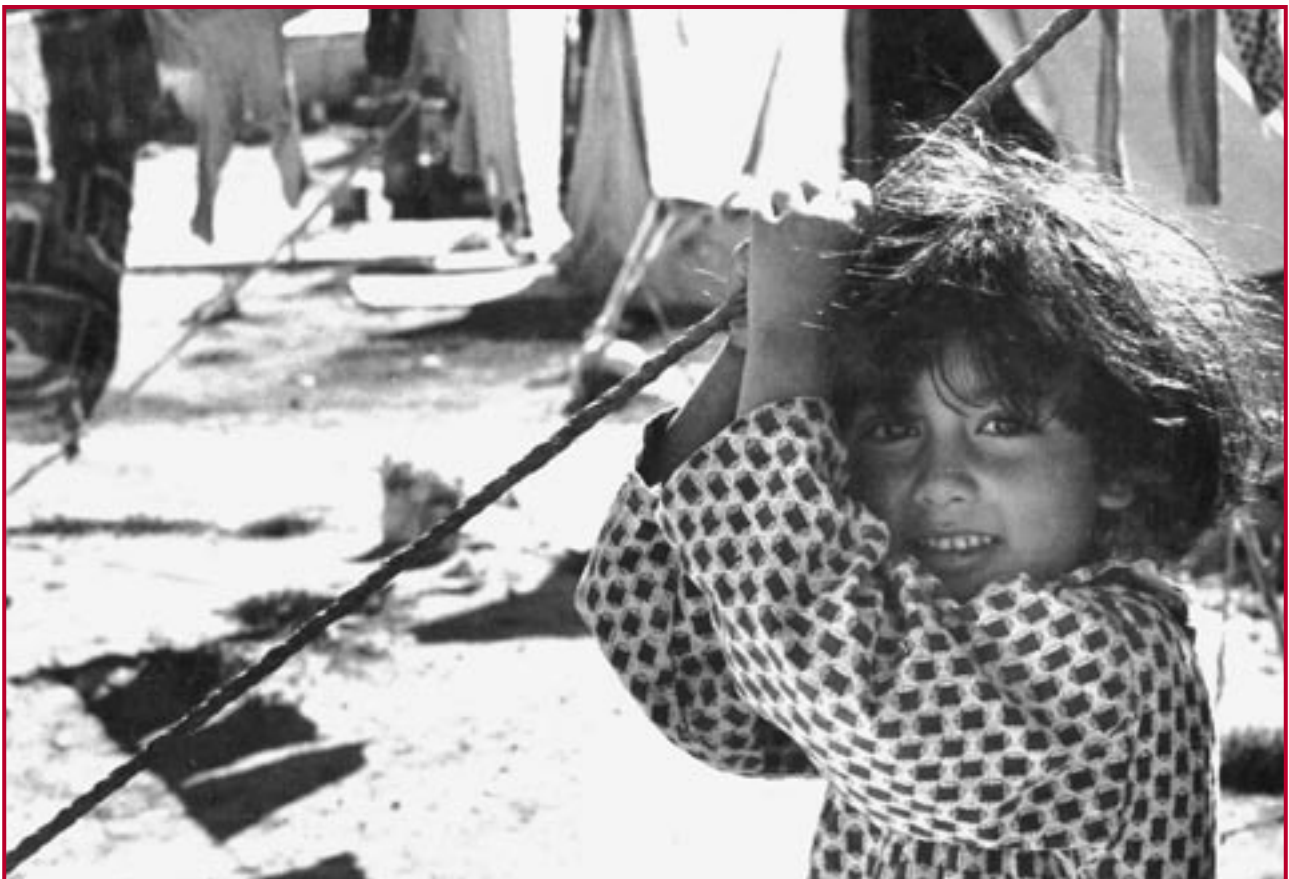
As UNRWA's name suggests, humanitarian relief was historically the crux of the Agency's activities, accounting for nearly two-thirds of the budget when the Agency began its field operations in 1950. Relief would dominate UNRWA's activities for nearly two decades to follow. With its provision of food aid, the Agency has always been the lifeline of the poorest Palestine refugees, expanding its repertoire as the months became years and the years became decades.

Six decades later, UNRWA's aim remains to break the vicious cycle that denies many Palestine refugees freedom from poverty - a basic human right. The Agency's integrated approach to poverty alleviation is in line with the international objective to eradicate extreme poverty and hunger (Millennium Development Goal 1). It is also consistent with human rights instruments that guarantee universal rights to food and a decent standard of living.

Today, the Agency's Relief and Social Services Department (RSSD) gives priority to the poorest of the poor.

The department concentrates its efforts on 250,000 refugees who UNRWA considers as families living in 'special hardship', or special hardship cases (SHC). Services to SHCs include food aid and shelter rehabilitation, as well as selective cash assistance in emergencies, preferential access to vocational training centres, higher coverage of hospitalisation costs and a variety of community-based social services.

Other marginalised refugees, as defined by UNRWA's parameters, also benefit from community-based services and selective cash assistance. Beneficiaries include children and youth, women, the elderly and persons with disabilities.





One of RSSD's main functions is to provide registration services to the population of 4.5 million refugees with regard to refugee status, births, marriage, change of residency or other status, eligibility for UNRWA services, and so on. RSSD also performs the important

task of safeguarding the historical refugee records, dating back to 1948, as well as updating and maintaining them.

Furthermore, the methodology for identifying the "poorest of the poor" has presented a particular challenge for UNRWA. For decades, SHCs were identified on the basis of self-reported income and a status-based approach. This approach left unattended large numbers of the poorest Palestine refugees who did not meet the status criteria, but were nevertheless in dire need. This is a situation the Agency is dedicated to urgently redress, not least as it is in line with the Millennium Development Goal to eradicate extreme poverty and hunger by 2015.

Addressing the Challenges

Challenges

While RSSD can look back at many achievements in partnership with the donor community, it is today faced with a variety of challenges resulting from the combined phenomena of a very young and rapidly increasing population, rising poverty and chronic under-funding. These challenges have forced the Agency to revisit its modus operandi, particularly in terms of the methodology applied to identify refugees living in socio-economic hardship.

Since 1950, the number of Palestine refugees registered with UNRWA has more than quadrupled from 914,000 to the current 4.5 million. With an average refugee registration growth rate of 2.4% (over the past five years) and 50% of the refugee community under the age of 25, the population is sure to grow substantially in the coming years and decades.

At the same time, poverty levels have risen continuously in recent years, and are at unprecedented levels in the occupied Palestinian territory (oPt) and Lebanon. According to recent estimates, 80% of Palestinians in Gaza, 47% in the West Bank and almost 30% in Lebanon live below the poverty line.

UNRWA faces a major challenge as population growth and poverty rates outstrip the Agency's ability to provide basic relief assistance to poor refugees.

It is particularly imperative that UNRWA improve the targeting of and services to the neediest beneficiaries, the abject poor. Over the next two years, the Agency will focus its efforts on this segment of the refugee population under a reformed SHC programme, renamed the "Social Safety Net" Programme.



A core element of the SHC programme is a move towards a “poverty-based” approach recommended by the World Bank, under which eligibility is measured against established poverty lines. UNRWA, for the first time in its history, has established such poverty lines. This new methodology will yield far more accurate beneficiary lists reflective of those truly in need.

To better equip the poorest refugees to break the cycle of poverty, UNRWA must urgently hire more social workers, enrich the food aid basket and increase funds for targeted cash assistance and CBOs. These objectives are all in line with the Agency’s new “poverty-based” approach mentioned above.

Social Workers

Social workers are a critical link between UNRWA and the refugees and are key to implementing the “poverty-based” approach. They conduct family visits to determine eligibility for Agency services and develop tailored interventions of assistance to help families get out of poverty.



UNRWA aims to reduce the caseload per social worker to a minimum of 200 families. While three fields have made significant progress, some social workers in Syria and Jordan still have caseloads of up to 350 families.

High caseloads for social workers mean they cannot make enough house visits to ensure

refugees receive the assistance they need, such as referrals to specialists to help a child with disability, or setting up an apprenticeship for a refugee who has dropped out of school. Low-income families usually face a host of problems and each problem requires the concentrated time and effort of a social worker.

Another consequence of the high caseloads is that the training received by the social workers to upgrade their technical capacity, for example through Southern Illinois University, cannot be fully optimised.

Food Aid



The inadequate quantity of the food support package received by SHCs is another area of major concern. A 2007 West Bank survey indicated that 80% of refugees in special hardship were not satisfied with the quantity of food items they receive.

While the food packages in the oPt are worth US\$ 110 per SHC annually, those distributed in Jordan, Lebanon and Syria continue to fall short of that target. In addition, the modest annual cash subsidy included as part of all packages, worth US\$ 40, is now valued at only \$20 when adjusted for inflation since 1997, when the subsidy was initiated.

UNRWA is unable to provide protein items, such as tuna, in the food basket and has reduced the types of pulses distributed in Jordan, Lebanon and Syria due to insufficient funding. Furthermore, the prices of some key food items have nearly doubled.

Selective Cash Assistance

In emergency situations, selective cash assistance in the form of one-time grants ranging between US\$ 200 and US\$ 500 is offered to needy refugees, with priority given to SHCs. The grant helps indigent refugee families to cope with crises such as sudden illnesses in the family or the death of a breadwinner. It also enables them to purchase essential household items.

This assistance was hit hard in 2006 due to severe budget cuts, resulting in an almost 90 % reduction of available funds. In order to meet the pressing needs of refugees, UNRWA aims to restore this activity to previous levels.

Community-Based Organisations

Through its assistance to community-based organisations (CBOs) run by refugees in camps, UNRWA strives to empower the most disadvantaged refugees to become self-reliant,

hoping to steer them away from dependency and marginalisation.

CBO activities involve women, children, youth, the elderly and persons with disabilities. In 2006 nearly 82,000 refugees participated in a wide variety of CBO activities. Given that one-half of UNRWA's registered population are below the age of 25 and that refugees, particularly in the oPt, have been affected by a sharply declining socio-economic situation, the demand for CBO activities is increasing. However, the funds for CBO support have been slashed by up to 63 % as a result of serious under-funding of the Agency's General Fund.

UNRWA wishes to maintain, if not increase, the current level of CBO activities as part of its obligation to promote the human development of women, children and youth and persons with disabilities. These activities are consistent with the principles of the Convention on the Rights of the Child, the Millennium Development Goals and UNRWA's disability and gender policies. In



the 2008-2009 biennium, UNRWA is planning to support upwards of 2700 activities and training sessions in the CBOs.

Other Challenges

In line with the Agency's long overdue efforts to integrate gender equity into its basic operations, thus grounding itself in universal principles of non-discrimination and the Millennium Development Goals, UNRWA has extended SHC services to family members of registered female refugees who are married to non-refugees (MNRs).

This new category of beneficiaries is generating a significant increase in demand for services in all five fields. In the West Bank alone, nearly 46,000 MNRs are registered on UNRWA's

database as of September 2007 and will be expecting automatic eligibility of their family members for all services. Of these, an estimated 8,000 MNR family members are eligible for assistance as special hardship cases. In the West Bank, the cost for meeting these needs is estimated at US\$ 880,000 per year – funds that are currently not available.

Budget

UNRWA strives to improve the identification of and service to the poorest refugees. This objective is in line with UN and host government standards, as well as the Millennium Development Goals. UNRWA's RSSD budget proposal for the next biennium foresees US\$ 107 million to achieve these aims.



Profile of a Family in Need

Kamal Hasan Ahmad*, 51, is head of his household and would normally be expected to provide an adequate livelihood for his wife and five children. Although Kamal contracted poliomyelitis at the age of eight following a car accident - which left one of his limbs shorter than the other - he was able to earn a living as a tailor and now works as a vendor. However, Kamal has deserted his family and does not currently provide them with any financial support. The family is registered under the Special Hardship Case Programme.

Kamal's wife Dalal worked as an attendant in a health clinic until she was diagnosed with uterine cancer. She earned approximately US\$ 75 per month, barely covering her and her children's basic needs. Recently, she underwent a hysterectomy, which was only made possible by the assistance of an UNRWA clinic physician who generously covered the operation expenses.

Kamal and Dalal's eldest daughter, Hala, completed her preparatory studies in Fashion Design at the Damascus Training Centre in 1988. However, severe visual impairment has prevented her from obtaining a job in her field.

Their 16 year-old son Musa dropped out of school when he reached preparatory level as his mother could no longer fund his schooling and medical care. Musa has serious heart problems and requires continuous observation, cardiograph and medication. He is in urgent need of an operation.

Their younger children also face medical problems. Mohammed, 11, and Marwah, 13, both suffer from asthma, exacerbated by the unhygienic living conditions at home, and require regular medication. The youngest daughter May is 7 years old and has cerebral palsy.

The family lives in a rented house of only 2 rooms, for which they pay approximately US\$ 85 per month. The house is very damp, unfurnished and lacks proper light and ventilation.

Recently, Dalal applied to the Relief & Social Services Department for cash assistance to cover part of the combined medical costs of her children Musa, Marwah and Mohammed and part of her accumulated house rent. Dalal had already borrowed the money from neighbors to cover these bills, hoping that with UNRWA's selective cash assistance grant she could repay these debts as she is still unable to work. However, due to the shortage of funds, RSSD was incapable of assisting this family to shoulder even a small part of their needs.

If UNRWA is able to fully fund the Special Hardship Case Programme, the Agency would be better-poised to serve the short and long-term needs of families in severe distress. These families would be able to receive one-time emergency grants and visits from a social worker who has sufficient time – due to an acceptable workload – to develop a range of interventions.

** Pseudonym*

UNRWA's Microfinance and Microenterprise Department (MMD) is not financed from the General Fund. It provides its running costs from its credit operations and expands its loan capital base through project funding. It plans to raise its institutional capacity to a position where it provides 100,000 loans worth US\$120 million each year.

The department was established in 1991 and is today operating in the West Bank, Gaza, Jordan and Syria. Its mission is to improve the quality of life of small business owners and micro-entrepreneurs, sustain jobs, reduce unemployment and poverty, empower women and provide income-generating opportunities to Palestine refugees and other poor and marginalised groups.

Microfinance services are delivered through a variety of loan products to meet the needs of different clients. Enterprise loans are offered to microenterprises and informal women micro-entrepreneurs, for example. There are also longer term loans extended to small or medium enterprises.

In addition to its business lending, the department offers loans to help working class and low-paid employees to build household assets, cope with family emergencies and pay for education and medical services. It also provides housing loans to help Palestine refugees acquire, build and improve their homes.

Over the past 16 years, UNRWA has invested US\$148 million in financing 141,000 enterprise, consumer and housing loans to clients located in the West Bank, Gaza, Jordan and Syria.

The success of MMD in the occupied Palestinian territory (oPt) has been seriously affected by events in recent years. In the wake of the second intifada in September 2000 and more recent de facto sanctions imposed by the international community, the business climate has stagnated and severe socio-economic decline has exacerbated the sharp contraction of the economy. While MMD has moved quickly to offset these trends by expanding outreach in the West Bank, Jordan and Syria, the effects

of the crushing decline in Gaza are still being felt. Lending has fallen by 80 %, and in 2007 the Agency had to write off 2,636 loans with a debt of US\$888,750.

As result, the Microfinance Department has already shed 20 % of its staff and is looking to cut back by a further 20 % before the end of the year. There is indeed the grave prospect that, if collective economic strangulation is not reversed within a very short period of time, UNRWA may be forced to cease all microfinance activity in Gaza. This will deprive an already desperately poor small business community of one of its last economic lifelines.

Despite dismal prospects, it is crucial that all steps are taken to maintain the human resource capacity of UNRWA's microfinance operations in Gaza. UNRWA is now developing a proposal to use public works activities to help alleviate the indebtedness of the business community so that they will be in a better position to eventually resume economic activity when the political and economic impasse ends.

The Agency also plans to pilot a safe saving product for the poor in 2008 in with the cooperation of the Palestinian Authority. This will provide a new formal coping capacity, particularly for many poor and low-income persons.



Infrastructure and Camp Development Unit



The makeshift tents set up in the aftermath of the 1948 conflict have evolved into dense refugee camps – complex and overcrowded urban settings rife with poverty. While UNRWA does not administer the camps, it does have a responsibility to improve the living conditions of the Palestine refugees who reside there.

No coherent and comprehensive camp rehabilitation strategy in line with international standards had been developed prior to 2004. In that year, participants at the UNRWA Geneva Conference highlighted the issue of refugee camp development and rehabilitation and called on UNRWA to act.

In response, UNRWA has established the Infrastructure and Camp Improvement Unit to ensure that the provision of adequate housing and infrastructure for Palestine refugees living in camps is given the concentrated attention it deserves. Like the Microfinance and Microenterprise Department, this programme is not funded from the General Fund.

In partnership with the Institute for Urban Planning at the University of Stuttgart (SIALL) UNRWA is developing data on the physical and

socioeconomic aspects of refugee camps. The study uses a participatory approach to assess the most urgent needs and assets of camp inhabitants.

The first phase of the pilot project focused on spatial and social analysis of three camps, aerial surveys of all 19 West Bank refugee camps as well as discussions with community leaders and underprivileged refugees. This research helped the team to develop innovative three-dimensional models of camps and their surroundings. The models will then be shared with community representatives, UNRWA staff members and external stakeholders.

The second phase of the pilot project will focus on participatory needs and camp assets assessments through workshops with camp representatives, NGOs and under-represented social groups. A strategic master plan for implementation will be developed based on recommended interventions.

The plan, refined in consultation with refugee camp communities, will serve as the new model for camps throughout UNRWA's five fields of operation.

UNRWA General Fund Appeal

Budget Requirement by Programme

2008-2009

Programme	2008-2009 (US\$)
Education	
Staff	500,127,000
Services	5,252,000
Supplies	23,585,000
Equipment & Construction	16,090,000
Premises	19,322,000
Subsidies	161,000
Other	590,000
Sub-Total	565,127,000
Health	
Staff	115,416,000
Services	32,043,000
Supplies	44,451,000
Equipment & Construction	7,370,000
Premises	2,625,000
Subsidies	9,637,000
Sub-Total	211,542,000
Relief and Social Services	
Staff	27,939,000
Services	2,053,000
Supplies	35,841,000
Equipment & Construction	5,550,000
Premises	616,000
Subsidies	31,875,000
Miscellaneous	3,000,000
Sub-Total	106,874,000
Support Services	
Staff	99,787,000
Services	23,280,000
Supplies	6,559,000
Equipment & Construction	10,873,000
Premises	3,657,000
Subsidies	1,226,000
Sub-Total	145,382,000
Other	
Infrastructure and Camp Improvement Department	21,313,000
Contingency Requirements	2,858,000
Area Staff Separation Benefits (Contingency provision in case of Agency discontinuation)	10,156,000
Salary Reserve	30,000,000
Sub-Total	64,327,000
Grand Total	1,093,252,000

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Design, production and printing: Bailasan Design, Ramallah, occupied Palestinian territory

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