



**United Nations**

# **Report of the Commissioner- General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East**

**Programme budget 2014-2015**

**General Assembly**

**Official Records**

**Sixty-eighth Session**

**Supplement No. 13A**



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**Programme budget 2014-2015**



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*Note*

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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## Chapter I

### Introduction

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established within the United Nations system as a subsidiary organ of the General Assembly by the Assembly in its resolution 302 (IV) of 8 December 1949 and became operational on 1 May 1950. It is one of the largest United Nations programmes, with a population of 4.9 million Palestine refugees covered by its mandate in 2013. Since starting operations in 1950, UNRWA has adapted and enhanced its programmes to meet the increasingly complex needs of Palestine refugees and to provide them with a measure of protection and stability amid chronic conflict in the region, within available resources. It stands ready to continue to do so during the biennium 2014-2015 in accordance with the triennial mandate that it receives from the Assembly.

2. The mission of UNRWA is to help Palestine refugees to achieve their full potential in human development under the difficult circumstances in which they live, consistent with internationally agreed goals and standards. The Agency fulfils this mission by providing a variety of essential services within the framework of international standards to Palestine refugees in the Gaza Strip, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. Among United Nations agencies, UNRWA is unique in delivering services directly to beneficiaries. The mandate of the Agency, which derives from the General Assembly and has evolved over time in response to developments in the operational context, extends at present to providing education; health care; relief and social services; microfinance and emergency assistance to Palestine refugees; infrastructure and camp improvement within Palestine refugee camps; and protection.

#### A. Context

3. The Middle East region, where UNRWA operates, is unstable and prone to outbreaks of conflict. Today, the Agency is facing quite unprecedented challenges in all of its fields of operation. It is no exaggeration to say that each and every field of operation is affected by crises of varying intensity, further straining the limited resources of UNRWA and therefore its ability to serve Palestine refugees in the Gaza Strip, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. Access problems in the West Bank, the continuing blockade on Gaza, the conflict in the Syrian Arab Republic and its impact on Jordan and Lebanon, the serious financial constraints, and security concerns are only some of the difficulties the Agency is faced with on a daily basis. Despite these difficulties, UNRWA, which is seen by many as a stabilizing influence in this volatile region, is doing its utmost to continue providing essential, regular services directly to Palestine refugees.

4. The Agency has also provided emergency assistance to Palestine refugees in acute distress within its areas of operations as a result of armed conflict, including military operations, humanitarian access restrictions and prolonged economic hardship in several fields of operation. UNRWA will continue to provide such services, as necessary, as well as on an exceptional basis and as a temporary measure, to non-refugees currently displaced and in serious need of continued assistance, as mandated by the General Assembly in its resolution 2252 (ES-V) and most recently in resolutions [67/114](#) and [67/116](#).

5. UNRWA will also continue its efforts to mainstream gender and meet the needs of Palestine refugee children and vulnerable groups, and to develop further the Agency's protection, programming, operation and advocacy responses, thereby bringing UNRWA closer to fulfilling its obligations under relevant resolutions of the General Assembly, international human rights law, the Beijing Platform for Action, the Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities and other applicable international instruments.

6. The core services UNRWA provides are comparable in nature and scope to those provided by a local or national government. With approximately 30,000 staff, most of whom are Palestine refugees themselves, the Agency is one of the largest employers in the Middle East. Over 480,000 children go to UNRWA schools, run by around 22,000 education staff. The 139 UNRWA health centres across the region received over 10 million patient visits last year. The Agency also assists close to 280,000 of the poorest and most vulnerable Palestine refugees, with additional assistance provided by a reformed Social Safety Net Programme targeting the poorest of the poor. Persons with other special needs, such as people with disabilities, also benefit from specialized services in the Agency's health centres. Gender continues to be mainstreamed into core programmes of UNRWA. The financial, operational, security and other challenges in providing these services on a regular and predictable basis are daunting.

7. In Gaza, where 70 per cent of its 1.6 million people are Palestine refugees, the violent conflict of November 2012 yet again aggravated the already dire situation of a vulnerable people who feel abandoned by the international community. Poverty is endemic; no less than two thirds of the Palestine refugee population is food insecure and requires food aid. The Gazan economy has been crippled by the blockade imposed six years ago. The draconian restrictions on the movement of people and goods in and out of Gaza paralyse economic activity, particularly exports which are virtually non-existent, deepen poverty and force Palestinians into even greater reliance on the international community. In addition to its regular services in Gaza that deliver education, health and relief services directly to the vast majority of Palestine refugees, UNRWA emergency programmes in Gaza include the creation of temporary jobs, provision of food aid, and other interventions including emergency health and education, and psychosocial support.

8. Despite the Agency's important accomplishments in mitigating the severe effects of conflict in Gaza, of the blockade, and of the rampant poverty, conditions of life in Gaza — already unacceptable — may worsen considerably in the medium term. A 2012 United Nations report entitled "Gaza in 2020: a liveable place?" set out in stark terms the future challenges in Gaza, which will come to pass in the absence of sustained and effective remedial action and an enabling political environment. UNRWA will have to provide services for an estimated additional 350,000 Palestine refugees by 2020. There will be virtually no reliable access to sources of safe drinking water. Standards of health care and education will further decline, and affordable and reliable electricity for all will have become a distant memory for most. The already high number of poor, marginalized and food-insecure people who are dependent on assistance will grow relentlessly. The burden on UNRWA and the international community will only rise.

9. In the West Bank, a regime of movement restrictions is stifling the normal economic activity of the Palestinian population. Continued settlement expansion and



settler violence are having a serious impact on some of the more vulnerable beneficiaries of UNRWA, such as the Bedouin and Palestine refugee communities in the Jerusalem periphery. As a result of the movement restrictions and settlement expansion, Palestine refugees continue to be isolated from their land and places of work, from vital markets, and from essential services including hospitals and schools. The impact on Palestinians is severe, making many vulnerable communities even more reliant on UNRWA services.

10. The catastrophic conflict in the Syrian Arab Republic is progressively unravelling the fabric of the Palestine refugee community and exacerbating Palestine refugees' vulnerability. UNRWA now needs to assist the Palestine refugee population of 525,000 persons, including the 70,000 that are estimated to have fled to neighbouring countries, mostly to Lebanon. Many UNRWA installations have been damaged or destroyed in the Syrian Arab Republic. Six UNRWA staff have been killed since the start of the conflict in 2011, not to speak of the huge number of casualties among the rest of the population. In common with other United Nations agencies, UNRWA is seeking additional resources to meet the needs of the Palestine refugees arising from the emergency.

11. In Lebanon, Palestine refugees cannot work legally. Approximately 80 per cent of the 27,000 Palestine refugees from the Nahr el-Bared Camp destroyed in 2007 have not returned to their homes, and the number of persons fleeing the Syrian Arab Republic into Lebanon continues to increase, thereby heightening tensions in Lebanon's already overcrowded Palestine refugee camps, which are the only possible destination for most Palestine refugees. To the concern of the international community, the much-feared regional spillover of the Syrian conflict is apparently being realized in Lebanon, further threatening the fragile life of Palestine refugees from the Syrian Arab Republic.

12. In Jordan, thus far the most stable field of operations, mounting political tensions and the massive influx of Syrian refugees risk negative spillover effects on the large population of Palestine refugees (approximately 2 million registered with UNRWA). Poverty is rampant in Palestine refugee camps. Amidst these existing challenges in Jordan, UNRWA is also providing emergency assistance to Palestinian refugees displaced from the Syrian Arab Republic.

13. The direct services of UNRWA are critical for the well-being of Palestine refugees throughout the region, and if UNRWA's financial situation does not improve, the impact on its beneficiaries will be immediate and substantial. While the Agency's extrabudgetary contributions have risen gradually over the years, they have not kept pace with an increasing beneficiary population and rising operational costs.

## **B. Planning assumptions**

14. UNRWA is almost entirely dependent on voluntary funding to implement its programmes. It has contended not only with chronic funding shortfalls, but also with acute funding uncertainties induced by economic and political volatility. The Agency will continue to seek the additional resources it needs to improve the quality of services it provides to the Palestine refugees, while maintaining cost-conscious management and the operational flexibility required to respond to unforeseen disruptions to lives and livelihoods in Palestine refugee communities.

15. UNRWA fully recognizes that central to its commitment to address the needs of beneficiaries and address financial difficulties is a need for it to make substantial improvement in how it operates. UNRWA is proud of its continued efforts to enhance its effectiveness through reforms. Its current education reforms seek to improve the capacity of teachers to deliver quality education to Palestine refugee children, and to ensure that these children acquire the knowledge and skills they need to lead more secure and productive lives. In the Agency's health programme, a reform package introducing the Family Health Team approach was adopted in late 2011. The Family Health Team model provides comprehensive and holistic primary health care for the entire family, emphasizing long-term provider-patient/family relationships.

16. Furthermore, UNRWA is undertaking forward-looking steps in order to address the impact of poverty among Palestine refugees. The Relief and Social Services Programme is currently piloting a poverty alleviation initiative in Gaza based on voluntarism, youth mobilization and greater involvement of the community in fighting poverty. It must, however, be acknowledged that alleviating poverty among the Palestine refugee population would require a substantial investment — both financially and politically — by host countries and donors and the active involvement of partner organizations including other parts of the United Nations system.

17. Staff costs constitute the bulk of the UNRWA budget (see table 7 below). This is because the day-to-day direct delivery of services requires a large number of staff (some 30,000), including teachers, doctors, nurses, social workers and sanitation labourers. The UNRWA pay policy dictates that the Agency should pay salaries that are comparable to the salaries paid to public servants in the host country. Increases in public servant salaries in host countries, often granted to respond to increases in inflation and cost of living, result in higher costs for the Agency. Meanwhile, donor countries seek improved (or maintained) quality in services at reduced cost, where possible, while Palestine refugees need greater quality and increased breadth and depth of service. Consequently, UNRWA is faced with increasing demands and expectations from all of its primary stakeholders, amidst a constrained resource base and increasing operational costs.

18. The operating context in the Syrian Arab Republic has changed substantially since the 2012-2013 biennium plans were developed and the 2014-2015 fascicle was submitted. The 2014-2015 period is expected to be characterized by widespread instability, resulting in the continued substantial displacement of Palestine refugees and a deepening humanitarian crisis. Consistent with wider United Nations planning scenarios, UNRWA assumes that the current situation in the Syrian Arab Republic will continue or worsen through the planning horizon. There will be a significant and widespread shrinking of humanitarian space, with regular suspension of UNRWA services. However, the Agency will continue to have access to most of its facilities, focus on supporting the United Nations regional humanitarian response to the Syrian Arab Republic crisis, providing life-saving humanitarian assistance and ongoing UNRWA services to Palestine refugees inside the Syrian Arab Republic, while also continuing to advocate for their rights.

## C. Budget structure

19. UNRWA reports directly to the General Assembly. Overall advice and support to the Commissioner-General of the Agency regarding UNRWA programmes and activities are provided by the Advisory Commission (comprising 25 members and 3 observers), which includes representatives of the Agency's major donors and host Governments. In its resolution 3331 B (XXIX), the Assembly decided that, with effect from 1 January 1975, the expenses for salaries of international staff in the service of UNRWA, which would otherwise be a charge on voluntary contributions, should be financed by the regular budget of the United Nations for the duration of the Agency's mandate (see also figure I).

20. The budget structure of UNRWA reflects the medium-term strategy for the period 2010-2015 and is based on the implementation plans prepared for each field and for UNRWA headquarters for the third biennium of the medium-term strategy. The chapters that follow and the expected accomplishments, indicators of achievement and measurements set out therein reflect UNRWA's ongoing commitment to results-based management.

21. The medium-term strategy identifies four human development goals for Palestine refugees, namely, to:

- (a) Have a long and healthy life;
- (b) Acquire knowledge and skills;
- (c) Have a decent standard of living;
- (d) Enjoy human rights to the fullest extent possible.

22. The Agency links financial resources to the above goals and the underlying framework of strategic objectives, outcomes and outputs.

23. In compliance with regulation 9.2 of the updated Financial Regulations of UNRWA, compliant with the International Public Sector Accounting Standards (IPSAS), effective 1 January 2012, the biennium budget is presented in accordance with modified cash basis — United Nations system accounting standards (UNSAS) — principles. For internal management purposes, the budget is also maintained to comply with IPSAS (accrual budgeting) principles, and therefore the 2014-2015 programme budget also includes one chapter, chapter IX, representing a reconciliation from IPSAS to UNSAS.

24. The following pages contain the summary tables and figures listed below:

Figure I: an organizational chart of UNRWA broken down by department and area of operations showing the number of international and area staff located in each field office/department.

Table 1A: a summary of the programme budget for the biennium 2014-2015 broken down by human development goal and other requirements under the regular budget and the project budget.

Table 1B: a summary of the programme budget for the biennium 2014-2015 broken down by programme and other requirements under the regular budget and the project budget.

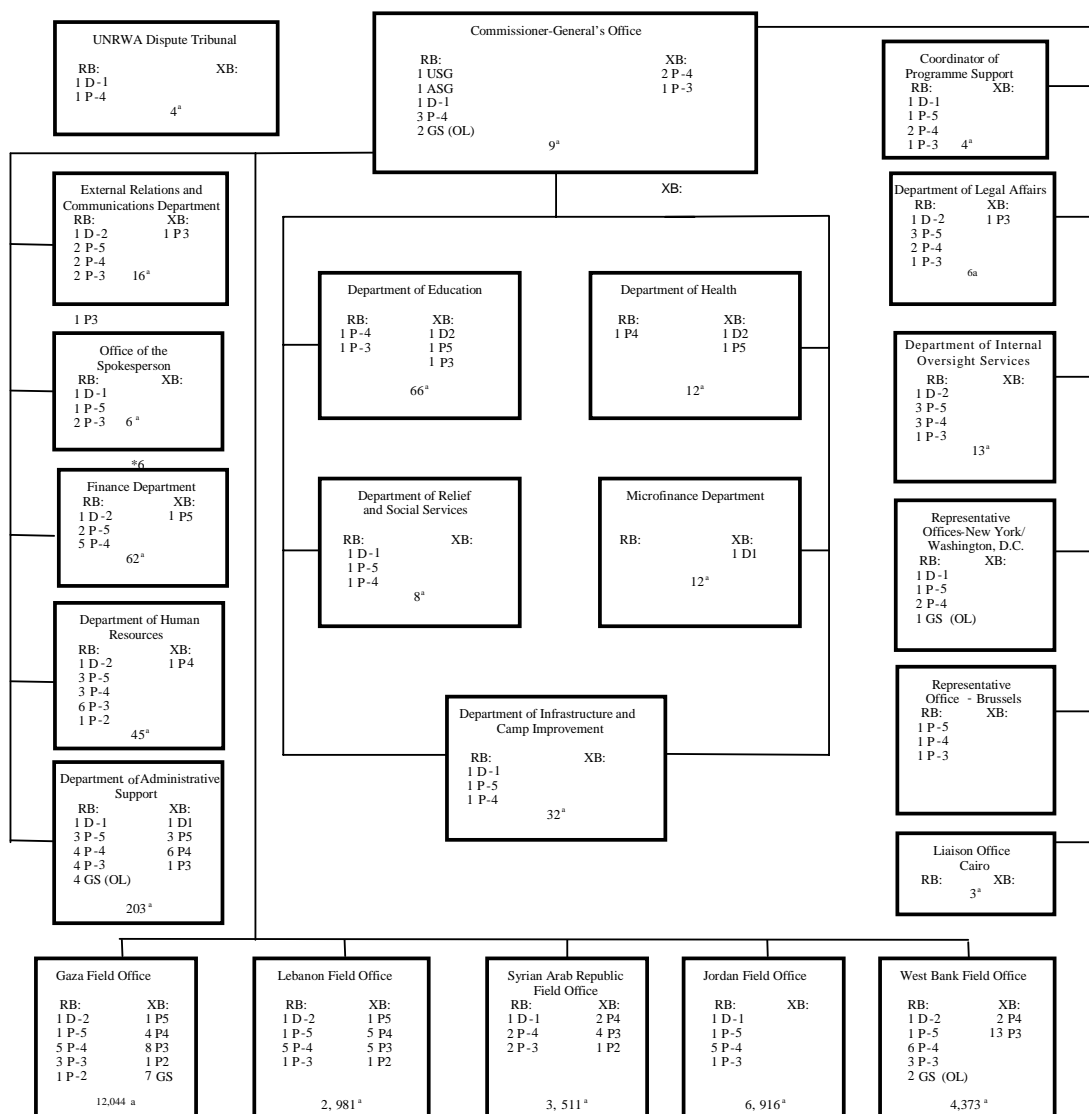
Table 2 and figure II: a breakdown of the regular budget by field office and headquarters with comparative figures for the bienniums 2010-2011; 2012-2013 and 2014-2015.

Table 3 and figure III: a breakdown of the regular budget by human development goal with comparative figures for the bienniums 2010-2011, 2012-2013 and 2014-2015.

Table 4 and figure IV: a breakdown of the regular budget by resources with comparative figures for the bienniums 2010-2011; 2012-2013 and 2014-2015.

Table 5 and figure V: a breakdown of the project budget by human development goal and field office/headquarters.

**Figure I**  
**United Nations Relief and Works Agency for Palestine Refugees in the Near East**  
**Organizational structure and post distribution for the biennium 2014-2015**



*Note:* Seventy-nine international posts are funded through extrabudgetary resources.

*Abbreviations:* USG, Under-Secretary-General; ASG, Assistant Secretary-General; RB, regular budget; XB, extrabudgetary; GS, General Service; OL, Other level.

<sup>a</sup> Local posts (30,314) excluding 12 posts in the Microfinance Department.

Table 1  
Programme budget for the biennium 2014-2015

**A. Summary of 2014-2015 Agency-wide total budget volume by human development goal**

(Thousands of United States dollars)

Human development goal	Fiscal year 2014					Fiscal year 2015					Biennium 2014-2015				
	Regular budget			Project budget	Total	Regular budget			Project budget	Total	Regular budget			Project budget	Total
	Cash <sup>a</sup>	In kind	Total			Cash <sup>a</sup>	In kind	Total			Cash <sup>a</sup>	In kind	Total		
A long and healthy life	124 787	1 730	126 517	19 954	146 471	132 195	1 730	133 925	24 304	158 229	256 982	3 460	260 442	44 258	304 700
Acquired knowledge and skills	348 094	530	348 624	12 173	360 797	358 048	530	358 578	8 186	366 764	706 142	1 060	707 202	20 359	727 561
A decent standard of living	76 783	–	76 783	205 639	282 422	75 939	–	75 939	201 606	277 545	152 722	–	152 722	407 245	559 967
Human rights enjoyed to the fullest	3 861	–	3 861	4 515	8 376	3 947	–	3 947	353	4 300	7 808	–	7 808	4 868	12 676
Effective and efficient governance and support in UNRWA	121 120	–	121 120	5 154	126 274	112 537	–	112 537	3 970	116 507	233 657	–	233 657	9 124	242 781
<b>Total goal requirements</b>	<b>674 645</b>	<b>2 260</b>	<b>676 905</b>	<b>247 435</b>	<b>924 340</b>	<b>682 666</b>	<b>2 260</b>	<b>684 926</b>	<b>238 419</b>	<b>923 345</b>	<b>1 357 311</b>	<b>4 520</b>	<b>1 361 831</b>	<b>485 854</b>	<b>1 847 685</b>
Contingency reserve <sup>b</sup>	14 000	–	14 000	–	14 000	14 000	–	14 000	–	14 000	28 000	–	28 000	–	28 000
Salary reserve <sup>c</sup>	8 900	–	8 900	–	8 900	15 000	–	15 000	–	15 000	23 900	–	23 900	–	23 900
Value added tax reserve <sup>d</sup>	15 000	–	15 000	–	15 000	15 000	–	15 000	–	15 000	30 000	–	30 000	–	30 000
Budget risk reserve <sup>e</sup>	16 761	–	16 761	–	16 761	14 834	–	14 834	–	14 834	31 595	–	31 595	–	31 595
<b>Total other requirements</b>	<b>54 661</b>	<b>–</b>	<b>54 661</b>	<b>–</b>	<b>54 661</b>	<b>58 834</b>	<b>–</b>	<b>58 834</b>	<b>–</b>	<b>58 834</b>	<b>113 495</b>	<b>–</b>	<b>113 495</b>	<b>–</b>	<b>113 495</b>
<b>Total resource requirements</b>	<b>729 306</b>	<b>2 260</b>	<b>731 566</b>	<b>247 435</b>	<b>979 001</b>	<b>741 500</b>	<b>2 260</b>	<b>743 760</b>	<b>238 419</b>	<b>982 179</b>	<b>1 470 806</b>	<b>4 520</b>	<b>1 475 326</b>	<b>485 854</b>	<b>1 961 180</b>

<sup>a</sup> Excludes the cost of five international posts that may not be funded by the regular budget of the United Nations during the biennium 2014-2015.

<sup>b</sup> Includes reserves for: Currency adjusting factor and the emergency appeal transition and general reserve.

<sup>c</sup> Includes \$3.9 million in 2014, representing retroactive settlement of salary increase in the Lebanon Field Office for the period from 1 September to 15 December 2012.

<sup>d</sup> Reflects the forecast value added tax unresolved by the Palestinian Authority in the biennium 2014-2015.

<sup>e</sup> Represents risks with a high likelihood of materializing, e.g. food aid, vehicle replacements, increase in hospitalization services, the Group Medical Insurance Plan, electricity increase, etc.; the total requirements related to these risks are budgeted for at 60 per cent only.

## B. Summary of 2014-2015 Agency-wide total budget volume by programme

(Thousands of United States dollars)

Programme	Fiscal year 2014					Fiscal year 2015					Biennium 2014-2015				
	Regular budget			Project budget	Total	Regular budget			Project budget	Total	Regular budget			Project budget	Total
	Cash <sup>a</sup>	In kind	Total			Cash <sup>a</sup>	In kind	Total			Cash <sup>a</sup>	In kind	Total		
Education programme	368 765	530	369 295	13 756	383 051	378 996	530	379 526	10 236	389 762	747 761	1 060	748 821	23 992	772 813
Health programme	118 786	1 730	120 516	24 454	144 970	126 149	1 730	127 879	28 804	156 683	244 935	3 460	248 395	53 258	301 653
Relief and Social Services Programme	54 569	–	54 569	108 037	162 606	53 785	–	53 785	103 025	156 810	108 354	–	108 354	211 062	319 416
Infrastructure and Camp Improvement Programme	14 149	–	14 149	91 506	105 655	13 976	–	13 976	91 506	105 482	28 125	–	28 125	183 012	211 137
Support departments	118 376	–	118 376	9 682	128 058	109 760	–	109 760	4 848	114 608	228 136	–	228 136	14 530	242 666
<b>Total programme requirements</b>	<b>674 645</b>	<b>2 260</b>	<b>676 905</b>	<b>247 435</b>	<b>924 340</b>	<b>682 666</b>	<b>2 260</b>	<b>684 926</b>	<b>238 419</b>	<b>923 345</b>	<b>1 357 311</b>	<b>4 520</b>	<b>1 361 831</b>	<b>485 854</b>	<b>1 847 685</b>
Contingency reserve <sup>b</sup>	14 000	–	14 000	–	14 000	14 000	–	14 000	–	14 000	28 000	–	28 000	–	28 000
Salary reserve <sup>c</sup>	8 900	–	8 900	–	8 900	15 000	–	15 000	–	15 000	23 900	–	23 900	–	23 900
Value added tax reserve <sup>d</sup>	15 000	–	15 000	–	15 000	15 000	–	15 000	–	15 000	30 000	–	30 000	–	30 000
Budget risk reserve <sup>e</sup>	16 761	–	16 761	–	16 761	14 834	–	14 834	–	14 834	31 595	–	31 595	–	31 595
<b>Total other requirements</b>	<b>54 661</b>	<b>–</b>	<b>54 661</b>	<b>–</b>	<b>54 661</b>	<b>58 834</b>	<b>–</b>	<b>58 834</b>	<b>–</b>	<b>58 834</b>	<b>113 495</b>	<b>–</b>	<b>113 495</b>	<b>–</b>	<b>113 495</b>
<b>Total resource requirements</b>	<b>729 306</b>	<b>2 260</b>	<b>731 566</b>	<b>247 435</b>	<b>979 001</b>	<b>741 500</b>	<b>2 260</b>	<b>743 760</b>	<b>238 419</b>	<b>982 179</b>	<b>1 470 806</b>	<b>4 520</b>	<b>1 475 326</b>	<b>485 854</b>	<b>1 961 180</b>

<sup>a</sup> Excludes the cost of five international posts that may not be funded by the regular budget of the United Nations during the biennium 2014-2015.

<sup>b</sup> Includes reserves for: currency adjusting factor and emergency appeal transition and general reserve.

<sup>c</sup> Includes \$3.9 million in 2014, representing retroactive settlement of salary increase in the Lebanon Field Office for the period from 1 September to 15 December 2012.

<sup>d</sup> Reflects the forecast value added tax unresolved by the Palestinian Authority in the biennium 2014-2015.

<sup>e</sup> Represents risks with a high likelihood of materializing, e.g. food aid, vehicle replacements, increase in hospitalization services, the Group Medical Insurance Plan, electricity increase, etc.; the total requirements related to these risks are budgeted for at 60 per cent only.

**Table 2**  
**Regular budget requirements by field office and headquarters**

(Case and in kind, thousands of United States dollars)

<i>Field office/headquarters</i>	<i>2010 expenditure</i>	<i>2011 expenditure</i>	<i>2012 expenditure</i>	<i>2013 budget</i>	<i>2014<sup>a</sup> estimate</i>	<i>2015<sup>a</sup> estimate</i>
Gaza Strip	198 483	225 493	224 135	216 106	217 319	224 707
Lebanon	72 089	77 458	77 228	79 533	90 393	92 380
Syrian Arab Republic	45 727	51 535	47 626	57 383	58 368	60 297
Jordan	112 619	109 785	120 490	124 541	145 023	148 609
West Bank	91 193	106 622	99 662	103 868	102 076	104 125
Headquarters						
Education programme	2 887	2 780	2 315	2 925	2 856	2 915
Health programme	1 114	994	1 009	1 245	1 259	1 296
Relief and Social Services Programme <sup>b</sup>	914	961	1 062	1 181	9 577	10 582
Infrastructure and Camp Improvement Programme	1 415	1 629	1 560	1 949	2 286	1 887
Support departments	28 407	40 017	46 173	39 426	47 748	38 128
<b>Subtotal</b>	<b>554 848</b>	<b>617 274</b>	<b>621 260</b>	<b>628 157</b>	<b>676 905</b>	<b>684 926</b>
Contingency reserve <sup>c</sup>				12 000	14 000	14 000
Salary reserve <sup>c</sup>				33 135	8 900	15 000
Value added tax reserve <sup>c</sup>				—	15 000	15 000
Budget risk reserve <sup>c</sup>				2 000	16 761	14 834
<b>Subtotal</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>47 135</b>	<b>54 661</b>	<b>58 834</b>
<b>Total resource requirements</b>	<b>554 848</b>	<b>617 274</b>	<b>621 260</b>	<b>675 292</b>	<b>731 566</b>	<b>743 760</b>

<sup>a</sup> Excludes the cost of five international posts that may not be funded by the regular budget of the United Nations during the biennium 2014-2015.

<sup>b</sup> Includes Social Safety Net Programme Food Reserve of \$8.0 million and \$9.0 million in 2014 and 2015, respectively.

<sup>c</sup> Comparative figures for 2010-2012 are integrated into the respective field offices and headquarters departments/programmes expenditure.



Figure II  
Regular budget by field office and headquarters

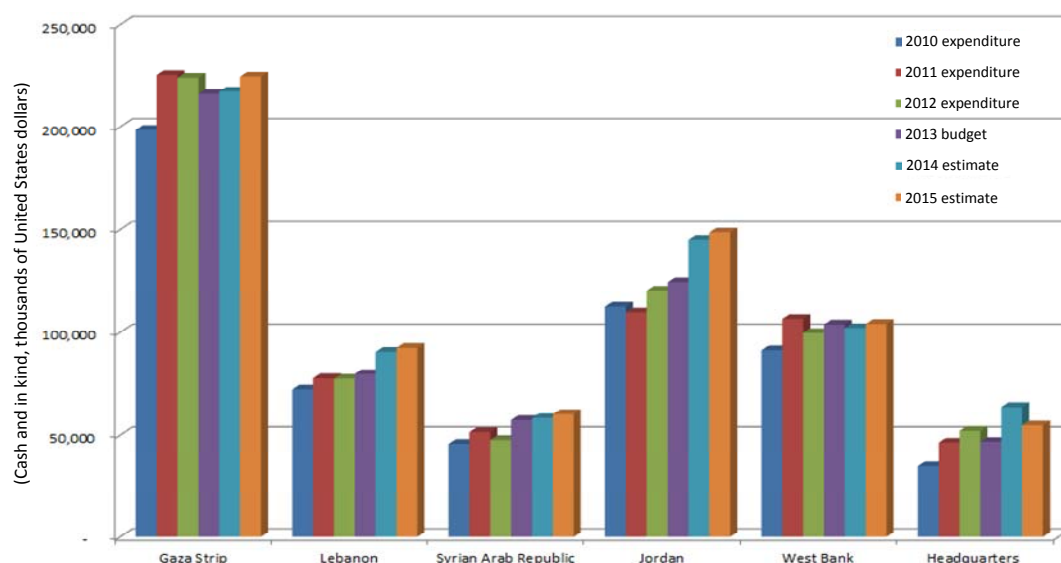


Table 3  
Regular budget requirements by human development goal

(Case and in kind, thousands of United States dollars)

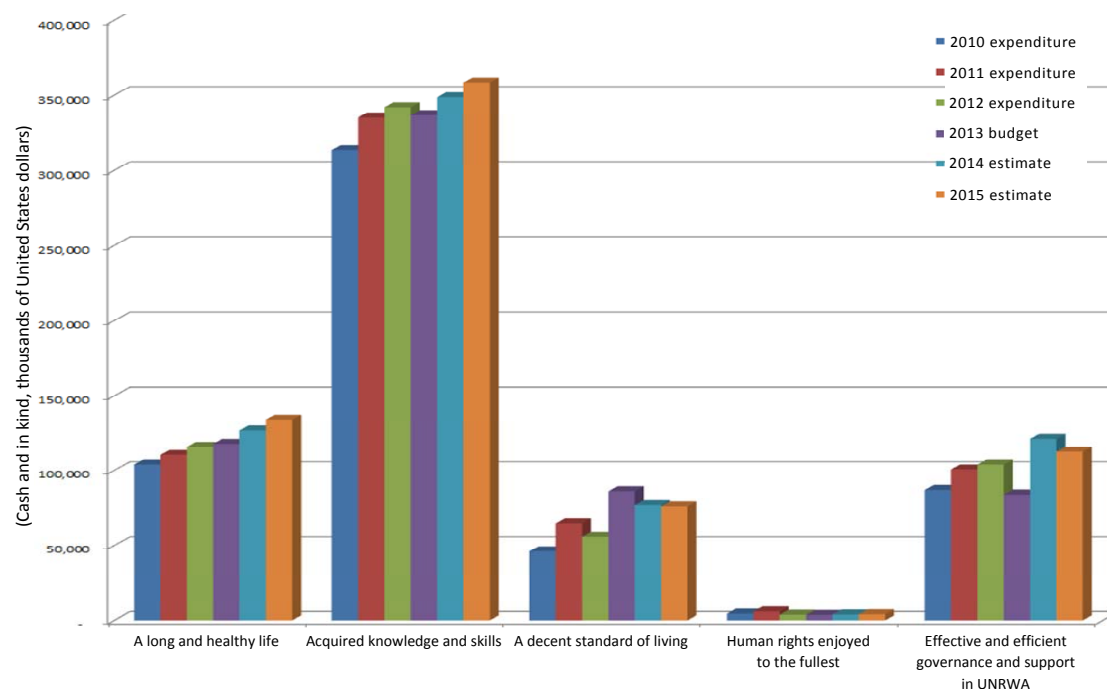
Goal	2010 expenditure	2011 expenditure	2012 expenditure	2013 budget	2014 <sup>a</sup> estimate	2015 <sup>a</sup> estimate
A long and healthy life	103 895	110 342	115 804	117 816	126 517	133 926
Acquired knowledge and skills	313 648	335 365	342 106	336 845	348 624	358 578
A decent standard of living <sup>b</sup>	45 943	65 136	55 732	86 077	76 784	75 939
Human rights enjoyed to the fullest	4 420	5 840	3 680	3 519	3 861	3 947
Effective and efficient governance and support in UNRWA	86 942	100 591	103 938	83 900	121 119	112 536
<b>Subtotal</b>	<b>554 848</b>	<b>617 275</b>	<b>621 260</b>	<b>628 157</b>	<b>676 905</b>	<b>684 926</b>
Contingency reserve <sup>c</sup>				12 000	14 000	14 000
Salary reserve <sup>c</sup>				33 135	8 900	15 000
Value added tax reserve <sup>c</sup>				—	15 000	15 000
Budget risk reserve <sup>c</sup>				2 000	16 761	14 834
<b>Subtotal</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>47 135</b>	<b>54 661</b>	<b>58 834</b>
<b>Total resource requirements</b>	<b>554 848</b>	<b>617 275</b>	<b>621 260</b>	<b>675 292</b>	<b>731 566</b>	<b>743 760</b>

<sup>a</sup> Excludes the cost of five international posts that may not be funded by the regular budget of the United Nations during the biennium 2014-2015.

<sup>b</sup> Includes Social Safety Net Programme Food Reserve of \$8.0 million and \$9.0 million in 2014 and 2015, respectively.

<sup>c</sup> Comparative figures for 2010-2012 are integrated into the respective expenditure for the field offices and headquarters departments/programmes.

**Figure III**  
**Regular budget by human development goal**



**Table 4**  
**Regular budget requirements by resources**

(Case and in kind, thousands of United States dollars)

Resources	2010 expenditure	2011 expenditure	2012 expenditure	2013 budget	2014 <sup>a</sup> estimate	2015 <sup>a</sup> estimate
<b>Staff costs</b>						
International staff	26 551	27 150	26 635	30 842	29 938	29 938
Basic salaries	299 178	303 055	327 816	325 410	358 527	369 717
Hazard pay and special elements	2	2	727	2	—	—
Provident Fund Agency Contributions	43 779	44 552	48 544	47 840	53 472	55 363
Senior Professional Officer Allowance, Special Occupational Allowance and others	8 974	9 212	9 447	10 141	10 581	10 946
Overtime and excess hours supplement	671	709	554	812	632	673
Currency adjusting factor	30 625	31 178	19 767	33 504	12 458	12 459
Special allowances	17 818	18 194	18 088	19 676	19 372	19 627
Health-related expenses	8 385	8 639	5 929	9 480	8 120	8 172
Miscellaneous allowances	444	460	313	511	294	302

<i>Resources</i>	<i>2010 expenditure</i>	<i>2011 expenditure</i>	<i>2012 expenditure</i>	<i>2013 budget</i>	<i>2014<sup>a</sup> estimate</i>	<i>2015<sup>a</sup> estimate</i>
Severance cash payment out	11 869	12 528	28 667	14 274	13 503	16 103
Limited duration contract and temporary staff — dependant	9 046	9 246	9 113	10 015	10 665	10 853
<b>Subtotal</b>	<b>457 342</b>	<b>464 923</b>	<b>495 600</b>	<b>502 507</b>	<b>517 563</b>	<b>534 154</b>
<b>Non-staff costs</b>						
Consumption of inventories	22 385	31 519	33 756	48 838	45 015	44 542
Non-inventory supplies	13 831	14 125	18 019	16 346	13 649	13 954
Utilities	3 788	4 568	4 030	3 994	6 922	6 921
Maintenance of premises	4 066	5 245	9 644	8 674	8 097	7 939
Equipment and construction	12 714	10 352	16 082	12 500	25 645	13 681
Training	1 899	1 869	1 150	2 872	1 849	1 580
Travel	2 219	2 293	2 011	2 301	1 999	1 992
Administrative support services	7 196	8 000	4 807	7 634	5 504	5 528
Consultancy services	2 288	3 616	2 496	2 393	2 137	2 140
Hospital services	12 195	13 477	10 792	16 146	16 517	18 016
Miscellaneous services	8 186	8 802	9 594	10 089	10 991	12 203
Subsidies to hardship cases	—	36	13 710	14 609	7 475	7 501
Subsidies to patients	3 867	4 162	2 804	5 678	5 226	5 247
Third parties subsidies	—	—	—	—	151	156
Other subsidies	8 887	12 752	707	523	280	282
Reserves	—	—	—	725	9 147	9 749
Cost recovery	(6 015)	(10 703)	(3 941)	(27 672)	(1 263)	(658)
Depreciation <sup>b</sup>	—	42 237	—	—	—	—
<b>Subtotal</b>	<b>97 506</b>	<b>152 351</b>	<b>125 660</b>	<b>125 650</b>	<b>159 342</b>	<b>150 772</b>
<b>Total staff and non-staff cost</b>	<b>554 848</b>	<b>617 275</b>	<b>621 260</b>	<b>628 157</b>	<b>676 905</b>	<b>684 926</b>
Contingency reserve <sup>c</sup>				12 000	14 000	14 000
Salary reserve <sup>c</sup>				33 135	8 900	15 000
Value added tax reserve <sup>c</sup>				—	15 000	15 000
Budget risk reserve <sup>c</sup>				2 000	16 761	14 834
<b>Subtotal</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>47 135</b>	<b>54 661</b>	<b>58 834</b>
<b>Total resource requirements</b>	<b>554 848</b>	<b>617 275</b>	<b>621 260</b>	<b>675 292</b>	<b>731 566</b>	<b>743 760</b>

<sup>a</sup> Excludes the cost of five international posts that may not be funded by the regular budget of the United Nations during the biennium 2014-2015.

<sup>b</sup> Depreciation in 2011: represents the first-time recognition of UNRWA assets.

<sup>c</sup> Comparative figures for 2010-2012 are integrated into the respective field offices and headquarters departments/programmes expenditure.

Figure IV  
Regular budget by resources

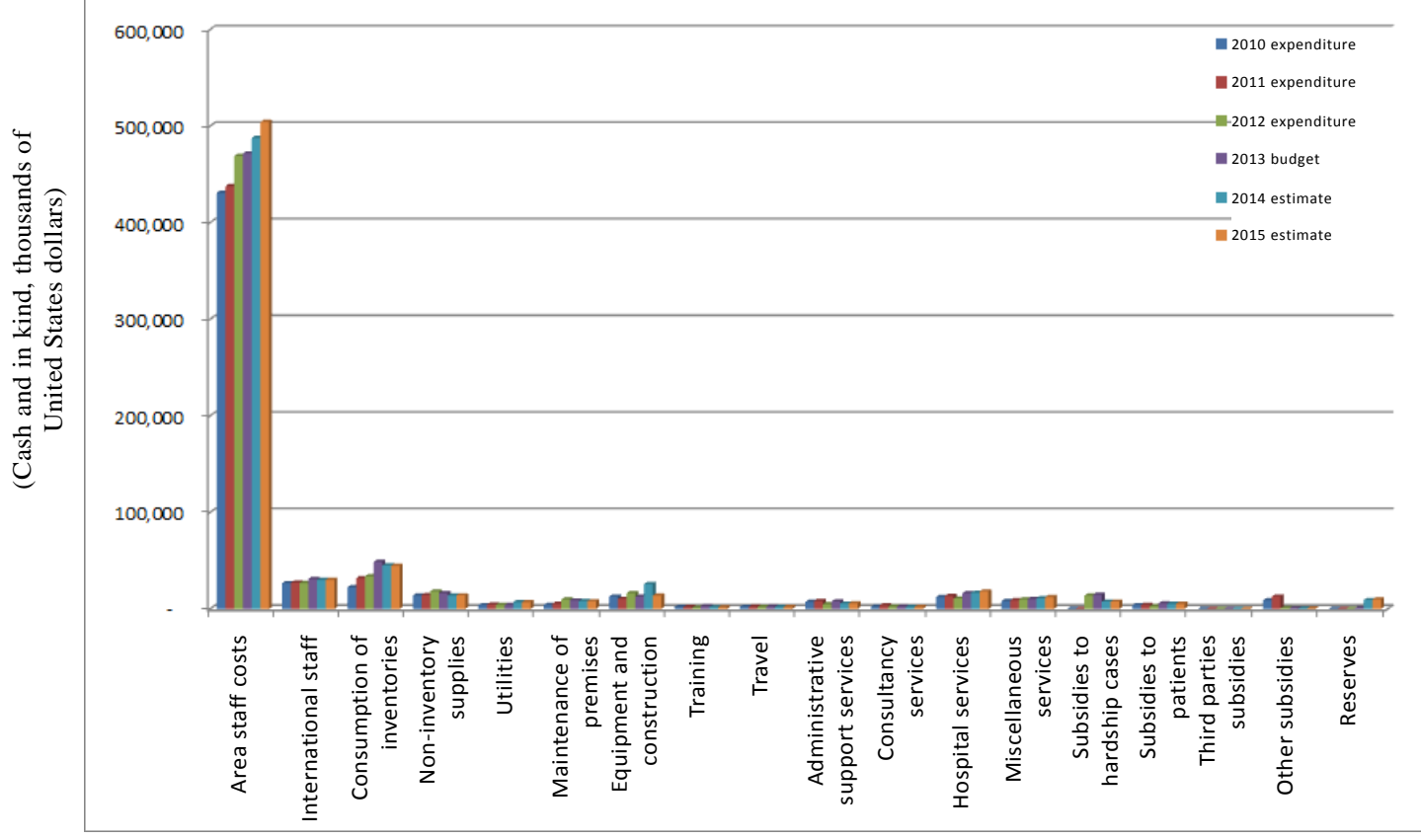


Table 5

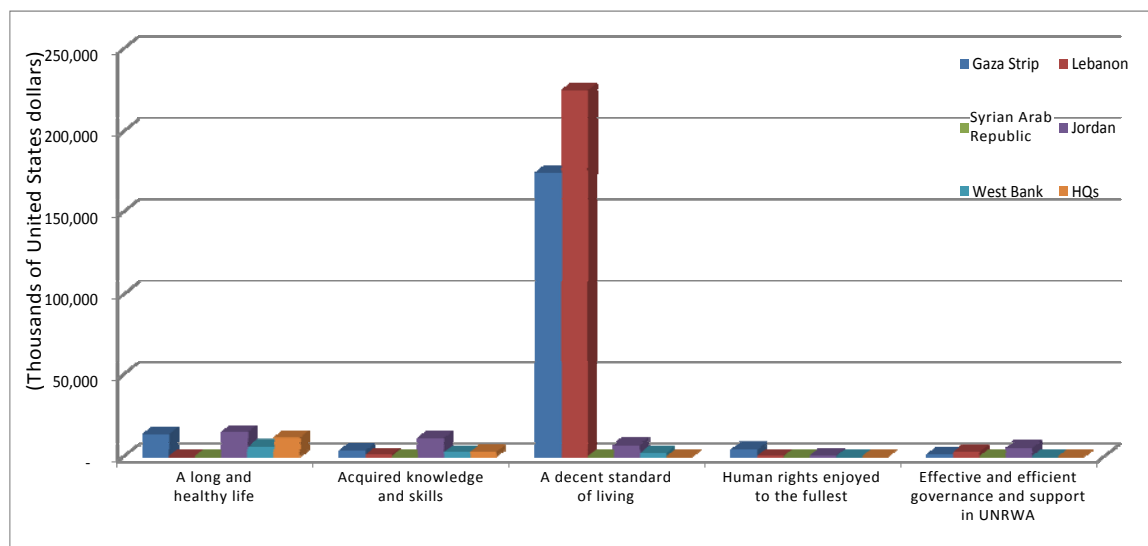
**Project budget by human development goal and field office/headquarters**

(Thousands of United States dollars)

<i>Human development goal</i>	<i>Gaza Strip<sup>a</sup></i>	<i>Lebanon<sup>b</sup></i>	<i>Syrian Arab Republic</i>	<i>Jordan</i>	<i>West Bank</i>	<i>Headquarters</i>	<i>Total</i>
A long and healthy life	13 198	–	–	14 350	5 721	10 990	44 259
Acquired knowledge and skills	3 500	898	–	10 595	2 518	2 848	20 359
A decent standard of living	174 084	224 220	–	7 013	1 927	–	407 244
Human rights enjoyed to the fullest	4 163	255	–	450	–	–	4 868
Effective and efficient governance and support in UNRWA	1 300	2 740	–	5 084	–	–	9 124
<b>Total</b>	<b>196 245</b>	<b>228 113</b>	<b>–</b>	<b>37 492</b>	<b>10 166</b>	<b>13 838</b>	<b>485 854</b>

<sup>a</sup> The Gaza Strip project budget includes \$150 million towards Gaza reconstruction.<sup>b</sup> The Lebanon Field Office project budget includes \$157 million for the Nahr el-Bared Camp.

Figure V  
**Project budget by human development goal and field office/headquarters**

**D. Human resources**

25. In order to deliver its core programmes and projects, the Agency employs international and area staff.

26. In compliance with General Assembly resolution 3331B (XXIX), during the biennium 2012-2013 146 international staff posts were funded from the regular budget of the United Nations.

27. In line with General Assembly resolution 67/248, the Controller of the United Nations has requested UNRWA to make proposals for savings in the United Nations

programme budget for the biennium 2014-2015. In response, UNRWA proposes a reduction from 146 to 141 posts to be funded from the regular budget of the United Nations during the biennium 2014-2015. These five posts are Deputy Director of UNRWA Affairs in the Syrian Arab Republic Field Office (P-5), Field Procurement and Logistics Officer in the Syrian Arab Republic Field Office (P-4), Field Human Resources Officer in the Syrian Arab Republic Field Office (P-4), International Driver in the West Bank Field Office (GS) and one Administrative Assistant (GS) in the Geneva Representative Office. At the end of July 2013, UNRWA was engaged in ongoing discussions with the General Assembly's Advisory Committee on Administrative and Budgetary Questions on this proposal.

28. Apart from the above, 79 international staff posts are funded from sources other than the Secretary-General's regular budget. Seventy-three posts are funded by project funds; two posts funded by the United Nations Educational, Scientific and Cultural Organization (UNESCO); two posts funded by the World Health Organization (WHO); one post funded by the Microfinance Department through its programme income; and one post funded by the Agency's Provident Fund.

Table 6  
**International staffing requirements for the biennium 2014-2015**

<i>Post grade</i>	<i>United Nations regular budget<sup>a</sup></i>	<i>Other sources</i>
<b>Professional and above</b>		
USG	1	–
ASG	1	–
D-2	8	2
D-1	10	2
P-5	26	8
P-4/P-3	84	57
P-2/P-1	2	3
<b>Subtotal</b>	<b>132</b>	<b>72</b>
<b>General Service</b>	<b>9</b>	<b>7</b>
<b>Subtotal</b>	<b>9</b>	<b>7</b>
<b>Total</b>	<b>141</b>	<b>79</b>

<sup>a</sup> Excludes five posts that may not be funded by the regular budget of the United Nations during the biennium 2014-2015.

29. Programmes are otherwise delivered primarily through 29,138 local ("area") staff as of the end of June 2013, the number of which will need to increase up to the approved workforce ceiling of 30,314 by the end of 2015 if the Agency is to realize the achievements set out in the current budget (see table 7). The factors contributing to this are: the average 3 per cent annual increase in the Palestine refugee population and the rising number of student population in the Gaza and Jordan Field Offices.

Table 7  
**Estimated number of area staff as at 31 December 2015 by human development goal**

<i>Goal</i>	<i>Gaza</i>	<i>Lebanon</i>	<i>Syrian Arab Republic</i>	<i>Jordan</i>	<i>West Bank</i>	<i>Headquarters</i>	<i>Total</i>
A long and healthy life	1 328	584	500	1 047	865	23	4 347
Acquired knowledge and skills	9 562	1 804	2 512	5 138	2 631	65	21 712
A decent standard of living	516	242	153	335	366	26	1 638
Human rights enjoyed to the fullest	51	16	61	40	36	4	208
Effective and efficient governance and support in UNRWA	587	335	285	356	475	371	2 409
<b>Total</b>	<b>12 044</b>	<b>2 981</b>	<b>3 511</b>	<b>6 916</b>	<b>4 373</b>	<b>489</b>	<b>30 314</b>

## Financial situation

30. With the exception of international staff posts funded by the regular budget of the United Nations through assessed contributions and posts provided by other United Nations agencies, the ongoing operations, projects and emergency appeals of UNRWA are funded by voluntary contributions.

31. Table 8 shows the funding status of the UNRWA budget for 2013.

32. The financial results for the fiscal year 2013 illustrate the funding shortfalls experienced by the Agency in its efforts to implement its mandate. The funding gap (deficit), as at the end of June 2013, for the regular budget amounted to \$76.2 million; the projects budget experienced a shortfall of \$129.9 million, whereas the 2013 emergency appeal was underfunded by \$174.4 million.

Table 8  
**Funding status of the Agency — 2013**

(Millions of United States dollars)

	<i>Regular budget</i>		<i>Projects</i>	<i>Emergency appeal</i>
	<i>Budgeted activities</i>	<i>Unbudgeted activities</i>		
Contributions and income	597.2	20.1 <sup>a</sup>	192.4	125.7
Budget	673.4		322.3	300.1 <sup>b</sup>
<b>Funding gap</b>	<b>(76.2)</b>	<b>—</b>	<b>(129.9)</b>	<b>(174.4)</b>

<sup>a</sup> Represents income earmarked for activities that were not included in the 2013 budget which are treated as donor-funded projects, chiefly Food Aid, enterprise resource planning and other restricted funds related to the distribution of food and educational activities.

<sup>b</sup> Represents the amount requested in the 2013 emergency appeal.

33. Current projections of income and expenditure, shown in table 9, indicate a funding gap for the regular budget of -\$150.4 million and -\$152.6 million, in 2014 and 2015, respectively. This shortfall results from lower income (based on indicative estimates from donors and estimated interest income) of \$578.9 million and

\$588.9 million, when compared to budgeted expenditures of \$729.3 million and \$741.5 million, in 2014 and 2015, respectively. Without additional contributions, the Agency will not be in a position to fully implement its budgeted activities.

Table 9

**Expected funding status of the agency — Regular budget, 2014-2015**

(Millions of United States dollars)

	2014	2015
Projected income	578.9	588.9
Budget	729.3	741.5
<b>Funding gap</b>	<b>(150.4)</b>	<b>(152.6)</b>

34. Income projections by donor for 2014 and 2015 appear in table 10:

Table 10

**Income projections for the General Fund — 2013-2015**

(Thousands of United States dollars)

<i>Donor</i>	<i>Income forecast 2013<sup>a</sup></i>	<i>Income forecast 2014</i>	<i>Income forecast 2015</i>
United States of America	130 000	130 000	130 000
European Union	103 850	120 000	120 000
United Kingdom	51 460	52 000	57 000
Sweden	43 460	44 000	44 000
Norway	27 380	28 000	28 000
Australia	21 140	22 000	22 000
Netherlands	16 600	16 600	16 600
Switzerland	16 110	16 110	16 110
Denmark	15 740	15 740	15 740
Japan	12 250	12 250	12 250
Saudi Arabia	12 000	2 000	2 000
France	9 780	10 430	10 430
Germany	10 300	10 300	10 300
Belgium (including Flanders)	7 820	8 020	8 020
Italy	7 840	7 840	7 840
Luxembourg	6 050	6 050	6 050
Finland	5 930	5 930	5 930
Ireland	5 110	5 110	5 110
Spain (including regions)	3 910	3 910	3 910
United Arab Emirates	2 600	2 600	2 600
Austria	2 450	2 450	2 450



<i>Donor</i>	<i>Income forecast 2013<sup>a</sup></i>	<i>Income forecast 2014</i>	<i>Income forecast 2015</i>
Kuwait	2 000	2 000	2 000
Turkey	1 250	1 250	1 250
Other donor income	20 300	5 410	10 410
<b>Subtotal</b>	<b>535 330</b>	<b>530 000</b>	<b>540 000</b>
Interest	750	600	600
Programme support costs recoveries	32 000	20 000	20 000
International staff funded through assessed contributions	29 082	28 346	28 346
<b>Total</b>	<b>597 162</b>	<b>578 946</b>	<b>588 946</b>

<sup>a</sup> Expected end-of-year forecast based on information available by the end of June 2013.

35. The UNRWA Resource Mobilization Strategy for 2012-2015, endorsed by the Agency's Advisory Commission in November 2011, is based on strengthening capabilities towards external partners, delivered through improved internal capacity. It includes three high-level strategic objectives: to deepen partnerships with traditional donors; to diversify the donor base; and to develop improved cross-Agency capacity to mobilize resources and manage donor relations.

36. Traditional donors have remained the key supporters of UNRWA, providing over the past few years what amounts to 80 to 90 per cent of the Agency's overall funding requirements. Although donors have increased their contributions by 1.5 per cent per annum since the last two bienniums, UNRWA realizes that current donors are not able to keep pace with the continued increase in funding requirements of 6.4 per cent per annum since the last two bienniums. This realization is reflected in the Resource Mobilization Strategy through the emphasis on diversifying the donor base and consolidating resource mobilization and communication efforts across the Agency. The Strategy also emphasizes the need to encourage multi-year framework agreements and, where not possible, to set multi-year mutual expectations, to increase predictability in funding.

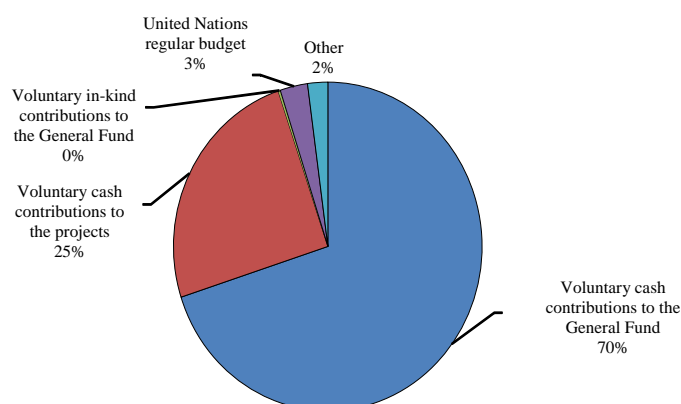
37. Strengthening communications, both internal and external, is one of the Strategy's underlying assumptions. By improving the flow of information, the Agency is in a better position to increase its transparency and accountability vis-à-vis donors, in turn creating an environment conducive to sustaining relationships with new and existing donors.

38. Figure VI shows the expected sources of funding of the Agency's total budget volume for 2014 and 2015, including both the regular budget and the projects budget.

**Figure VI**  
**Budget funding — 2014-2015**

(Thousands of United States dollars)

Voluntary cash contributions to the General Fund	1 372 913
Voluntary cash contributions to the projects	485 855
Voluntary in-kind contributions to the General Fund	4 520
United Nations regular budget	56 692
Other (programme support costs recoveries and interest)	41 200
<b>Total</b>	<b>1 961 180</b>



39. Voluntary contributions will be requested to cover about 95 per cent of the total budget volume for 2014-2015, of which 70 per cent are cash contributions to the General Fund, 24.8 per cent cash receipts to fund projects, and about 0.2 per cent constitutes in-kind contributions to the General Fund.

40. The funding of 141 international posts (excluding the five international posts that may not be funded by the regular budget of the United Nations during the biennium 2014-2015) funded from the United Nations regular budget, accounts for about 2.9 per cent annually of the total budget volume. The remaining 2.1 per cent of other income is derived from the following sources:

(a) Interest income and miscellaneous income, including programme support costs in the range of \$20.6 million per annum;

(b) Funding of six staff posts (2 international and 4 area staff posts) by UNESCO and four posts (2 international and 2 area staff posts) by WHO as part of its technical assistance to the education and health programmes, respectively.

41. If donor contributions continue to fall behind the levels required to finance rising levels of service delivery requirements, the resulting constraints on the Agency's capacity will continue to undermine the human development standards of the Palestine refugees and put additional pressure on the host authorities.

42. UNRWA recognizes that the resource scarcity resulting from the current global economic climate, increasing needs resulting from population growth as well as

inflationary pressures require that the Agency prioritize services and activities within and among its main programmes. The budget therefore encompasses funding for only an identified set of core activities fundamental in meeting the basic needs of the Palestine refugees. The resources required to do so are necessary for the Agency to fulfil the essence of its mandate.

## Chapter II

### Goal 1: a long and healthy life

#### A. Human development goal

43. The UNRWA health programme enables Palestine refugees to achieve a long and healthy life through the provision of comprehensive primary health-care services and through working with communities to promote healthy lifestyles.

#### B. Objectives

44. The objectives of the programme are:

- (a) Universal access to quality, comprehensive primary health care;
- (b) Sustained protection and promotion of family health;
- (c) Ensured prevention and control of diseases.

#### C. Constraints and challenges

45. The UNRWA health programme has delivered comprehensive primary health-care services to Palestine refugees for over 60 years, achieving some remarkable health gains, particularly in the fields of maternal and child health. However, the context and regional situation in which the health programme operates are changing, bringing a range of new challenges.

46. Ageing populations, as well as changes in lifestyle, have resulted in global increases in the prevalence of non-communicable diseases and the same is the case among Palestine refugees. Non-communicable diseases include hypertension, diabetes, obesity, smoking-related lung disease, and cancers. These diseases usually require lifelong care, often with expensive medicines. As a result of budget constraints, UNRWA is at present unable to provide cholesterol-lowering medicines that may be used to manage some patients with non-communicable diseases. The complications of these diseases may be severe, requiring hospitalization, and may result in disability. Management of the increasing burden of such diseases thus has substantial resource implications for staffing, medicines and hospital care. Furthermore, significant efforts will have to be made in working with communities to address lifestyle-related risk factors, key to prevention and control of non-communicable diseases. Resources are needed to develop effective communication campaigns and to build the capacity of community-based organizations.

47. Costs of health care continue to rise in UNRWA's fields of operation, as is the case in countries worldwide. The Syrian conflict has further increased operational costs inside the Syrian Arab Republic as well as in Lebanon and Jordan, which are experiencing massive influxes of Palestine refugees from the Syrian Arab Republic. The scarcity of medicines, increasing demand, and limited hospital service availability inside the Syrian Arab Republic have all contributed to substantial increases in the costs of medicines and hospitalization fees for UNRWA. Furthermore, conflicts, economic recession, and worsening poverty at the regional

level may cause Palestine refugees previously using private service providers to start using UNRWA services, creating an additional burden for UNRWA health services. Another concern is that policy changes in host countries may affect the access of Palestine refugees to respective Ministry of Health facilities, making them even more reliant on UNRWA services. The years ahead are therefore likely to see a widening chasm between increasing demand for UNRWA health services and stagnant and/or declining (in real terms) resources.

48. Escalating demand for services and the growing need for lifelong care of chronic diseases have necessitated UNRWA to seek novel and innovative ways of delivering health services in order to improve the efficiency and quality of care for the future. The recently introduced Family Health Team approach, which promotes comprehensive care for the whole family, focusing on continuity of care and on building relationships among health-care providers, patients, families and communities, is a reform in this direction. The Family Health Team represents a modernization of primary health care, in keeping with regional and global trends. This approach, however, requires an investment in systems development and staff capacity that will result in high-quality, efficient health services that are able to respond to changing health needs.

49. Long-term care of high numbers of patients with non-communicable diseases, who often have complex case management needs, requires a well-functioning patient record system. Furthermore, the resource implications associated with high numbers of patients on costly medications require adequate health management information systems to monitor the efficiency of care. Current UNRWA information systems are inadequate to meet these growing and complex information needs. In order to enable evidence-based decision-making and appropriate resource allocation in the future, substantial investment is needed in electronic health information systems.

50. Many of the health facilities are located in old buildings, whose maintenance has been neglected over the years because of funding constraints. An assessment of all health facilities to ensure that they meet the required functions and are efficient, safe for use, can resist seismic activities, and are environmentally sound and within set standards, remains an unfunded challenge.

51. While most of the Palestine refugees in camps are served with water supply and sewer networks, the quality of water they drink and use and the adequacy of supporting infrastructure systems vary considerably. Improving the quality of the environmental infrastructure networks in camps, based on WHO standards, requires comprehensive assessments on the adequacy of systems but remains an unfunded challenge too.

52. Improving the environmental sanitation and hygiene situation in camps and other areas inhabited by displaced Palestine refugees in the Syrian Arab Republic continues to be a priority concern and it is being addressed as and when the security situation permits. In this regard, an increase in number of viral hepatitis cases has already been reported from the Homs, Latakia and Damascus areas in the Syrian Arab Republic.

## D. Financial resources

53. Table 11 sets out the resource requirements by objective for human development goal 1.

Table 11

### A long and healthy life

#### Resource requirements by objective

(Cash and in kind, thousands of United States dollars)

	<i>2014 estimate</i>	<i>2015 estimate</i>
Universal access to quality, comprehensive primary health care	88 968	94 156
Sustained protection and promotion of family health	6 992	7 128
Ensured prevention and control of diseases	30 557	32 641
<b>Total regular budget</b>	<b>126 517</b>	<b>133 925</b>
<b>Project budget</b>	<b>19 954</b>	<b>24 304</b>
<b>Grand total</b>	<b>146 471</b>	<b>158 229</b>

## Chapter III

### Goal 2: acquired knowledge and skills

#### A. Human development goal

54. UNRWA is deeply committed to the achievement of Millennium Development Goals 2 and 3, ensuring universal primary education and gender parity. The Agency operates one of the largest education systems in the Middle East, providing education services to nearly half a million Palestine refugee children through some 700 schools located in Jordan, Lebanon, the Gaza Strip, the Syrian Arab Republic and the West Bank. Nearly half of UNRWA schools are located within the camps.

55. The education programme has undertaken a major reform (2011-2015), the goal of which is to deliver the best quality education for Palestine refugees, helping them to develop their full potential. The reform is a coherent and systemic approach to transformational change in the quality of children's learning in line with the demands of the twenty-first century. To this effect, the reform comprises eight interrelated programme areas. Four are substantive areas addressing: teachers and school empowerment; curriculum and student assessment; inclusive education; and technical vocational education and training and youth. A further four are support areas, crucial to ensure evidence-based policy: sustainable change and innovation, research and the Education Management Information System; education governance; and strategic planning and reporting, and information and communications and technologies (ICTs) in education.

56. Major progress has been made towards the implementation of the education reform through the finalization of policies and frameworks that will positively impact the education quality and learning environment within UNRWA schools. During the 2012-2013 biennium, UNRWA endorsed the School Health Strategy, the Inclusive Education Policy and the Human Rights, Conflict Resolution and Tolerance Policy. An Agency-wide curriculum framework was also finalized to ensure that the same quality standards are observed in all fields. The implementation of large-scale blended learning programmes for professional development of teachers and head teachers began. Education research and evidence-based planning were also strengthened through the collection of data for three Agency-wide studies — on student dropout, classroom practices and leadership practices — and through the development of a comprehensive reform monitoring and evaluation framework that includes both quantitative and qualitative indicators. The Agency-wide Education Management Information System specification was finalized and operational planning articulated and endorsed. The development of an Agency-wide teacher policy continued in this period.

57. The focus of UNRWA for the biennium 2014-2015 will be on continuing the implementation of the transformative, systemic reform in all field offices, with support from management and other stakeholders. This, in the short term, will result in a change in classroom practices, a more conducive learning environment for students and work environment for teachers. In the medium-to-long term the reform will reduce the level of remedial activities and of grade repetition, and decrease drop-out rates for both genders in the basic education cycle. The long-term impact of the reform — if implemented as an interrelated, systemic whole — will lead to an increase in the internal efficiency of the UNRWA education system.

58. Through its education system, UNRWA has the greatest potential to help Palestine refugee children to thrive, to achieve their potential and to grow up understanding their rights and respecting the rights of others. Basic education, delivered by the UNRWA education programme, is therefore considered among the highest priorities of all the Agency's services to Palestine refugees. The education programme also contributes to the strategic objective on employability.

## **B. Objectives**

59. The objectives of goal 2 are:

- (a) Universal access to and coverage of basic education;
- (b) Enhanced educational quality and outcomes against set standards;
- (c) Improved access to educational opportunities for learners with special education needs.

## **C. Constraints and challenges**

60. The Syrian conflict has impacted on provision of the education in both the Syrian Arab Republic and the neighbouring countries of Lebanon and Jordan, affecting student enrolment, school infrastructure and reform implementation. One approach to mitigating the impact of this challenge has been the design and implementation of appropriate educational responses to the crisis and increasing collaboration between the field offices affected. This has been implemented through a holistic approach, including capacity development, deployment of alternative learning modalities, and provision of psychosocial support to students and teachers.

61. *Agency financial constraints.* Funding constraints at the Agency level have had an impact on the education programme, both directly through the restrictions this imposes on the more strategic reform efforts and indirectly through increased staff worries and concerns, which lead to wariness and resistance to change.

62. In a context where the financial crisis and the Syrian conflict require increased focus just to maintain access to and quality of education for Palestine refugee children, substantial efforts will have to be deployed to ensure the financial sustainability of reform efforts and to adapt the reform to the current crisis context, with an emphasis on strengthened communication.

63. *Access to and quality of education.* UNRWA is committed to providing all its students with a complete, quality basic education cycle. However, despite continued efforts, performance has been at best stable over the past few years. Approximately 10 per cent of boys and 5 per cent of girls in the UNRWA system still do not finish the full cycle of basic education. While UNRWA students continue to outperform their government school counterparts in most fields of UNRWA operations, performance remains low in higher-order thinking skills, and close to one third of students scored less than 30 per cent on the 2009 Monitoring of Learning Achievement numeracy test, with two thirds scoring less than 30 per cent on the eighth grade Arabic test.

64. In this context, lasting improvement can only be achieved through holistic Agency-wide reform efforts to improve the quality, relevance and inclusiveness of



the provision of education. To this effect, the reform operates at three levels, which can be described, first, as the legislative level, i.e. the policy and the strategic environment established through the reform; secondly, the organizational level, that is, the tools and mechanisms to put in place systems for sustainable implementation of the reform towards better coherent practices; and thirdly, the capacity development level where the focus is on strengthening the capacity of individuals to operate effectively within the policy and organization frameworks, and to build capacity with regard to their own roles. The challenge for 2014-2015 will be to ensure that the reform components reflecting all three levels are implemented in an integrated, coherent manner to maximize their impact.

65. *School buildings and infrastructure.* More than 70 per cent of schools are operating on double shift, 15 per cent from rented premises with meagre resources for upkeep and enhancement of school infrastructure. Many of the school facilities are deteriorated, as maintenance has been neglected over the years because of funding constraints. A number of these schools need to be either structurally strengthened or replaced as an immediate priority: otherwise students' health and safety will be placed at risk. Funding still needs to be secured to address this. Furthermore, assessment of all education facilities to ensure that these facilities meet the required function and are efficient, safe for use, safe under seismic activities and are environmentally sound and within set standards remains an unfunded challenge. Such assessments will enable the Agency to prioritize interventions and achieve efficiencies.

## D. Financial resources

66. Table 12 sets out the resource requirements by objective for human development goal 2.

Table 12

### Acquire knowledge and skills

#### Resource requirements by objective

(Cash and in kind, thousands of United States dollars)

	2014 estimate	2015 estimate
Universal access to and coverage of basic education	88 598	90 388
Enhanced educational quality and outcomes against set standards	255 919	263 995
Improved access to educational opportunities for learners with special education needs	4 107	4 195
<b>Total regular budget</b>	<b>348 624</b>	<b>358 578</b>
<b>Project budget</b>	<b>12 173</b>	<b>8 186</b>
<b>Grand total</b>	<b>360 797</b>	<b>366 764</b>

## Chapter IV

### Goal 3: a decent standard of living

#### A. Human development goal

67. To live with dignity, Palestine refugees must be able to attain a decent standard of living: a safe place to live, sufficient quantities of food, and the opportunity to learn skills that will lead to work; essentially, Palestine refugees must be given the opportunity to escape poverty. The right to a decent standard of living — through adequate shelter, food and work — is set out in human rights agreements and reinforced in Millennium Development Goal 1, to “eradicate extreme poverty and hunger”, which includes targets to achieve productive employment and decent work. The United Nations is also committed to building inclusive financial services for the poor.

68. The Agency’s interventions in support of this goal require an integrated response from its relief and social services, microfinance, education, infrastructure and camp improvement programmes.

69. Key to the overall response of UNRWA to the evolving training needs of Palestine refugee youth is the development of a comprehensive technical and vocational education and training youth strategy. This strategy is being developed in cooperation with the International Labour Organization and the Gesellschaft für Internationale Zusammenarbeit (GIZ) and will seek to increase the quality and relevance of such programming. The strategy focuses on improving governance and structures for increased relevance and responsiveness of the technical and vocational education and training system; increasing labour market linkages; expanding access to vulnerable Palestine refugee youth; ensuring quality management and a competency-based approach to programme development and delivery; improving human resource development; enhancing placement and career guidance systems and processes; and ensuring equal opportunities for boys and girls to such programmes and courses. The roll-out of this strategy in the biennium 2014-2015 will help the field offices to fulfil their role in providing technical and vocational education and training knowledge and skills relevant to the world of work.

70. In addition, the UNRWA university scholarships programme contributed to increasing employment opportunities and living conditions for more than 1,200 students in the past ten years. Past university scholarship holders have gone on to hold key positions in UNRWA, host countries and other Gulf States, contributing to the social and economic development of the region.

71. The spatial and environmental conditions in which Palestine refugees live cannot be divorced from their livelihood or well-being. It is well established that the quality of the built environment has a direct bearing on the quality of everyday life. The Infrastructure and Camp Improvement Programme (ICIP) will continue to prioritize shelter improvements for vulnerable Palestine refugees and will continue to develop and pursue a holistic urban planning and a community-driven approach to camp improvement that will integrate spatial/physical and related environmental, social and economic aspects of the built environment in the provision of shelter, housing, rehousing, environmental infrastructure, socioeconomic infrastructure, including UNRWA health facilities, schools and vocational training centres and common urban spaces. This process will produce a strategic vision of the camp in

the form of camp improvement plans that provide a platform to address all these pressing elements of the built environment in an integrated and incremental approach that prioritizes interventions leading to an improved built environment in the camps. Furthermore, the community-driven approach has instrumentally proven to be a very successful tool in engaging the Palestine refugees, and focusing on the most vulnerable, in decisions that involve their everyday life, and is gradually shifting their perceptions from being passive recipients of aid into active partners in improving their living conditions. The ICIP will continue its effort, through the development of tools and guidelines, in strengthening this approach.

72. The Special Hardship Cases (SHC) programme has been undergoing reform since 2009 and a poverty-based approach has been adopted instead of the previous categorical approach. Poverty is a multidimensional phenomenon and is defined as “a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services”. The reform of the programme takes this definition of poverty into consideration and considers meeting the basic needs of Palestine refugee families as the first priority.

73. The overall objective of the Social Safety Net Programme is to contribute towards poverty alleviation and reduce poverty levels among the registered Palestine refugee population in the five fields of UNRWA operations. By adopting the poverty-based approach, the previous income thresholds and eligibility criteria are revised and the payment levels are redefined. The reform concentrates on improving the Agency’s ability to target and serve the abject poor. To effectively address this, the Relief and Social Services Programme currently pursues the utilization of a Proxy Means Testing Formula<sup>1</sup> in all field offices to improve its accuracy of targeting the poor. The usage of the Formula across all field offices will permit UNRWA to build a common understanding of poverty among Palestine refugees and formulate appropriate Agency-wide policies that can be understood by a wide range of stakeholders, including beneficiaries and host Governments.

74. From a developmental perspective, the poverty-based approach requires in-depth analysis to address the actual needs of poor families and build on their resources and assets. The aim is to better equip those in transient poverty with potential opportunities and resources to escape poverty through their own efforts and through short-term assistance, and therefore, to graduate them from the Programme in the medium-to-long term. The only segments of the poor who should be provided with long-term assistance are the chronically poor.<sup>2</sup>

75. The combination of the poverty line analysis and the Proxy Means Testing Formula methodology provides uniform, objective and transparent criteria for all vulnerable Palestine refugees in the five fields of UNRWA operations, taking into

<sup>1</sup> The term “Proxy Means Testing Formula” is used to describe a situation where information on household or individual characteristics correlated with welfare levels is used in a formal algorithm to proxy household income/expenditure, welfare or need. The Formula is appropriate for use in targeting programmes for the chronic (structural) poor and the transient poor as well.

<sup>2</sup> Although there is not a single common definition of chronic poverty, it is often defined as a state of perpetual need due to the lack of basic necessities and the means of production, social support, and feeling of frustration and powerlessness over a long period of time. The chronic poor are a heterogeneous group and always live in poverty and have very few assets or opportunities to escape it.

consideration the socioeconomic particularities of each field, as well as family-specific characteristics and interventions. These determinants ensure that every poor Palestine refugee family is treated (classified) equally, based on its poverty and welfare levels. The methodology ensures better targeting of poor families, particularly those living below the absolute poverty line.

## **B. Objectives**

76. The objectives of goal 3 are:

- (a) Reduced poverty among the poorest Palestine refugees;
- (b) Inclusive financial services and increased access to credit and savings facilities;
- (c) Enhanced skills and improved access to employment for Palestine refugees;
- (d) Sustained camp development and upgraded substandard infrastructure and accommodation.

## **C. Constraints and challenges**

77. UNRWA provides direct support to the poorest under its Special Hardship Assistance Programme to 291,757 Palestine refugees annually; has trained more than 7,000 graduates in technical and vocational skills; provided 300,000 microfinance products worth \$338 million to Palestine refugees and others since its inception; and, in 2012, rehabilitated around 3,100 shelters (including emergency cases in Gaza). The primary focus of the Social Safety Net Programme is on the abject poor, or those who cannot secure their basic food needs. Traditionally, UNRWA has dealt with poverty through that programme, serving approximately 5.5 per cent of all registered Palestine refugees. In 2012, 288,206 Palestine refugees were enrolled in the Special Hardship Assistance Programme across the five fields and received food assistance on a quarterly basis.

78. As of 2012, all the fields have been implementing the new Social Safety Net Programme. During 2012 and 2013, all previous Special Hardship Cases families were and will be assessed against the poverty-based approach and families found to be eligible will receive Social Safety Net Programme benefits; otherwise they will exit the Programme. Moreover, all new cases are subject to assessment and they will only benefit from the Programme if they fall below the abject poverty line. By adopting such a mechanism, the Social Safety Net Programme will ensure that all abjectly poor families will have the first priority to benefit from the Programme.

79. Although the Social Safety Net Programme will address abject poverty among the Palestine refugee population in the five fields, the current funding available for the Programme is not sufficient to address all those in need. In fact, the total Social Safety Net Programme population as of 2012 is around 294,650; however, the total number of the abject poor or the food insecure is more than 700,000. This does not take into consideration the impact of the current crises in the Syrian Arab Republic on Palestine refugees. These estimates indicate quite clearly a large deficit in the Programme to address the needs of all the abject poor or the food insecure only, let alone trying to address poverty among all the poor.

80. Increasing poverty has heightened demand for relief and social services; however, donor contributions have not kept pace with these demands. Owing to domestic pressures, donor countries' budgets are stretched and changes in food aid funding mechanisms pose a significant challenge to UNRWA to meet the food requirements for the poor.

81. In the absence of emergencies, there are poor Palestine refugees who are able to exit poverty given the right education, training and employment opportunities. While the economic situation in the West Bank and Gaza, as well as limited opportunities for Palestine refugees to work in Lebanon, are severe limiting factors for poverty reduction, UNRWA can nevertheless make a significant impact on Palestine refugees' livelihood prospects by equipping them — through training or microfinance — and helping them to access opportunities to exit poverty.

82. And for all Palestine refugees, but especially the most vulnerable, the Agency's work to raise the quality of refugees' shelter to acceptable standards remains vital if Palestine refugees are to live with the dignity that is their right. Levels of overcrowding among Palestine refugees are very high, especially in camps in the Gaza Strip, Lebanon, the Syrian Arab Republic and Jordan. In Jordan alone, approximately 500 shelters are most urgently in need of rehabilitation.

83. UNRWA could accommodate only 30 per cent of the applicants to the vocational training centres. Despite several efforts, the expansion of technical and vocational education and training at UNRWA has been quite slow and extremely limited. The reasons have been varied, ranging from political to resource scarcity to low social perceptions and the global financial crisis. The major issues and constraints of such training include: low access and equity; funding constraints and capacity of vocational training centres; lack of a quality framework and standards for such training; need for curricula redesign and implementation mechanisms; and weak linkages with industry and labour markets.

84. Lack of voluntary contributions will contribute to the continuation of substandard living conditions, inhabitable shelters and lack of basic infrastructure. Unless a strategic plan to improve the urban environment is funded and implemented as a priority, the economic, health, social, physical and environmental well-being of Palestine refugees will continue to deteriorate. This normally results in economic and health/life loss but also may lead to political unrest, as well as a loss of credibility of the Agency among the Palestine refugees. Furthermore, emergencies (natural or man-made) result in the large-scale destruction of infrastructure and will increase demand for repair and reconstruction. The growing humanitarian needs of Palestinians resident in the Syrian Arab Republic, as well as those who have fled to Lebanon and Jordan, are creating enormous demands on Agency resources, including staff capacities. The continued isolation of the Gaza Strip and deprivation of the population have resulted in soaring unemployment and food insecurity rates, and approximately half the population is dependent on UNRWA for food.

85. Lack of the urban planning capacity in the field offices will delay operationally the Infrastructure and Camp Improvement Programme at the Field level. In Jordan, there were no funds raised in 2010, 2011 and 2012 to rehabilitate the 500 highest-priority substandard shelters that pose an immediate risk to the safety and security of beneficiaries of the Special Hardship Assistance Programme. In Lebanon, the Agency's appeal for funding of the Nahr el-Bared Camp

reconstruction has enabled UNRWA to make some progress and begin rehousing some of the camp residents. The appeal, however, remains heavily underfunded, leaving most of its 26,000 registered Palestine refugees displaced in temporary accommodation until the camp is rebuilt. The residents require continuous funding to support their critical humanitarian needs: food, shelter, health and education. UNRWA is required to continue to provide emergency food assistance in the form of food parcels.

86. UNRWA has taken a two-pronged approach to the Gaza emergency. While seeking to reactivate the economy through reconstruction and thus bring tens of thousands of families out of aid dependency, the basic needs of those who suffer hardship require attention and care until sustainable solutions are found. Against this backdrop, the UNRWA humanitarian assistance and poverty approach is expressed most prominently through the emergency appeal. The promise of increased self-reliance and hope lies with the Gaza Recovery and Reconstruction Plan with projects to build 100 schools, rebuild shelters for more than 17,500 beneficiaries and one health centre, and Water, Sanitation and Hygiene (WASH) projects to upgrade the water and sewage infrastructure in the refugee camps. Funding for these projects is the sole impediment to completion. The implications of not completing these projects include the continued double-shifting of schools, with the eventual triple-shifting of schools, and the possibility of not meeting the Agency's mandate of providing universal access to education for the growing Palestine refugee population of Gaza, which has an expected annual increase of 10,000 students in UNRWA schools.

## D. Financial resources

87. Table 13 sets out the resource requirements by objective for human development goal 3.

Table 13

### A decent standard of living

#### Resource requirements by objective

(Cash and in kind, thousands of United States dollars)

	2014 estimate	2015 estimate
Reduced poverty among the poorest Palestine refugees	50 681	49 809
Inclusive financial services and increased access to credit and savings facilities <sup>a</sup>	—	—
Enhanced skills and improved access to employment for Palestine refugees	21 390	21 605
Sustained camp development and upgraded substandard infrastructure and accommodation	4 712	4 525
<b>Total regular budget</b>	<b>76 783</b>	<b>75 939</b>
<b>Project budget</b>	<b>205 639</b>	<b>201 606</b>
<b>Grand total</b>	<b>282 422</b>	<b>277 545</b>

<sup>a</sup> Excludes the Microfinance Department budget self-sustained through interest income on loan distributions. The total budget of the Department for the biennium 2014-2015 is \$30.0 million, of which \$29.9 million relates to this goal.

## Chapter V

### Goal 4: human rights enjoyed to the fullest

#### A. Human development goal

88. Just and equitable human development requires respect for human rights. Protection is a cross-cutting theme for UNRWA, meaning that protection issues will be taken into consideration in all programming.

89. The Agency's protection work has internal and external dimensions. Internally, UNRWA promotes protection through programming and service delivery. Externally, it engages in monitoring and reporting of Palestine refugee conditions, undertakes appropriate interventions and, at the international level, the Commissioner-General highlights the need for a just and durable solution to the conflict that respects the rights of Palestine refugees.

90. As a major provider of public services, UNRWA has a particular responsibility to seek to ensure protection in the way it delivers its own services, so that the rights, dignity and safety of its beneficiaries are respected. The Agency is therefore committed to incorporating minimum protection standards into all UNRWA programming and service delivery, acting to eliminate violence in schools, taking steps to prevent gender-based violence and the abuse of children, and promoting knowledge of individual rights through long-term human rights and tolerance programming in its schools. The protection mainstreaming efforts of UNRWA focus on strengthening a "protection reflex" at all levels of the Agency, so that protection needs are analysed and protection principles are incorporated in all stages of programme cycle management.

91. The provision of essential services by UNRWA, and ensuring access to them under difficult circumstances including armed conflict, is integral to the enjoyment of rights of the Palestine refugees. Direct and indirect engagement with external duty bearers helps to create and consolidate an environment in which rights are respected. These rights include economic and social rights associated with the UNRWA core areas of service delivery, such as education, health and an adequate standard of living, as well as civil and political rights such as the right to life, the right to security of person, the right to freedom from discrimination, the right to freedom of movement and the right to protection from arbitrary displacement. In situations of armed conflict, these rights also include those provided to protected persons under international humanitarian law. Effective monitoring and reporting mechanisms are essential to the implementation of these protection activities.

#### B. Objectives

92. The objectives of goal 4 are:

- (a) Safeguarding and advancing the rights of Palestine refugees;
- (b) Strengthening the capacity of Palestine refugees to formulate and implement sustainable social services in their communities;
- (c) Ensuring that registration and eligibility of Palestine refugees for UNRWA services are in accordance with relevant international standards.

## **C. Constraints and challenges**

93. The Agency's protection mainstreaming efforts during 2012-2013 focused on strengthening training and familiarization of staff with UNRWA protection standards, so that protection principles are increasingly incorporated into the way UNRWA designs its programming and delivers its services. This included incorporation of protection modules in UNRWA emergency response training, an international law course, induction training, the development of a specific e-learning tool on protection, facilitation of protection workshops and Field-specific protection training modules. Lack of funding is a major constraint to further develop and strengthen protection training across the Agency.

94. In terms of advocacy, during 2012-2013 UNRWA strengthened its capacity to monitor and respond to protection issues affecting Palestine refugees and continued to appeal to relevant duty bearers, including the international community, to uphold international legal principles. UNRWA must continue to become more systematic and predictable in monitoring, reporting and intervening on protection issues, so that authorities in all contexts come to expect UNRWA to be a voice and reference point for rights issues affecting Palestine refugees. At the international level, UNRWA has continued to raise awareness of the situation of Palestine refugees, including by providing briefings to donors and the diplomatic community, providing input to international human rights mechanisms, facilitating Palestine refugees to speak on their own behalf at various international forums and through public advocacy. Lack of political will among the international community to address many of the protection challenges faced by Palestine refugees continues to be a major challenge.

95. Political turmoil in the region during the 2012-2013 period resulted in or exacerbated major challenges to the protection of Palestine refugees in most of UNRWA's fields of operation. This was particularly acute in the Syrian Arab Republic. The Agency's ability to intervene in such contexts depends on the possibility to access information without further compromising the safety of beneficiaries or staff, and its ability to engage in a dialogue on protection issues with the concerned authorities. UNRWA, like other humanitarian agencies operating in this environment, has faced major challenges in this regard. Nevertheless, UNRWA continues to work towards building the conditions necessary to engage with all relevant duty bearers on issues affecting the rights of Palestine refugees in the Syrian Arab Republic and in neighbouring countries. The Agency's continued delivery of emergency assistance to the affected population in extremely difficult circumstances, as well as calls to all parties to the conflict to ensure respect for the civilian population, have been major components of its protection response throughout this period.

96. In 2012-2013, the Agency continued to use tools to develop the capacity of community organizations and to track the strength and growth of key systems such as governance, finance, management and technical capacity. The Agency supported this work through dedicated staff commitment to community partner organizations and, in some cases, small grants.

97. The Agency also undertook extensive consultations regarding the structure of its relationship with community organizations and evaluating some of the programmes run by the organizations, such as microlending. Decisions and learning will be translated into programmatic reforms over the coming biennium.



98. A number of challenges face the Relief and Social Services Programme, most notably variations in practice and management of the structural relationships with community-based organizations across the Agency, which makes it difficult to assess the impact of Agency investments. Over the coming biennium, UNRWA will work with partner organizations and host Governments to rationalize these relationships and to continue to ensure that high-quality services are accessible to the most vulnerable.

99. As part of the Agency's desire to improve service delivery to Palestine refugees, UNRWA developed a new online web-based Refugee Registration Information System (RRIS) replacing the outdated Field Registration System. Following a period of development challenges, the system has largely stabilized and issues related to functionality and data integrity have largely been resolved. UNRWA has built its internal capacity to support and manage this large census data system and will continue to do so. With the system now stabilized, the Agency has been able to focus on the development of a module in the system to support the Agency's registration and tracking of Palestine refugees normally residing in the Syrian Arab Republic who have sought refuge in the Agency's other fields of operations.

100. The RRIS has kept up with the organizational reforms undertaken by the Agency over the past several years, devolving greater authority to the field offices in the service of Palestine refugees. Many basic services are now conducted on the spot without lengthy clearances and, in most cases, amended family cards can be issued immediately upon completion of the registration transaction. To assure continued, improved and dignified services to Palestine refugees, the Agency has invested in appropriate training for front-line registration staff.

101. The Agency's financial constraints continue to pose a challenge to Palestine refugee eligibility and registration services, facilities and systems. With the number of registered persons at more than 5.2 million, additional staff, improved facilities and public outreach, and enhanced connectivity would make a significant contribution to the Agency's ability to protect and serve Palestine refugees.

102. The Agency's ability to achieve its objectives is reliant on a range of factors outside its direct control, including the facilitation of host and other Governments in the region. The political context in the region poses a significant challenge to fulfilment of this human development goal.

## D. Financial resources

103. Table 14 sets out the resource requirements by objective for human development goal 4.

Table 14

### Human rights enjoyed to the fullest

#### Resource requirements by objective

(Cash and in kind, thousands of United States dollars)

	<i>2014 estimate</i>	<i>2015 estimate</i>
Safeguarding and advancing the rights of Palestine refugees	199	197
Strengthening the capacity of Palestine refugees to formulate and implement sustainable social services in their communities	1 371	1 388
Ensuring that registration and eligibility of Palestine refugees for UNRWA services are in accordance with relevant international standards	2 291	2 362
<b>Total regular budget</b>	<b>3 861</b>	<b>3 947</b>
<b>Project budget</b>	<b>4 515</b>	<b>353</b>
<b>Grand total</b>	<b>8 376</b>	<b>4 300</b>

## Chapter VI

### **Goal 5: effective and efficient governance and support in the United Nations Relief and Works Agency for Palestine Refugees in the Near East**

#### **A. Management services goal**

104. The goal of effective and efficient governance and support in UNRWA is to promote and sustain the best possible standards of management, enhance stakeholder relations, and enable the delivery of quality programmes that help to achieve the human development of the Palestine refugees.

105. This goal is achieved by the following headquarters departments and the field offices:

- (a) Commissioner-General's Office (including representative offices in Brussels, United Nations Headquarters in New York, and Washington, D.C.);
- (b) Department of Administrative Support;
- (c) Department of Human Resources;
- (d) Finance Department;
- (e) Department of Legal Affairs;
- (f) Department of Internal Oversight Services;
- (g) External Relations and Communications Department;
- (h) Programme Coordination Support Unit;
- (i) UNRWA Dispute Tribunal.

106. During the biennium 2014-2015, the programme and support departments of UNRWA will provide sound direction and support to ensure efficiency and effectiveness in the delivery of quality services to Palestine refugees. The following three focus areas complement the Agency's two strategic objectives of goal 5, listed in section B below: (a) strategic decision-making and support for optimal programme performance, including through the implementation of programme reforms, through ongoing development of the Agency's regulatory framework and of its workforce, and through the promotion of accountability of the Agency, including staff for their conduct; (b) strengthened resource mobilization, stakeholder relationships (e.g., partnerships), and communication, to ensure the financial and political support required to sustain the Agency's implementation of its mandate; and (c) enhanced information management systems and efficient logistical support for direct service delivery Agency-wide.

107. These focus areas build on UNRWA strengths and take into account the midterm evaluation of the Agency's 2010-2015 medium-term strategy. They assume sufficient funds to continue the roll-out of Agency-wide reforms on health and education and, in particular, the implementation of the enterprise resource planning system. This system will upgrade the Agency's information management in the support service areas of procurement, logistics, finance, human resources and grant management. The enterprise resourcing planning system will provide UNRWA with

the infrastructure needed to enable an Agency-wide approach to information distribution to support improved and decentralized decision-making and evaluation, while ensuring overall monitoring and oversight at the headquarters level. It is planned that the system will be rolled out in full by January 2015, assuming all resource needs are met.

## **B. Objectives**

108. The objectives of goal 5 are:

- (a) To provide leadership, strengthen governance and foster partnerships;
- (b) To develop and sustain UNRWA, enabling it to carry out its mandate.

## **C. Constraints and challenges**

109. The continuing financial pressures facing UNRWA affect governance capacity, with implications for the Agency as a whole. Large funding gaps will pose a severe challenge to both support and programme services. For example, the chronic underfunding of relief and social service activities for poverty reduction and shelter rehabilitation challenges the Agency's ability to meet the pressing needs of the Palestine refugee population. This underfunding is compounded by increasing food, commodity and fuel prices in the region, which are expected to further increase. Mobilizing sufficient resources to sustain programme coverage and reforms is a priority. This will be done through the UNRWA Resource Mobilization Strategy for 2012-2015, which focuses on deepening partnerships with traditional donors, diversifying the UNRWA donor base and building Agency capacity to mobilize resources and manage donor relations.

110. In the light of ongoing reforms and political developments in the region, stakeholders' expectations — including donors, hosts and beneficiaries — are high and growing. As UNRWA seeks to meet these expectations, it notes that reforming public services is a complex task that does not yield results quickly. The task is complicated further by conditions of both protracted and armed conflict as well as growing instability in the Agency's areas of operations. The biennium 2012-2013 has, so far, experienced multiple volatile periods of hostilities in Gaza, and the armed conflict in the Syrian Arab Republic has continued to affect Palestine refugees throughout four of UNRWA's five fields of operation. Agency operations in the Syrian Arab Republic are significantly affected, and operations in Jordan and Lebanon have been impacted, while Gaza is anticipating a small caseload of Palestine refugees from the Syrian Arab Republic.

111. Notably, the biennium 2014-2015 will be marked by the development of the second UNRWA medium-term strategy, spanning 2016-2021. In order to meet the needs of Palestine refugees, UNRWA will build a strategy that strengthens the core social services provided by the Agency, while leveraging areas of organizational expertise and identifying key priorities for the strategic period. Maintaining a strong, dynamic and flexible staff body will be instrumental to implementing the next medium-term strategy, and the biennium 2014-2015 will ensure the continued roll-out of the human resource tools needed to enable this.

112. Table 15 sets out the resource requirements by objective for human development goal 5.

## D. Financial resources

Table 15

### Effective and efficient governance and support in UNRWA

#### Resource requirements by objective

(Cash and in kind, thousands of United States dollars)

	<i>2014 estimate</i>	<i>2015 estimate</i>
Provide leadership, strengthen governance and foster partnerships	26 860	26 962
Develop and sustain UNRWA, enabling it to carry out its mandate <sup>a</sup>	94 260	85 575
<b>Total regular budget</b>	<b>121 120</b>	<b>112 537</b>
<b>Project budget</b>	<b>5 154</b>	<b>3 970</b>
<b>Grand total</b>	<b>126 274</b>	<b>116 507</b>

<sup>a</sup> Excludes Microfinance Department budget self-sustained through interest income on loan distributions. The total budget of the Department for the biennium 2014-2015 is \$30.0 million, of which \$29.8 million (\$14.4 million for 2014 and \$15.4 million for 2015) relate to this goal.

## Chapter VII

### Recommendations of the United Nations Board of Auditors: status of implementation

113. Table 16 illustrates the current status of 36 recommendations made by the United Nations Board of Auditors in its report for the biennium ended 31 December 2011 (see [A/67/5/Add.3](#), chap. II, sect. B). As at 31 July 2013, 25 recommendations had been implemented, 10 were under implementation and one had been overtaken by events.

114. The management of UNRWA is committed to implementing the recommendations, some of which require additional funding, span bienniums or require strategic intervention. Most of the recommendations indicated as being under implementation are planned for the third and fourth quarters of 2013.

Table 16

#### Status of implementation of the recommendations of the Board of Auditors for the biennium ended 31 December 2011

<i>Department</i>	<i>Number of recommendations</i>	<i>Implementation status</i>			
		<i>Implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	<i>Overtaken by events</i>
External Relations and Communications Department	5	3	2	—	—
Finance Department	5	5	—	—	—
Department of Administrative Support	12	6	6	—	—
Programme Coordination and Support	2	1	1	—	—
Department of Human Resources	6	5	—	—	1
Department of Internal Oversight Services	4	4	—	—	—
Executive Management	2	1	1	—	—
<b>Total</b>	<b>36</b>	<b>25</b>	<b>10</b>	<b>—</b>	<b>1</b>

