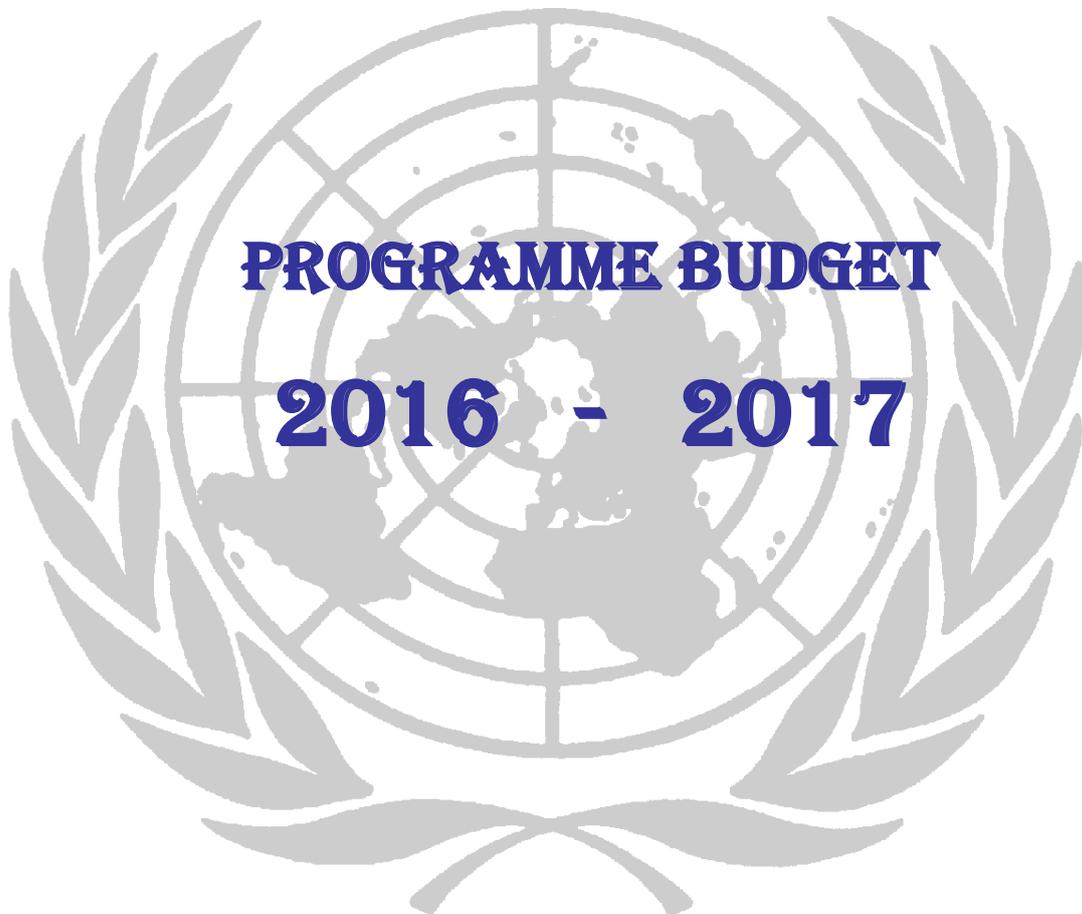




**UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST**



August 2015

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Acronyms

A	
ACABQ	Advisory Committee on Administrative and Budgetary Questions
C	
CAPEX	Capital Expenditure
CIP	Camp Improvement Plan
CRPD	Convention on the Rights of Persons with Disabilities
E	
EMIS	Education Management Information System
EVR	Early Voluntary Retirement
F	
FHT	Family Health Team
G	
GBV	Gender-Based Violence
GF	General Fund
GIZ	Gesellschaft für Internationale Zusammenarbeit
H	
HDG	Human Development Goal
HQ	Headquarters
HRCRT	Human Rights Conflict Resolution & Tolerance
I	
ICRC	International Committee of the Red Cross
ICT	Information, Communication and Technologies
ILO	International Labour Organisation
IPSAS	International Public Sector Accounting Standards
J	
JCP	Job Creation Programmes
M	
MCSP	Microcredit Community Support Programme
MD	Microfinance Department
MLA	Monitoring Learning Achievements
MNRs	Married to Non Refugees
MTS	Medium Term Strategy
N	
NBC	Nahr El-Bared Camp
NCD	Non-Communicable Disease
NGOs	Non-Governmental Organisations
NRC	Norwegian Refugee Council
O	
OFID	OPEC Fund for International Development
OHCHR	Office of the High Commissioner for Human Rights
oPt	occupied Palestinian territory
P	
PA	Palestinian Authority
PRS	Palestine Refugee from Syria
PSC	Programme Support Costs
R	
RB	Regular Budget
RMS	Resource Mobilisation Strategy
RSS	Relief and Social Services
S	
SAR	Syrian Arab Republic
SEN	Special Education Needs
SHC	Special Hardship Cases

SDG	Sustainable Development Goal
SMS	Social Safety Net Programme
SSNP	Social Safety Net Programme
T	
TVET	Technical & Vocational Education & Training
U	
UN	United Nations
UNBOA	United Nations Board of Auditors
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children's Emergency Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSAS	United Nations System Accounting Standards
USD	United States Dollars
V	
VTC	Vocational Training Centre
W	
WFP	World Food Programme
WHO	World Health Organisation
X	
XB	Extra Budgetary

INTRODUCTION TO 2016-2017 BIENNIUM BUDGET

- 1.1 The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established within the United Nations (UN) system as a subsidiary organ of the General Assembly by the Assembly in its resolution 302 (IV) of 08 December 1949 and became operational on 01 May 1950. 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 2016-2017 in accordance with triennial mandate that it receives from the Assembly.
- 1.2 In August 2015, the Commissioner-General submitted the Secretary-General a Special Report on the current financial crisis setting out the dramatic dimensions of the funding shortfall, the efforts undertaken to secure funding and the measures taken to maintain critical Agency services. The special report proposed that a process be established, based on consultations with appropriate stakeholders, to continue exploring actively measures that result in a decisive change towards more sustainable funding of UNRWA's operations with a view to enabling the Agency to continue to provide adequate levels of assistance and protection to Palestine refugees in accordance with its mandate. In the context of the biennium budget and the Agency's Medium Term Strategy for the period 2016 – 2021, it is essential that this budget be adequately and predictably funded.
- 1.3 The mission of UNRWA is to help Palestine refugees achieve their full potential in human development under the difficult circumstances in which they live, consistent with internationally agreed goals and standards. The Agency fulfills

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 (SAR). UNRWA's mandate 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; relief and social services (RSS); microfinance and emergency assistance to Palestine refugees; infrastructure and camp improvement within Palestine refugee camps; and protection.

1.4 UNRWA is well-regarded as a pioneer in public service delivery in both stable and fragile contexts. In 2014, the Agency succeeded in educating more than 490,000 children. UNRWA provides access to primary health care services to families comprising 3.68 million individuals, which translates into well over 9.5 million consultations annually, and contributes towards Palestine refugees experiencing health outcomes in line with host countries in areas such as infant and maternal mortality. In 2014, the Agency provided social safety net assistance to 294,000 persons, and made a positive impact on the lives of 730,000 people through inclusive and participatory infrastructure and camp improvement interventions. UNRWA's Microfinance Programme has developed into one of the stronger institutions of its type in the region, delivering over 225,000 loans from 1991 to 2010 valued at almost USD257.0 million and was internationally recognised in 2011 for excellence in social performance reporting. UNRWA, further, has a well-established record of responding rapidly and effectively to emergencies, including in promoting protection, for example during the following the hostilities in the Gaza Strip in the summer of 2014 (and previous instances), in the ongoing Syrian conflict, the two intifadas in the occupied Palestinian territory (oPt) and the Lebanese civil war, to name just a few.

1.5 In 2014, UNRWA provided direct services through a workforce of 30,000 staff members primarily Palestine refugees themselves. This workforce includes 22,000 education staff, 3,300 health staff, 1,100 sanitation labourers, and 300 social workers working in some 1,135 premises (including schools, health centres,

technical and vocational training centres (VTCs) across its five fields of operations.

CONTEXT

- 1.6 The Middle East is experiencing significant political, social and economic changes. Instability and, in some cases, active conflict are expected to characterise the macro-environment for the biennium. Recent events in all fields of UNRWA's operations indicate that the coming biennium could herald even more complexity and uncertainty.
- 1.7 While a peaceful, comprehensive and durable solution to the Israeli-Palestinian conflict that includes a final resolution to the plight of Palestine refugees is unlikely during the biennium, the UN will remain engaged actively with all relevant actors in an effort to sustain the peace process.

PLANNING ASSUMPTIONS

- 1.8 It is assumed that the factors that are driving the increased needs of refugees (both in terms of depth and breadth) will continue throughout 2016 - 2017.
- 1.9 The West Bank and the Gaza Strip are expected to remain under Israeli occupation. It is expected that the State of Palestine will continue efforts to establish itself as a fully functioning and self-reliant State, however, it is likely that many Palestine refugees will remain reliant on UNRWA services.
- 1.10 The first year of the biennium could potentially be the ninth year that the Gaza Strip experiences an illegal blockade leading to electricity, fuel, food and health crises. Unless a political solution to the conflict is found in the near future, the prospect remains that this blockade will continue in some form into the biennium period. Due to the many years of blockade, isolation and repeated intense conflicts, the Gaza Strip will likely continue to be one of the weakest economies in the world. Barring significant changes in the blockade (lifting in full, or a major easing), it is likely that the access regime will remain challenging, with restrictions on the movement of people and goods. Access to land and fishing areas is also likely to remain severely limited in addition to renewed restrictions

on imports. As the blockade continues to restrict Gaza's capacity to create jobs, the majority of the population will be pushed further into poverty and aid dependency. The relatively short yet intense conflicts and incursions that have characterised recent years may continue with violence and armed conflict resulting in death and injury. The intensity, duration, severity and impact on the population of the hostilities in the summer of 2014 in the Gaza Strip, which outstripped the Agency's worst case scenarios many times over, underlines the continued volatility and unpredictability to which the Gaza Strip is subjected and the gulf between the parties that stands in the way of a political solution. The longer-term consequences of these events are still unfolding. In addition, environmental and resource concerns, including the acute water shortage will pose an increasing existential threat to Gaza as a liveable place.

- 1.11 In the West Bank, protection challenges as a result of the occupation, including conflict-related violence, detentions including those of children, military incursions into refugee camps, restrictions on movements and access to productive resources, forced displacement demolitions of Palestinian-owned structures, and settler violence are expected to continue to affect the daily life of all Palestinians, including refugees. At the same time, the economy is expected to remain stagnant, contributing to high rates of unemployment, poverty and food insecurity. Taken collectively, these challenges will not only undermine the ability of Palestinians, including refugees, to live in dignity, leaving them vulnerable to a loss of assets and livelihoods, but also represent significant constraints to the Palestinian Authority (PA) in providing a full scope of services to Palestinians.
- 1.12 The armed conflict in Syria continues to worsen, with devastating consequences for all civilians. All twelve Palestine refugee camps have been directly affected, including by looting, indirect fire and shelling. Tens of thousands of Palestinian homes have been destroyed. Damage to the economic environment and essential infrastructure has increased dependence on UNRWA and threatens to further reverse human development. Violence and widespread insecurity are expected to

continue in Syria during the biennium. Conflict-lines have shown to be dynamic and it is expected that some areas in which Palestine refugees reside will remain insecure or unstable and that access will be restricted or interrupted at different times and at different places. Palestinians from Syria have voiced a deep sense of insecurity about their future in Syria and the wider region. Even in the unlikely event of a halt to all violence, the widespread damage to homes, as well as health and education infrastructure will require a considerable reconstruction effort and the challenges of economic recovery will be immense.

- 1.13 Lebanon's stability, including its security and economy are likely to continue to be negatively affected by the on-going conflict in Syria and the more than one million Syrian refugees it is hosting. Despite some significant challenges, it is not expected that there will be internal strife, although the security situation will remain tense and sporadic violence is possible. It is assumed that stresses generated by a large refugee population, coupled with limited national resources and a challenged economy, will further negatively affect Lebanon's policy towards all refugees from Syria, in particular Palestine refugees, preventing them from entering and increasing the risk that they will be returned by force.
- 1.14 It is assumed for planning purposes that the Government will continue to restrict the admission of Palestine refugees fleeing the conflict in Syria and, as a result, Palestine Refugee from Syria (PRS) in Jordan will continue to face vulnerabilities associated with lack of legal status and threats of deportation. Jordan will, nevertheless, continue to host millions of refugees, whether they are Palestine refugees or from Syria and Iraq. This trend generates growing challenges for the stability of the country, in particular on its economy and limited natural resources, most notably water. Heightened external security threats are expected to continue to pose a risk of internal conflict. Notwithstanding the aforementioned, in recent years Jordan has experienced strong and stable levels of peace and security above all other UNRWA Fields of operations.
- 1.15 In addition to the crises and emergencies already being experienced by Palestine refugees, instability may lead to further volatility across some areas of UNRWA

operations during the biennium period. In this regard, it is assumed that the macro-environment will be characterised by a continuation of the current cycle of complex emergencies. With a growth in the number of refugees living in poverty, and the absence of a solution to the refugee question, demand for UNRWA's emergency assistance will persist, combined with a rising demand for core services.

- 1.16 Palestine refugees are facing a human development and protection crisis. Levels of food insecurity and poverty are high and increasing. Rates of youth unemployment, especially affecting female youth, are alarming. Despite Palestine refugees having strong human capital as a result of the education and health structures provided by UNRWA and host authorities, the majority of refugees do not have access to the full range of assets required for sustainable livelihoods, including those required to develop coping strategies and build resilience. Poverty rates and unemployment are particularly acute in a number of Palestine refugee camps and gatherings.
- 1.17 Refugees are facing an increasing number of protection threats from armed conflicts and violence in Syria, the West Bank and the Gaza Strip. The vulnerability of different groups, including women, children and persons with disabilities, to violence and abuse is also increasing. Prolonged political, social and economic instability combined with repeated and widespread violations of human rights will have significant adverse effects upon the human development and wellbeing of Palestine refugees, including mental health.
- 1.18 The factors behind the human development and protection crisis faced by refugees are beyond the control of UNRWA. It is vital that the underlying causes are addressed by the UN Member States, including the parties to the different conflicts. The consequences of inaction are unacceptable. Unemployment will grow; there will be higher health and social welfare costs, higher insecurity and lower economic growth. An impoverished, embittered and isolated population will turn increasingly to risky and dangerous behaviours, with implications for host communities and countries in the region.

- 1.19 UNRWA will remain the lead international actor in reducing the impact of the above threats, and will remain committed to providing support to all Palestine refugees who register for its services. UNRWA will focus on building the capacity of Palestine refugees and doing everything possible to create an enabling environment for them to exercise those capacities. Doing so will create greater resilience and help mitigate against the local and regional impact of the challenges facing refugees.
- 1.20 It is incumbent on UN member states to provide full support, financially and otherwise, to UNRWA in the fulfillment of its mandate and in achieving the objectives set out in this document. Failure to do so will not only impact UNRWA's ability to fully implement the mandate given by the General Assembly and to provide protection and assistance to Palestine refugees, but also has the potential to increase the burden on the already strained public services of host authorities.
- 1.21 Financially, many of the longer-term operations that UNRWA implements are funded from UNRWA's "General Fund" (GF) which is funded by voluntary contributions. Income to GF in recent years has grown at marginally more than two per cent every year. This rate of growth has not kept pace with the growth in the Agency's operating costs of around six percent.
- 1.22 As UNRWA's direct services are critical for the well-being of Palestine refugees throughout the region, if UNRWA's financial situation does not improve, the impact on its beneficiaries will be immediate and substantial.

BUDGET STRUCTURE

- 1.23 UNRWA reports directly to the General Assembly. Overall advice and support to the Commissioner-General regarding UNRWA programmes and activities are provided by the 28 delegation Advisory Commission (comprising 25 members and three 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 01 January 1975, the expenses for salaries of

- international staff in the service of UNRWA, which would otherwise have been charged to voluntary contributions, should be financed by the regular budget (RB) of the UN for the duration of the Agency's mandate (see further Figure 1).
- 1.24 UNRWA has been operating in pursuit of strategic goals and objectives set out in its Medium Term Strategy (MTS) for the period 2010 – 2015 (MTS 2010 – 2015). These have been reflected in UNRWA's Programme Budgets for 2012 – 2013 and for 2014 – 2015 and in the annual reports of the Commissioner-General to the UN General Assembly.
- 1.25 In early 2013, UNRWA conducted a mid-term evaluation of the MTS 2010 – 2015, the results and recommendations of which were presented to UNRWA's management and to its Advisory Commission. In early 2013, UNRWA commenced the development of its next MTS for the period 2016 – 2021 (MTS 2016 – 2021) informed by the findings of the mid-term evaluation and also guided by the ongoing work to develop post-2015 Sustainable Development Goals (SDG). The MTS 2016 – 2021 remained a work in progress at the time that the Strategic Framework for the 2016 – 2017 biennium was approved by the UN General Assembly.
- 1.26 In November 2014, UNRWA's Advisory Commission endorsed the substance of a new MTS 2016 – 2021. The MTS 2016 – 2021 has similarities to the MTS 2010 – 2015 but also contains some very important improvements including improvements to reflect the SDGs. Poverty and the centrality of human rights are at the core of the MTS. The MTS 2016 - 2021 recognises that poverty is multi-dimensional and that its mitigation/eradication can only be achieved through a coordinated, multi-sectorial response. The SDGs focus on achieving food security, attaining gender equality, achieving peaceful and inclusive societies responding to changing health needs (which include issues on mental health and psychosocial wellbeing), equitable and inclusive quality education, water and sanitation, and reducing inequalities, among other things – all of which are included in the MTS 2016 - 2021.

1.27 Although the MTS 2016 – 2021 results chain contains a number of differences at the Output and activity levels, the overall relationship between the MTS 2010 – 2015 (that which is reflected in the Strategic Framework and in this Programme Budget) and the framework incorporated in UNRWA’s MTS 2016 – 2021 can be described as follows.

Human Development Goals (HDGs) (MTS 2010 – 2015)		Strategic Outcomes (MTS 2016 – 2021)
A long and healthy life	→	Health is protected and the disease burden is reduced
Acquired knowledge and skills	→	School-aged children complete quality, equitable and inclusive basic education
A decent standard of living	→ →	Capabilities strengthened for increased livelihood opportunities Refugees are able to meet their basic human needs of food, shelter and environmental health
Human rights enjoyed to the fullest	→	Rights under international law are protected and promoted

1.28 UNRWA will, at the earliest opportunity, seek to incorporate its updated results chain into the strategic framework for approval by the General Assembly. In the meantime, in presenting this Programme Budget 2016 – 2017, UNRWA has adopted the structure and language reflected in the Secretary-General’s Strategic Framework, as approved by the General Assembly A/69/6/Rev.1.

1.29 In compliance with Regulation 9.2 of the updated Financial Regulations, International Public Sector Accounting Standards (IPSAS compliant), effective 1 January 2012, the Biennium Budget is presented as per 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 2016-17 programme budget also includes one chapter (IX) representing a reconciliation from IPSAS to UNSAS.

The following pages contain the listed summary tables:

Figure 1: An Organisational Chart of UNRWA broken down by Department and Area of Operations showing the number of international and area staff located in each Field / Department.

Table 1-1: A summary of the Programme Budget for 2016–2017 broken down by HDG and other requirements under RB and Project Budget.

Table 1-2: A summary of the Programme Budget for 2016–2017 broken down by Programme and other requirements under RB and Project Budget.

Table 2 and Figure 2: A breakdown of the RB by Field and Headquarters (HQs) with comparative figures for the biennia 2012-2013; 2014-2015 and 2016–2017.

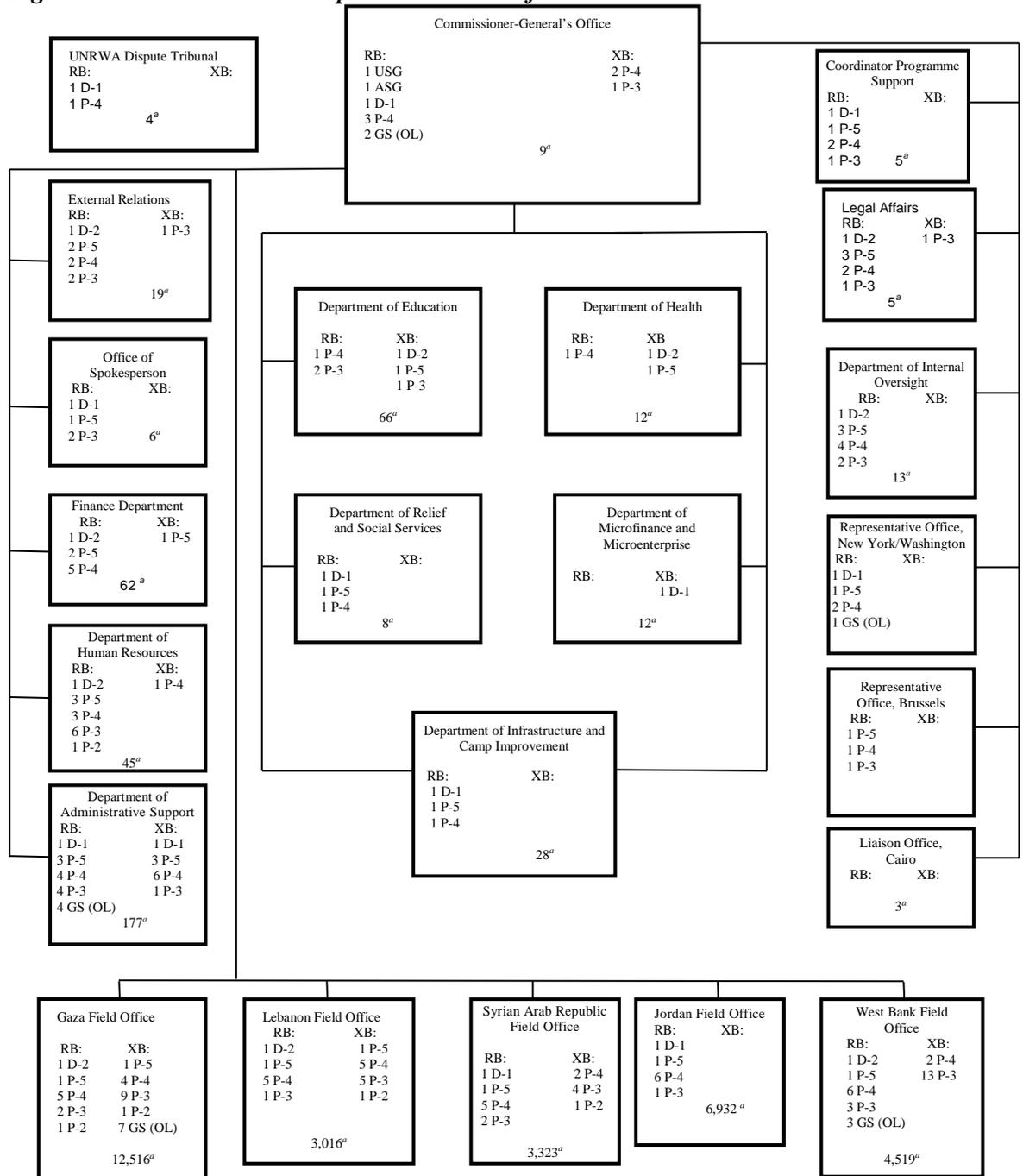
Table 3 and Figure 3: A breakdown of the RB by HDG with comparative figures for the biennia 2012-2013; 2014-2015 and 2016–2017.

Table 4 and Figure 4: A breakdown of the RB by Resources with comparative figures for the biennia 2012-2013; 2014-2015 and 2016–2017.

Table 5 and Figure 5: A breakdown of Project Budget for the biennium 2016 - 2017 by HDG and Field Office / HQs.

FIGURE 1: UNRWA's ORGANISATIONAL CHART BY FIELD AREA / DEPARTMENT

United Nations Relief and Works Agency for Palestine Refugees in the Near East
Organisational structure and post distribution for the biennium 2016-2017.



Note: There are 80 international posts that are funded through extra budgetary resources.
^a Local posts : total local posts are 30,765 posts at the end of 2017.
 Total International posts funded through the RB of the UN are 149 posts.

TABLE 1-1 BIENNIUM BUDGET 2016-2017
Summary of 2016-2017 Agency Wide Total Budget Volume by Human Development Goal
(USD'000s)

Goal	2016 Fiscal Year					2017 Fiscal Year					2016-2017 Biennium				
	Regular Budget			Project Budget	Total	Regular Budget			Project Budget	Total	Regular Budget			Project Budget	Total
	Cash ¹	In Kind	Total			Cash ¹	In Kind	Total			Cash ¹	In Kind	Total		
A Long and Healthy Life	128,174	3,884	132,058	49,617	181,675	130,459	3,892	134,351	39,236	173,587	258,633	7,777	266,410	88,853	355,263
Acquired Knowledge and Skills	349,483	739	350,222	71,093	421,315	362,317	759	363,076	9,271	372,347	711,800	1,498	713,298	80,364	793,662
A Decent Standard of Living ²	78,513	1,008	79,521	564,390	643,911	78,976	1,030	80,006	130,480	210,486	157,489	2,038	159,527	694,870	854,397
Human Rights Enjoyed to the Fullest	7,841	5	7,846	7,000	14,846	8,004	5	8,009	7,000	15,009	15,845	10	15,855	14,000	29,855
Effective and efficient governance and support in UNRWA	147,085	1,349	148,434	3,248	151,682	148,950	1,356	150,306	3,282	153,588	296,035	2,704	298,739	6,530	305,269
Total Goal Requirements	711,096	6,985	718,081	695,348	1,413,429	728,706	7,042	735,748	189,269	925,017	1,439,802	14,027	1,453,829	884,617	2,338,446
Contingency Reserve	9,461		9,461		9,461	6,652		6,652		6,652	16,113	-	16,113	-	16,113
Severance / EVR	29,157		29,157		29,157	32,424		32,424		32,424	61,581	-	61,581	-	61,581
VAT Reserve ³	1,000		1,000		1,000	-		-		-	1,000	-	1,000	-	1,000
Total Other Requirements	39,618	-	39,618	-	39,618	39,076	-	39,076	-	39,076	78,694	-	78,694	-	78,694
Total Resource Requirements	750,714	6,985	757,699	695,348	1,453,047	767,782	7,042	774,824	189,269	964,093	1,518,496	14,027	1,532,523	884,617	2,417,140

¹ Excludes the cost of one international post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

² Includes Social Safety Net Programme (SSNP) food reserve of USD26.0m for 2016 per annum.

³ Reflects the forecasted VAT un-settled by the PA in the biennium 2016-2017.

TABLE 1-2 BIENNIUM BUDGET 2016-2017
Summary of 2016-2017 Agency Wide Total Budget Volume by Programme
(USD'000s)

Programme	2016 Fiscal Year					2017 Fiscal Year					2016-2017 Biennium				
	Regular Budget			Project Budget	Total	Regular Budget			Project Budget	Total	Regular Budget			Project Budget	Total
	Cash ¹	In Kind	Total			Cash ¹	In Kind	Total			Cash ¹	In Kind	Total		
Education Programme	383,713	2,057	385,770	75,454	461,224	397,056	2,096	399,152	13,572	412,724	780,768	4,155	784,923	89,025	873,948
Health Programme	117,288	4,447	121,735	28,084	149,819	119,380	4,457	123,837	18,862	142,699	236,667	8,904	245,571	46,946	292,517
Relief & Social Services Programme ²	62,972	225	63,197	6,500	69,697	63,193	228	63,421	6,500	69,921	126,165	452	126,617	13,000	139,617
Infrastructure and Camp Improvement Prog	31,232	4	31,236	573,970	605,206	31,879	4	31,883	138,926	170,809	63,111	8	63,119	712,896	776,015
Executive Direction	20,682	222	20,904	11,340	32,244	20,689	227	20,916	11,409	32,325	41,371	449	41,820	22,750	64,570
Support Departments	95,209	30	95,239	-	95,239	96,509	30	96,539	-	96,539	191,719	60	191,779	-	191,779
Total Programme Requirements	711,096	6,985	718,081	695,348	1,413,429	728,706	7,042	735,748	189,269	925,017	1,439,802	14,027	1,453,829	884,617	2,338,446
Contingency Reserve	9,461		9,461		9,461	6,652		6,652		6,652	16,113	-	16,113	-	16,113
Severance / EVR	29,157		29,157		29,157	32,424		32,424		32,424	61,581	-	61,581	-	61,581
VAT Reserve ³	1,000		1,000		1,000	-		-		-	1,000	-	1,000	-	1,000
Total Other Requirements	39,618	-	39,618	-	39,618	39,076	-	39,076	-	39,076	78,694	-	78,694	-	78,694
Total Resource Requirements	750,714	6,985	757,699	695,348	1,453,047	767,782	7,042	774,824	189,269	964,093	1,518,496	14,027	1,532,523	884,617	2,417,140

¹ Excludes the cost of one international post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

² Includes SSNP Food Reserve of USD26.0m per annum.

³ Reflects the forecasted VAT un-settled by the PA in the biennium 2016-2017.

TABLE 2: REGULAR BUDGET REQUIREMENTS BY FIELD AND HQs
(Cash and In-kind, USD'000s)

Field/HQ	2012 Expenditure	2013 Expenditure	2014 Expenditure	2015 Budget	2016 ¹ Estimate	2017 ¹ Estimate
Gaza Strip	224,135	231,897	206,250	224,707	235,943	248,237
Lebanon	77,228	86,718	87,265	92,380	91,065	92,510
Syrian Arab Republic	47,626	35,067	27,889	60,297	61,019	61,651
Jordan	120,490	131,465	128,891	148,609	142,557	143,888
West Bank	99,662	100,671	114,884	104,125	111,383	113,106
Headquarters						
Education Programme	2,315	2,404	2,532	2,915	3,025	3,052
Health Programme	1,009	1,057	1,011	1,296	1,233	1,232
Relief and Social Services Prog.	1,062	1,000	1,250	10,582 ²	27,485 ²	27,452 ²
Infrastructure and Camp Improvement Prog.	1,560	1,564	1,547	1,887	1,672	1,693
Executive Direction					11,285	11,285
Support Departments	46,173	45,046	46,722	38,128	31,414	31,642
Sub-total	621,260	636,889	618,241	684,926	718,081	735,748
Contingency Reserve ³				14,000	9,461	6,652
Salary Reserve ³				15,000	-	-
Severance / EVR				-	29,157	32,424
VAT Reserve ³				15,000	1,000	-
Budget Risk Reserve ³				14,834	-	-
Sub-total	-	-	-	58,834	39,618	39,076
Total Resources Requirements	621,260	636,889	618,241	743,760	757,699	774,824

¹ Excludes the cost of one international post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

² Includes SSSNP Food Reserve of USD9.0m, USD26.0m and USD26.0m for the years 2015, 2016 and 2017 respectively.

³ Comparative figures for 2012-2014 are integrated into the respective Field and HQ Department / Programme expenditure.

FIGURE 2: Regular Budget by Field and HQs
(Cash and In-kind, USD'000s)

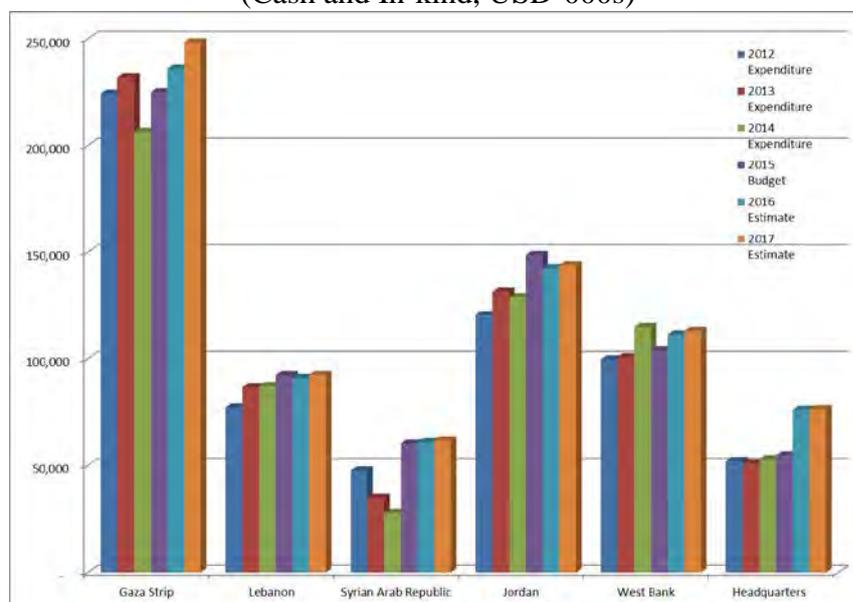


TABLE 3: REGULAR BUDGET REQUIREMENTS BY HUMAN DEVELOPMENT GOAL

(Cash and In-kind, USD'000s)

Goal	2012 Expenditure	2013 Expenditure	2014 Expenditure	2015 Budget	2016 ¹ Estimate	2017 ¹ Estimate
A Long and Healthy Life	115,804	104,862	93,910	133,926	132,058	134,351
Acquired Knowledge and Skills	342,106	352,750	333,867	358,578	350,222	363,076
A Decent Standard of Living	55,732	47,626	44,423	75,939 ²	79,521 ²	80,006 ²
Human Rights Enjoyed to the Fullest	3,680	3,558	3,585	3,947	7,846 ⁴	8,009
Effective and efficient governance and support in UNRWA	103,938	128,093	142,455	112,536	148,434	150,306
Sub-total	621,260	636,889	618,240	684,926	718,081	735,748
Contingency Reserve ³				14,000	9,461	6,652
Salary Reserve ³				15,000	-	-
Contingency Reserve				-	29,157	32,424
VAT Reserve ³				15,000	1,000	-
Budget Risk Reserve ³				14,834	-	-
Sub-total	-	-	-	58,834	39,618	39,076
Total Resources Requirements	621,260	636,889	618,240	743,760	757,699	774,824

¹ Excludes the cost of one international post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

² Includes SSNP Food Reserve of USD9.0m, USD26.0m and USD26.0m for the years 2015, 2016 and 2017 respectively.

³ Comparative figures for 2012-2014 are integrated into the respective HDG expenditure.

⁴ Major increase between year 2015 and 2016 is due to adopting a new USF for 2016-2017. Several sub-sub-programs are now allocated to goal number four and used to be allocated to goal number three and five.

FIGURE 3: Regular Budget by HDG
(Cash and In-kind, USD'000s)

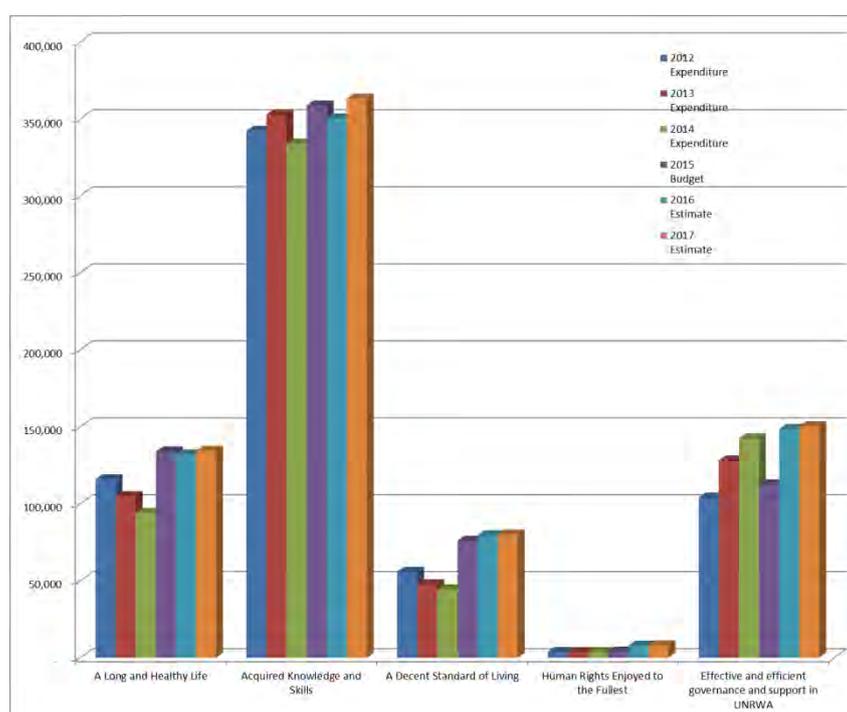


TABLE 4: REGULAR BUDGET REQUIREMENTS BY RESOURCES

(Cash and In-kind, USD'000s)

Resources	2012 Expenditure	2013 Expenditure	2014 Expenditure	2015 Budget	2016 ¹ Estimate	2017 ¹ Estimate
Staff Costs						
International Staff	26,635	29,724	29,421	29,938	32,028	32,028
Basic Salaries	327,816	326,296	314,024	369,717	397,078	411,499
Hazard Pay and Special Elements	727	14	1,847	-	-	-
Provident Fund Agency Contributions	48,544	49,745	48,532	55,363	58,856	60,850
SPOA, SOA and Others	9,447	9,729	10,231	10,946	12,492	12,749
Overtime and Excess hours supplement	554	564	790	673	998	1,004
CAF	19,767	32,830	37,993	12,459	-	-
Special Allowances	18,088	18,038	18,073	19,627	18,416	18,616
Health Related Expenses	5,929	8,355	8,456	8,172	9,197	9,259
Miscellaneous Allowances	313	223	79	302	176	176
Severance Cash Payment Out	28,667	25,072	4,025	16,103	1,103	1,103
LDC Cost	7,239	8,244	9,238	7,765	8,898	8,744
Temporary Staff	1,874	1,923	2,720	3,088	2,393	2,563
Sub-total	495,600	510,757	485,429	534,153	541,635	558,591
Non Staff Costs						
Consumption of Inventories	33,756	28,676	35,826	44,542	37,991	38,497
Non inventory Supplies	18,019	18,118	15,045	13,954	19,741	19,364
Utilities	4,030	4,872	5,610	6,921	6,412	6,559
Maintenance of Premises	9,644	9,883	9,739	7,939	10,014	10,167
Equipment and Construction	16,082	17,675	19,529	13,681	12,799	12,844
Training	1,150	990	1,007	1,580	1,467	1,507
Travel	2,011	1,551	1,778	1,992	2,305	2,268
Admin Support Services	4,807	4,401	5,197	5,528	6,280	6,232
Consultancy Services	2,496	1,985	3,422	2,140	2,550	2,543
Hospital Services	10,792	15,947	15,812	18,016	19,857	19,987
Miscellaneous Services	9,594	9,273	8,744	12,203	14,115	14,250
Subsidies to Hardship Cases	13,710	11,366	8,604	7,501	9,327	9,328
Subsidies to Patients	2,804	3,296	4,391	5,247	9,434	9,458
Third Parties Subsidies	-	749	680	156	71	71
Other Subsidies	707	255	344	282	362	362
Reserves	-	-	-	9,749 ²	26,125 ²	26,125 ²
Cost Recovery	(3,941)	(2,905)	(2,917)	(658)	(2,404)	(2,405)
Depreciation ²	-	-	-	-	-	-
Sub-total	125,661	126,132	132,811	150,773	176,446	177,157
Total Staff and Non-Staff Cost	621,261	636,889	618,240	684,926	718,081	735,748
Contingency Reserve ³				14,000	9,461	6,652
Salary Reserve ³				15,000	-	-
Severance / EVR				-	29,157	32,424
VAT Reserve ³				15,000	1,000	-
Budget Risk Reserve ³				14,834	-	-
Sub-total	-	-	-	58,834	39,618	39,076
Total Resources Requirements	621,260	675,292	731,566	743,760	757,699	774,824

¹ Excludes the cost of one international post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

² Includes SSNP Food Reserve of USD9.0m, USD26.0m and USD26.0m for the years 2015, 2016 and 2017 respectively

³ Comparative figures for 2012-2014 are integrated into the respective Resource of expenditure

Figure 4: Regular Budget by Resources
(Cash and In-Kind, USD'000's)

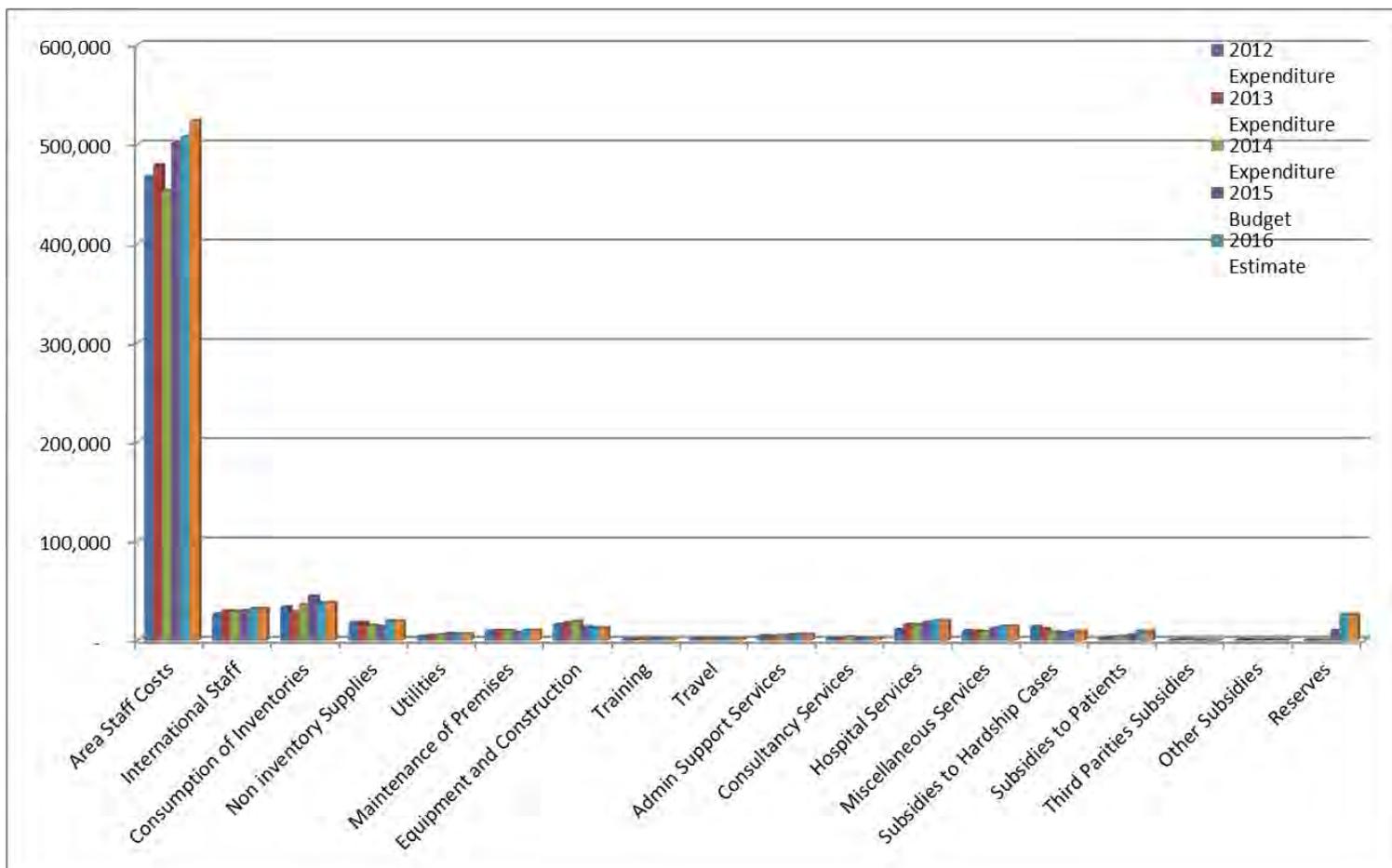
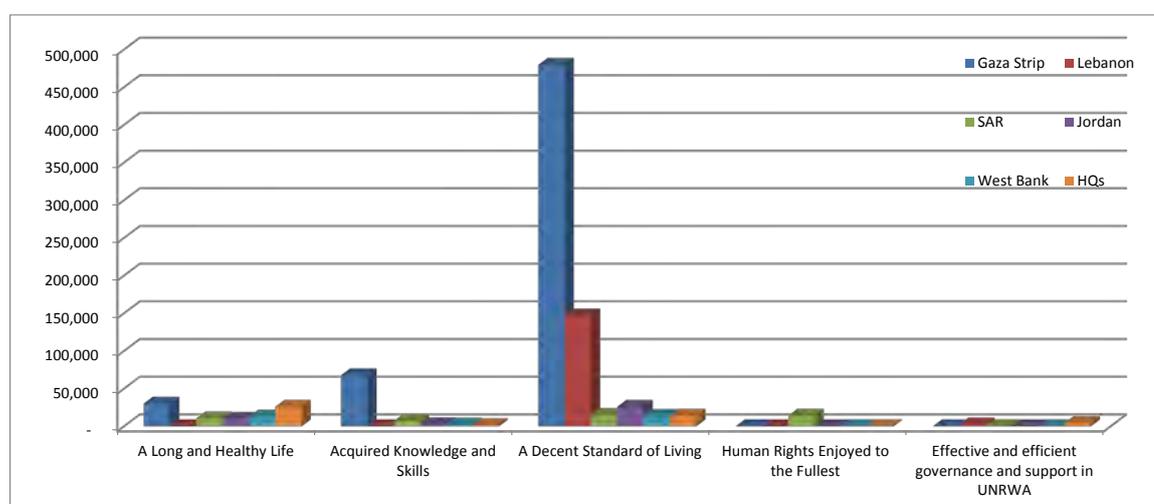


TABLE 5: Project Budget by Goal and Field Office / HQs
for the biennium 2016-2017
(USD'000s)

Goal	Gaza Strip ¹	Lebanon ²	SAR	Jordan	West Bank	HQs	Total
A Long and Healthy Life	30,000	-	10,400	9,850	12,767	25,836	88,853
Acquired Knowledge and Skills	67,597	-	6,600	2,660	2,256	1,251	80,364
A Decent Standard of Living	479,600	147,027	15,000	25,800	13,582	13,861	694,870
Human Rights Enjoyed to the Fullest	-	-	14,000	-	-	-	14,000
Effective and efficient governance and support in UNRWA	-	2,250	-	-	-	4,280	6,530
Grand Total	577,197	149,277	46,000	38,310	28,605	45,228	884,617

Figure 5: Project Budget by Goal and Field Office / HQs
for the biennium 2016 - 2017
(USD'000s)



¹ The Gaza Strip project budget includes USD577.2 million towards Gaza Reconstruction.

² The LFO project budget includes USD138.7 million for Nahr El-Bared Camp (NBC).

Human Resources

- 1.30 In order to deliver its core programmes and projects, the Agency employs International and Area Staff.
- 1.31 In compliance with Resolution 3331B(XXIX) of 17 December 1974, during the 2014–2015 biennium, 150 international staff posts were funded from the RB of the UN.
- 1.32 In line with the General Assembly resolution 69/264, the UN Controller has requested UNRWA to make proposals for savings in the UN programme budget for the 2014-2015 biennium. In response UNRWA proposes a reduction one (P-3) Security Officer post. As of July 2015, UNRWA was engaged in on-going discussions with the General Assembly’s Advisory Committee on Administrative and Budgetary Questions (ACABQ) on this proposal.
- 1.33 Apart from the above, eighty international staff posts are funded from sources other than the UN RB with Seventy six posts funded by projects; two posts funded by United Nations Educational, Scientific and Cultural Organisation (UNESCO) and two posts funded by the World Health Organisation (WHO).

TABLE 6: International Staffing Requirements 2016-2017

Post Grade	UN Regular Budget*	Other Sources
A) Professional & Above		
USG	1	-
ASG	1	-
D2	8	2
D1	10	2
P5	27	8
P4/P3	90	58
P2/P1	2	3
Sub-total (A)	139	73
B) General Services		
	10	7
Sub-total (B)	10	7
Total (A+B)	149	80

* Excludes one post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

- 1.34 Programmes are otherwise delivered primarily through 29,507 local (“Area”) staff as of end of April 2015, the number of which will need to increase up to the approved workforce ceiling of 30,765 by the end of 2017 if the Agency is to realise the achievements set out in this Budget (see Table 7 below). The factors contributing to this are the rising number of served refugees.

TABLE 7: Estimated Number of Area Staff as at 31 December 2017
By HDG

Goal	Gaza	Lebanon	SAR	Jordan	W/Bank	HQs	Total
A Long and Healthy Life	1,333	608	497	1,018	970	20	4,446
Acquired Knowledge and Skills	10,006	1,802	2,357	5,147	2,604	64	21,980
A Decent Standard of Living	524	239	142	350	342	22	1,619
Human Rights Enjoyed to the Fullest	47	16	61	41	37	4	206
Effective and efficient governance and support in UNRWA	606	351	266	376	566	349	2,514
Grand Total	12,516	3,016	3,323	6,932	4,519	459	30,765

FINANCIAL SITUATION

- 1.35 With the exception of international staff posts funded by the UN RB through assessed contributions and posts provided by other UN agencies, UNRWA's ongoing operations, projects and emergency appeals are funded by voluntary contributions.
- 1.36 Table 8 below shows the funding status of UNRWA's budget for 2015.
- 1.37 The financial results for the fiscal year 2015 illustrate the funding shortfalls experienced by the Agency in its efforts to implement its mandate. The funding gap (deficit), as of July 2015, for the RB (UNRWA General Fund) amounted to –USD101.2 million, the projects budget experienced a shortfall of –USD191.5 million whereas the 2015 Emergency Appeal was under-funded by –USD995.6 million.

TABLE 8: Funding Status of the Agency - 2015
(USD millions)

	Regular Budget	Projects	Emergency Appeal
Contributions and Income	534.2	46.9 ¹	554.1 ¹
Budget	635.4	238.4	1,549.7 ²
Funding Gap	(101.2)	(191.5)	(995.6)

¹ Represents confirmed pledges as of July 2015 (received and non-received cash).

² Represents the appealed amount in the 2015 for oPt emergency appeal of USD414.4 million, SRCR of USD415.3 million, and Gaza Recovery and Reconstruction of USD720.0 million.

1.38 Current projections of income and expenditure, shown in Table 9 below, indicate a funding gap for the Regular Cash Budget of –USD200.6 million and –USD222.2 million, in 2016 and 2017 respectively. This shortfall is resulting from lower income (based on indicative estimates from donors and estimated interest income) of USD550.1 million and USD545.6 million, when compared to budgeted expenditures of USD750.7 million and USD767.8 million, in 2016 and 2017 respectively. Without additional contributions, the Agency will not be in a position to fully implement its budgeted activities.

TABLE 9: Expected Funding Status of Agency - Regular Budget 2016-2017
(USD millions)

	2016	2017
Projected Income	550.1	545.6
Budget	(750.7)	(767.8)
Funding Gap	(200.6)	(222.2)

1.39 Income projections, by donor for 2016 and 2017 appear in Table 10 below:

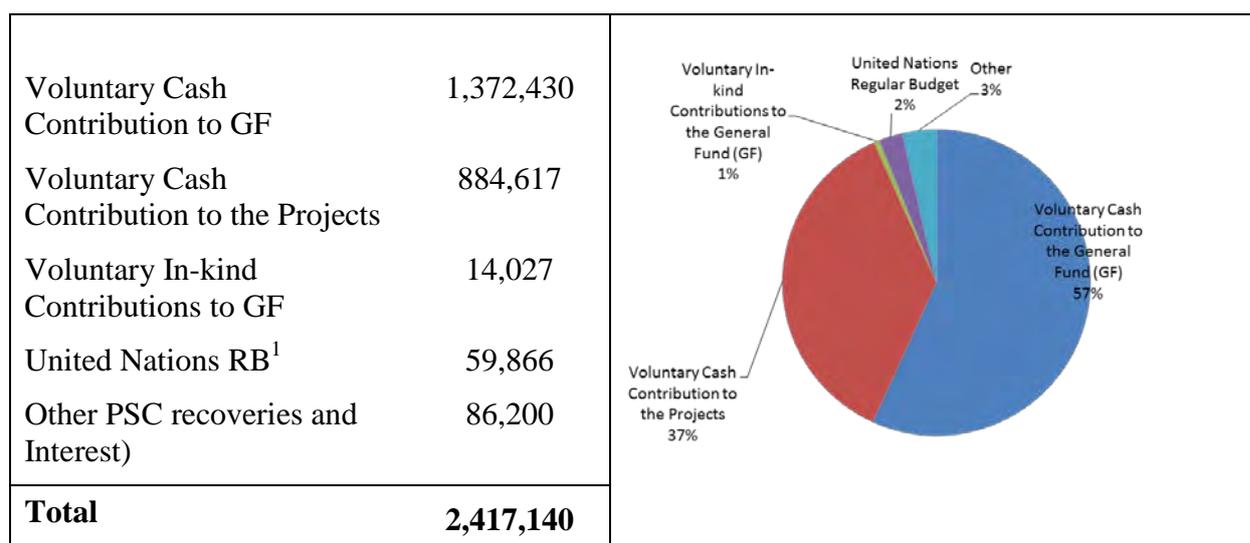
TABLE 10: Income Projections for GF – 2015 - 2017
(USD'000s)

Donor	Income forecast 2015¹	Income forecast 2016	Income forecast 2017
USA	130,000	130,000	130,000
EU	89,325	89,000	89,000
UK	45,090	45,000	45,000
Sweden	35,859	36,000	36,000
Japan	24,822	25,000	25,000
Norway	19,352	19,000	19,000
Switzerland	17,532	18,000	18,000
Netherlands	14,739	15,000	15,000
Australia	14,493	15,000	15,000
Denmark	14,064	14,000	14,000
Germany	9,150	9,000	9,000
France	8,026	8,000	8,000
Belgium (including Flanders)	6,991	7,000	7,000
Italy	6,536	7,000	7,000
Luxembourg	5,229	5,000	5,000
Finland	4,772	5,000	5,000
Ireland	4,242	4,000	4,000
Spain (including Regions)	2,085	2,000	2,000
Kuwait	2,000	2,000	2,000
Russia	2,000	2,000	2,000
Saudi Arabia	2,000	2,000	2,000
UAE	1,800	1,800	1,800
Austria	1,687	2,000	2,000
Turkey	1,250	1,250	1,250
Other donor income	5,039	5,500	6,000
Additional Donor Income	40,000	5,000	5,000
Sub Total	508,084	474,550	475,050
Interest	600	600	600
Programme Support Costs (PSC)	60,000	45,000	40,000
Recoveries			
International Staff funded through assessed contributions	29,082	29,933	29,933
Grand Total	587,180	550,083	545,583

¹ Expected end of year forecast based on information available by June end 2015.

- 1.40 UNRWA's 2012-2015 Resource Mobilisation Strategy (RMS) included three high-level strategic objectives: deepen partnerships with traditional donors, diversify the donor-base and develop improved cross-Agency capacity to mobilise resources and manage donor relations. On the basis of the 2012-2015 RMS evaluation, the Department of External Relations will prepare a RMS for the period 2016-2019. UNRWA will seek endorsement of the 2016-2019 RMS at the November 2015 meeting of the Advisory Commission.
- 1.41 Traditional donors have remained key supporters of UNRWA, providing 80 to 90 per cent of the Agency's overall funding requirements. Although traditional donors have increased their overall contribution to UNRWA in the past biennia, funding from traditional donors has not keep pace with increased requirements of 6.4 per cent per annum over the last two biennia. In response to chronic funding shortfalls, UNRWA has: depleted its contingency reserves, institutionalised austerity measures and sought to diversity the donor base by systematically reaching out to Arab Partners, Non-Traditional Donors, Emerging Markets and Private Partners.
- 1.42 UNRWA aims to further strengthen communications, both internal and external. 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.
- 1.43 Figure 6 below shows the expected sources of funding of the Agency's total budget volume for 2016 and 2017, including both the regular and projects budget.

FIGURE 6: Budget Funding – 2016-2017
(USD'000s)



1.44 Voluntary contributions will be requested to cover about 94 per cent of total budget volume for 2016-2017, of which 60 per cent are cash contributions to GF, 39 per cent cash receipts to fund projects, and about one per cent constitutes In-kind contributions to GF.

1.45 The funding of 149 international posts (excluding one international that may not be funded by the RB of the UN during the 2016-2017 Biennium), funded from the UN RB, accounts for about 2.5 per cent annually of the total budget volume. The remaining 3.6 per cent of other income is derived from the following sources:

- a) Interest income and miscellaneous income including PSC of USD45.0 million and USD40.0 million in 2016 and 2017 respectively;
- b) Funding of six staff posts (two international and four area staff posts) by UNESCO and four posts (two international and two area staff posts) by WHO as part of their technical assistance to the Education and Health Programmes, respectively.

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

1.47 UNRWA recognises that the resource scarcity resulting from the current global economic climate, growing needs resulting from population growth, as well as inflationary pressures, require the Agency to prioritise services and activities within, and between, 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 fulfill the essence of its mandate in providing protection and assistance to Palestine refugees.

SUB-PROGRAMME 1: A LONG AND HEALTHY LIFE**HUMAN DEVELOPMENT GOAL**

- 2.1 Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. The right to health is a fundamental human right, to which all individuals are entitled. It is also an instrumental element of human development. Health is at the heart of a range of interconnected achievements and deprivations. In addition to the widely-recognised link between health and economic growth, achievements in health are instrumental to education outcomes, cognitive development, employment opportunities and income earning potential. Illness, malnourishment, mental illness and other deprivations in health often lead to a reduction in other capabilities. Chronic illness, injury and death at the household level are considered to be among the major drivers of poverty. Health is also important to other aspects of human development including dignity, empowerment, security and psychosocial well-being in general. It is also different from other dimensions of human development in the sense that deprivations may be irreversible with corresponding and potentially irreversible deprivations in multiple capabilities. Preventative health care is thus critical to protecting individuals from multi-faceted deprivations that could potentially threaten their overall well-being.
- 2.2 UNRWA contributes towards realising this right for Palestine refugees by providing quality and universally accessible primary health care. In 2014, some 3.5 million persons, equivalent to over 70 per cent of the total registered population, accessed UNRWA health services. It delivers these services primarily through 138 primary health care facilities utilising a workforce of over 3,300 health staff. Among the Palestine refugee population, mothers, young children and persons with Non-Communicable Disease (NCDs) use UNRWA's services the most.
- 2.3 In 2011 UNRWA began a reform process based on a Family Health Team (FHT) approach and the development of electronic medical records (e-Health). Together,

the reforms aim to modernise the Agency's primary health services, making them more person-centered and more efficient. The FHT approach, a patient/family-centered, continuous and holistic primary health care delivery model focuses not only on quality curative care but also on household-based health education and promotion interventions, covering the full health continuum, from protection and prevention to treatment and disease management, to psychosocial well-being. E-Health aims to improve the efficiency of care, reduce medical errors and facilitate timely and reliable needs-based decision-making.

- 2.4 In addition to its primary health care sub-programme, UNRWA administers a hospitalisation programme. The majority of services are provided by public or private hospitals through different means of contracts. In addition, the Agency runs one hospital in the West Bank – Qalqilya Hospital. Unlike primary health services, hospitalisation support differs from field to field, depending on local circumstances. Around 76,000 hospital admissions are supported annually (not including Syria).

CONSTRAINTS AND CHALLENGES

- 2.5 The Palestine refugee population is marked by an increasingly aging population and increasing prevalence of NCDs. Unhealthy lifestyles defined by a lack of exercise, improper diet and smoking are common and, as such, many of the current and emerging health threats facing Palestine refugees are inherently chronic NCDs, which require costly care and treatment.
- 2.6 Physical violence and abuse present serious health problems for many Palestine refugees. In addition, psychosocial and mental health problems are rising particularly in those communities affected by death, disease, displacement and loss of assets as a result of war and conflict. Such problems have a significant detrimental impact at different stages of the life-cycle, including on the capacity to learn, work, and integrate in social life.
- 2.7 Increasing levels of poverty impact on the ability of refugees to obtain medical assistance outside of that provided by UNRWA.
- 2.8 Little is known about those persons who are not utilising UNRWA's hospitalisation programme but who, based on regional averages, are in need of

hospital care. UNRWA will study the issue in each Field to determine if and how these people are coping.

- 2.9 More and more refugees face protection challenges in accessing health care as a result of violence and other obstacles or because of geographical shifts in the refugee population away from established health centres.
- 2.10 UNRWA has faced a number of challenges in implementing an electronic health information management system (e-Health) including lack of funding, inadequate ICT infrastructure in many health centres, and building capacities for all users to move from the traditional paper-based system to an electronic system.
- 2.11 Many of the health facilities are in old buildings with maintenance neglected over the years because of funding constraints. Resource constraints restrict UNRWA's ability to conduct the necessary assessments to ensure health facilities are capable of resisting seismic activities, are environmentally sound, enable efficient delivery of services, and are safe for use.
- 2.12 Furthermore, sanitation related communicable diseases are still a problem in some Palestine refugee camps as access to potable water and sanitation is worsening across UNRWA fields of operations, this is particularly a problem in conflict contexts. While most Palestine refugees in camps are served with water supply and sewerage networks, the quality of water they drink and use and the adequacy of supporting infrastructure systems vary considerably. UNRWA lacks the financial resources to conduct comprehensive assessments of the quality of the environmental infrastructure networks in camps.

EXPECTED ACCOMPLISHMENTS

- 2.13 UNRWA will continue to provide universally accessible quality primary health care. UNRWA will maximise the impact of the FHT reforms to promote the proper diagnosis and treatment of key diseases and conditions, and to reduce the illness duration and incidence of often life-threatening complications, especially those that arise from NCDs. Such care will also seek to address the promotion of preventative factors contributing to psychosocial well-being and behavioural risk factors leading to NCDs throughout Palestine refugees' life cycle. The FHT approach will reinforce the role of health staff in addressing the determinants of health and to strengthen outreach activities and community participation.

Crosscutting services will include preventive oral health care. By training and capacity building as well as through partnerships, UNRWA will ensure that medical and para-medical members of the FHT are better able to identify mental disorders and psychosocial problems. UNRWA will equip these staff with the skills and knowledge for handling such cases that do not require specialist care. UNRWA will actively look for partnerships to establish quality referral systems for those cases that require a specialist service. UNRWA will establish quality control and assurance systems to ensure referral Organisations are providing quality care. UNRWA will improve its monitoring and reporting capacities in the area of mental health and psychosocial well-being.

- 2.14 Targeted health promotion and protection services will complement the FHT approach. Outreach-based health education and promotion campaigns and population-based health screenings for diabetes and hypertension will be a key feature. Similarly, for those identified with NCDs and those already receiving treatment and on disease management plans, facility-based programmes will be strengthened where a provider using health promotion messages will address these health risks and threats during strengthened patient-provider consultations.
- 2.15 The school health programme will continue to enhance behavioral change from an early age, mainly through the joint formulation between the Health, Infrastructure and Camp Improvement and Education Programmes of the School Health Policy. The programme will incrementally expand to impart health education and promotion messages on tobacco, substance abuse, healthy foods and lifestyles, psychosocial wellbeing, basic sanitation, environmental health and functional safety and hygiene, among others. It will continue to carry out preventative screenings for vision and hearing to ensure these health impediments to full educational and quality of life attainment are addressed.
- 2.16 E-Health will improve service delivery through the proper monitoring of patient information, such as cohort analysis on treatment outcomes. This will also serve as an important planning tool.
- 2.17 UNRWA will continue to upgrade its health centres under the FHT approach to consider the spatial requirements of the newly introduced approach, including patient flow, health team compositions, zoning and adjacencies. UNRWA will

seize this opportunity to ensure that all upgrading works as well as new health centres consider accessibility for refugees with disabilities and safety standards, as well as specific gender requirements. In addition, UNRWA will gradually implement the “Green approach” which is expected to improve the comfort of refugees inside health centres, reduce the running costs of health centres and have a positive impact on the environment as part of UNRWA’s commitment towards sustainable environmental management.

- 2.18 With the increasing demand in hospitalisation caseloads across all five fields of UNRWA operations – in terms of severity, frequency and numbers – it is anticipated that the hospitalisation demand will continue to outstrip supply capacities. UNRWA will redirect focus and accord highest priority to those with life-threatening illnesses requiring life-saving/life-supporting medical care treatment, but who lack the financial assets or insurance coverage to attain these. UNRWA will engage in complementary activities with partners as a tool to enhance response and maximise opportunities to increase resource mobilisation through association.
- 2.19 UNRWA will document the impact of the restrictions on access to health care and will take necessary action to ensure refugees face fewer restrictions on their ability to access health care. In circumstances where refugees do not have access to UNRWA or other health services, the Agency will, if financial resources are available, strive to reach them with its own services, for example through mobile health clinics. UNRWA will actively look for opportunities to rationalise the use of resources, including the possible merger of existing installations, to allow the establishment of new points of service in under-served areas.
- 2.20 Collaboration with local, national and international partners is critical to facilitate the level of access to comprehensive care that Palestine refugees need. UNRWA will continue to collaborate with longstanding historical partners, particularly the WHO, United Nations Population Fund (UNFPA) and United Nations International Children’s Emergency Fund (UNICEF), to improve UNRWA’s technical capacity in health services. UNRWA will also continue to partner with local and global partners such as the World Diabetes Foundation and others in the delivery of its strategic objectives. The Agency will seek to facilitate the further

access of Palestine refugees to quality services provided by these and other international, national and local partners.

- 2.21 UNRWA will actively work with host governments and with individual municipalities to ensure maximum provision of municipal services to camp communities. Where, despite these efforts, circumstances demand that UNRWA carry out such activities like solid waste removal, UNRWA will aim to ensure the most cost effective operation possible by studying, for example, all opportunities to reduce waste, change collection arrangements in camps, mechanise the collection and disposal of solid waste, and seek innovative ways to engage the local community in managing environmental health.
- 2.22 UNRWA will furthermore prioritise projects addressing water resource, supply and networks, sewerage networks and water drainage in camps that suffer from severe deteriorated environmental infrastructure conditions. In identifying priority environmental health and infrastructure projects in camps, UNRWA will apply criteria that considers both the severity of the health risk and the levels of poverty and deprivation in the camp. UNRWA needs to strengthen its capacity to monitor water quality and quantity provided to refugees.
- 2.23 The Strategic Framework reflects the following expected accomplishments:
- (a) Universal access to quality, comprehensive primary health care
 - (b) Sustained protection and promotion of family health
 - (c) Ensured prevention and control of diseases

FINANCIAL RESOURCES

**Table 2-1: A Long and Healthy Life
Resource Requirements by Objective**
(Cash and In-kind, USD'000s)

	2016 Estimate	2017 Estimate
A. Universal access to quality, comprehensive primary health care	96,584	98,066
B. Protection and Promotion of Family Health	12,016	12,446
C. Prevention and Control of Diseases	23,458	23,839
Total Regular Budget	132,058	134,351
Project Budget	49,617	39,236
Grand Total	181,675	173,587

Table 2-2: A Long and Healthy Life
Resource Requirements by Category of Expenditure
(Cash and In-kind, USD'000s)

	2012	2013	2014	2015	2016	2017
	Expenditure	Expenditure	Expenditure	Budget	Estimate	Estimate
Staff Costs						
International Staff	965	1,101	998	1,287	-	-
Basic Salaries	46,371	42,572	36,306	53,330	47,701	48,910
Hazard Pay and Special Elements	116	1	358	-	-	-
Provident Fund Agency Contributions	6,847	6,865	5,859	7,917	7,100	7,262
SPOA,SOA and Others	6,651	6,666	6,737	7,644	7,494	7,702
Overtime and Excess hours supplement	115	112	135	162	103	103
CAF	3,098	5,013	5,294	1,758	-	-
Special Allowances	3,002	2,986	2,821	3,019	2,461	2,462
Health Related Expenses	1,486	1,577	1,597	1,528	1,334	1,334
Miscellaneous Allowances	114	40	12	36	26	26
Severance Cash Payment Out	4,443	3,581	567	3,678	1,103	1,103
LDC Cost	1,270	1,346	1,593	2,049	1,041	1,041
Temporary Staff	397	235	759	462	431	431
Sub-total	74,875	72,095	63,036	82,870	68,794	70,374
Non Staff Costs						
Consumption of Inventories	16,167	-	-	16,794	21,469	21,981
Non inventory Supplies	6,261	7,530	4,992	3,947	6,725	6,815
Utilities	455	537	573	745	441	442
Maintenance of Premises	696	1,164	1,072	1,449	1,521	1,521
Equipment and Construction	808	1,023	815	1,040	1,143	1,126
Training	111	58	92	247	88	66
Travel	151	176	92	156	75	25
Admin Support Services	211	205	250	238	160	160
Consultancy Services	204	204	329	199	215	215
Hospital Services	10,792	15,945	15,812	18,016	19,857	19,987
Miscellaneous Services	2,516	2,873	2,665	3,829	3,128	3,173
Subsidies to Hardship Cases	21	7	2	6	6	6
Subsidies to Patients	2,728	3,213	4,356	4,512	8,646	8,670
Third Parities Subsidies	-	5	-	24	-	-
Other Subsidies	-	-	-	-	-	-
Field Reserves	-	-	-	63	-	-
Cost Recovery	(192)	(173)	(177)	(210)	(210)	(210)
Depreciation ¹	-	-	-	-	-	-
Sub-total	40,929	32,767	30,873	51,055	63,264	63,977
Total Staff and Non-Staff Cost	115,804	104,862	93,909	133,925	132,058	134,351
Emergency Appeal	48,004	3,922	5,446	-	-	-
Projects	22,687	18,846	30,341	24,304	49,617	39,236
Grand Total	186,495	127,630	129,696	158,229	181,675	173,587

**Table 2- 3: A Long and Healthy Life
Project List
(USD'000s)**

	2016 Estimate	2017 Estimate
Reconstruction of damaged health centers in Gaza	\$7,000	0
Reconstruction of water/sanitation/electricity infrastructure in Gaza	\$15,000	\$8,000
Family Health Team roll-out in Jordan	\$3,850	\$2,000
Replacement of a Health Centre in Jordan's largest camp	\$2,000	\$2,000
Information campaigns on explosive remnants of war (ERW) in UNRWA schools and other locations in Syria Field	\$200	\$200
Health reform in Syria Field: Implementation and roll-out of Family Health Team approach and e-Health to improve primary health care services	\$400	\$400
Provision of mental health and psychosocial services throughout all programmes in Syria Field	\$600	\$600
Reconstruction/renovation of Health Centers to ensure full roll-out of health reform and improved delivery quality in Syria Field	\$1,000	\$1,000
Improve WASH facilities in Palestine refugee camps and communities as well as UNRWA installations in Syria Field	\$3,000	\$3,000
"A Clean and Healthy Environment": Construction of sewerage networks in Ein Sultan and Aqbat Jaber Camps	\$1,232	\$7,037
"I have a dream": Ensuring accessibility for UNRWA facilities in the West Bank	\$248	\$248
eHealth rollout	\$2,000	\$2,000
Addressing visual impairments primary and intermediate students	\$2,630	\$2,630
Promoting healthy food items in UNRWA schools canteens	\$270	\$270
Introducing HbA1c technology at 30 large UNRWA Health Cntr	\$4,119	\$4,119
Breast Cancer Screening	\$1,585	\$1,585
Prevention of anemia among children 6- 24 months of age	\$2,385	\$2,385
Integration of Mental Health and Psychosocial Support services into UNRWA's primary health care model	\$1,204	\$832
Coordination and Management	\$891.95	\$927.63
Total A Long and Healthy Life	\$49,615	\$39,234

Strategic Objective: Universal access to quality, comprehensive primary health care

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 - 2013
Universal access to quality, comprehensive primary health care	Increased access to comprehensive primary-health-care services, including medication [rate of antibiotic prescription]	Target	25	23	25
		Estimate		25	25
		Actual			26
Output			2016	2017	
Outpatient: Provision of 19 million outpatient medical consultations to refugees				67,967	69,404
Specialist and medical consultations: 384,000 will be consultations with specialists				28,617	28,662
Total				96,584	98,066

Strategic Objective: Protection and promotion of family health

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 - 2013
Protection and promotion of family health	Percentage of women attending at least four antenatal care visits maintained	Target	92	92	-
		Estimate		92	90
		Actual			90
Output			2016	2017	
Antenatal, post-natal, family planning, screening: Provision of antenatal, post-natal family planning services, including screening for anaemia and provision of iron and vitamin supplements to 782,000 clients.				6,336	6,602
Infant, child, school health: Provision of infant and child health care and school health services for more than 1,518,000 children (children from birth to five years of age and schoolchildren).				901	927
Non-communicable diseases: Provision of infant and child health care and school health services for more than 1,518,000 children (children from birth to five years of age and schoolchildren).				4,779	4,917
Staff skills and capabilities: Training and recruiting of staff to ensure that health professionals, including health managers, have the right skills and capabilities, in particular in the area of new management practices, gender mainstreaming and protection issues.				-	-
Health Management Information System: Further development of the health information management system and computerisation at the primary health-care facility level with links to field offices and headquarters.				-	-
Monitoring and research: Enhancement of health operational research through the conduct of periodic surveys to monitor health conditions and answer health questions related to the most vulnerable groups and to specific emerging situations.				-	-
Total				12,016	12,446

Strategic Objective: Prevention and control of diseases					
Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 – 2013
Prevention and control of diseases	(i) Immunisation coverage rate against vaccine-preventable diseases maintained	Target	99	99	99
		Estimate		99	99
		Actual			99
	(ii) Percentage of shelters connected to the public water network maintained	Target	100	100	100
		Estimate		100	100
		Actual			100
	(iii) Increase in the percentage of shelters connected to the public sewerage network	Target	88	95	94
		Estimate		87	94
		Actual			84
Output				2016	2017
Child immunisation: Immunisation for all registered children below two years of age with primary and booster vaccines.				8,220	8,355
Water supply, sewerage and drainage systems: Rehabilitation or replacement of defective parts of the water supply, sewerage and drainage systems and construction of new networks in priority areas, based on a situation analysis of the adequacy of the systems in place.				387	387
Adequate solid waste systems in camps: Provision of adequate solid waste systems in refugee camps.				14,004	14,243
Safe drinking water: In coordination with host Governments 'partners, the development of new sources of drinking water to meet needs of refugees in accordance with the World Health Organisation guidelines and local standards.				847	854
Total				23,458	23,839

SUB-PROGRAMME 2: ACQUIRED KNOWLEDGE AND SKILLS**HUMAN DEVELOPMENT GOAL**

- 3.1 Education is a social process that 'contributes to the development of current and future generations; develops and applies new knowledge; serves to reinforce and/or change social and cultural norms and practices and contributes to identify building'. The right to education is a fundamental human right, to which all individuals are entitled. Education plays a key role in all aspects of human development. It provides people with the social and cognitive skills that they can use to support themselves financially through paid employment later in life. Long recognised for its socio-economic benefits, research highlights the central role education plays in helping individuals live more fulfilled lives, perform better in the labour market, improve health, enjoy psychosocial wellbeing, overcome inequalities and promote active citizenship and peaceful living. Educated individuals, for example, tend to have lower mortality and morbidity rates, while children of educated mothers fare better in terms of health outcomes than mothers who are less educated. Furthermore, education provides opportunities for children to access essential health care, as well as recreational and safe spaces outside the home.
- 3.2 UNRWA provides education services to nearly half a million Palestine refugee children through some 666 schools. UNRWA's education programme is its largest, both in terms of staff and budgetary allocation, with 57 per cent of the Agency's GF expenditure operating one of the largest education systems in the Middle East. UNRWA's education system provides basic education through nine years (10 in Jordan) of free primary and preparatory education across its five fields of operations, as well as secondary schooling in Lebanon. The Agency enjoys strong relations with the Ministries of Education in all fields.
- 3.3 The number of children accessing UNRWA schools has been steady for some years in most fields. Lebanon and Jordan Fields are having to absorb additional

students displaced from Syria. More significantly, however, in the Gaza Strip, there has been a progressive increase in student numbers over several years with almost 90 per cent of the school-aged refugee population attending an UNRWA school. This is significantly greater than in all other fields. Over the period 2002 – 2012, the number of children in UNRWA schools in Gaza increased from 189,000 to 225,000.

- 3.4 In 2011, the UNRWA Education Programme began the design and implementation of a major four-year reform. The reform was in response to an increasing concern in the region as a whole, and within UNRWA specifically, that students were not developing the types of skills necessary to achieve their full potential and contribute positively to the development of their society and the global community. The reform was designed to help meet the evolving demands of an education system in the twenty-first century by ensuring transformative and systemic change at the policy, strategic and operational levels. The implementation of the education reform is a long-term investment and as such will strengthen UNRWA's provision of basic education so that it is more responsive to the educational challenges of Palestine refugee students. It seeks to transform classroom practices through a holistic, interrelated approach, both in terms of focus areas (teachers, curriculum, inclusion, evidence-based planning, and research) and its operationalisation at three levels: policy, Organisation and individual capacity.
- 3.5 As part of the education reform, common education indicators have been developed to enable the Agency to better monitor how UNRWA is responding to the challenges associated with reform. They further enable UNRWA's education programme to be more meaningfully situated in the national, regional and global context in which it operates. Indicators seek to measure progress on quality, inclusiveness and equity. They include perceptual indicators to measure alignment of teaching learning practices with the education reform, prevalence of human rights culture (as defined by the new UNRWA Human Rights, Conflict Resolution and Tolerance (HRCRT) policy) and practices at the school level, in addition to indicators measuring enrolment, retention, and the overall efficiency of the UNRWA education system.

- 3.6 Integral to the education reform is evidenced based policy, planning and decision making at all levels and to this effect UNRWA is developing an Agency-wide Educational Management Information System (EMIS). The EMIS will strengthen the Agency's capacity to provide timely and reliable reports against key education indicators focusing on areas related to access, quality, inclusiveness and overall efficiency of the UNRWA education system and will enable comparability both between the UNRWA Fields of operations and internationally.
- 3.7 At the heart of the UNRWA education programme is quality, inclusive and equitable education. Here, the Agency's Inclusive Education Policy (2013), in line with the UNRWA Policy on Gender Equality (2007), the Education Gender Mainstreaming Strategy (2008), and the Disability Policy (2010) promotes equal opportunities for access to quality education, learning and participation for all children. It emphasises the need to identify and respond to the diverse learning, health and psychosocial needs of children and address them to help children realise their full potential. School parliaments provide a voice to Palestine refugee children, and empower the students in this respect.
- 3.8 UNRWA has become a pioneer in emergency education programming. A multi-stranded response to the emergency in Syria has been implemented for children impacted in Syria, Lebanon and Jordan. This approach encompasses key elements: support to the continuation of children's learning where access to school is either not possible or restricted through alternative learning spaces and the use of self-learning materials; psychosocial support through counsellors who work directly with the children and support teachers; and security and survival skill training for educationalists and children. These strands are underpinned by strengthened data collection and enhanced communication systems, such as the use of Short Message Service (SMS) between schools and parents.

CONSTRAINTS AND CHALLENGES

- 3.9 Issues of disparity and inequity in pupil performance remain as highlighted by the UNRWA Monitoring Learning Achievement (MLA) test conducted in 2013. The proportion of UNRWA students below the expected grade level ranges between 43 per cent in Grade 8 Arabic and 68 per cent in Grade 4 Mathematics, while there are between 32 per cent and 57 per cent performing at or above expectations.

- 3.10 Teaching and learning practices need to be more conducive to an inclusive education environment. The findings of the UNRWA Classroom Observation Study conducted in 2013 showed that in all fields classroom practices are very traditional, teacher-fronted, and with limited diversity in practices to support and encourage the learning of all students. The agency wide drop out study also indicated that children who are not ‘academically engaged’ in the learning process, are more likely to drop out from school.
- 3.11 Educational infrastructure has suffered from lack of resources and increasing demographic pressures, with 70 per cent of UNRWA schools running double shifts. In addition, UNRWA is still using several non-purpose built schools, thus negatively affecting the efficient allocation of resources, as well as posing life and property threats in cases of natural disasters.
- 3.12 UNRWA’s Education Programme provides schooling for all children from Grades 1-9, and to Grade 10 in Jordan and in one school in Jerusalem. In Lebanon, UNRWA provides secondary schooling in Grades 10-12. In addition to not providing the full spectrum of high-school education UNRWA does not provide pre-school and kindergarten education.
- 3.13 Child marriage and early withdrawal from school to support/work at home impact on girls’ access to education and presents a challenge to maintaining gender parity across UNRWA schools.
- 3.14 Conflict within host countries and across the region is impacting on children’s right to education and often their right to life itself.
- 3.15 As noted above, prolonged political, social and economic instability combined with repeated and widespread violations of human rights continues to have significant adverse effects upon the psychosocial well-being of children in UNRWA schools. This presents a challenge to meeting quality, inclusive and equitable educational outcomes, which must be addressed systemically and specifically. An assessment completed in 2014 found that the capacity of the UNRWA education system to respond to these needs as well as those of other UNRWA services was limited and needed to be developed.

EXPECTED ACCOMPLISHMENTS

- 3.16 The solution to several of the above challenges lies in the continued implementation and adherence to the education reform. It is important that UNRWA continue and further strengthen its commitment to quality, inclusive and equitable education. If implemented effectively the reform will, over time, develop the skills with regard to cognitive, social, cultural and personal capabilities to best equip students for realising their potential as an individual and as a member of their society, including the broader global community.
- 3.17 UNRWA will work towards ensuring that its schools and classrooms are supportive to all children and as such promote their psychosocial well-being. It will build the capacity of the teachers and the school counsellors and the education system as a whole to better respond to children's psychosocial needs. It will establish support systems to assess and address these needs and will work with other sectors within UNRWA to ensure that support and referral systems are in place; these will draw upon the support and expertise of partners. Measuring progress against clearly defined indicators will be key and UNRWA will reflect these within its monitoring and reporting frameworks.
- 3.18 UNRWA's focus will be quality, equity and inclusiveness of provision and outcome. The UNRWA education programme will seek to close the gap in student achievement. It will achieve this through continued emphasis on enhancing the professionalisation of teachers in UNRWA school; enhancing education staff's capacity to develop behaviour that promotes the psychosocial wellbeing of their students; enriching curricula to ensure they are developing students' skills; build competences and attitudes and reflect UN values; and developing children's knowledge and understanding of human rights concepts, roles and responsibilities through the HRCRT Programme. Central to these interventions will be evidence-based policy planning and adopting an integrated, coherent approach.
- 3.19 There will be increased focus on students who require targeted interventions to achieve their potential in education. This includes students with disabilities, children from poor backgrounds, those with additional psychosocial needs, students who are underperforming in standardised tests, children who have experienced abuse, physical violence and exploitation, and children with severe

diseases. Violence both in and around schools has been identified as a key priority, and will continue to be addressed comprehensively in a unified way.

- 3.20 UNRWA will seek to mobilise the resources to, first, reduce the number of schools operating on double-shift and, second, to improve the infrastructure of its schools to ensure they help facilitate quality, equity and inclusiveness, providing a conducive learning environment with accessibility for all refugees, including those with disabilities. A fully accessible school environment is one which enables all students, regardless of age, gender or impairment to enter and move freely, independently and with dignity. UNRWA will work across sectors to review and seek to address the issues/challenges which impede accessibility. Through its own work and with the assistance of others, UNRWA will try to address attitudinal, transportation, information and communication barriers that may prevent people with disability from access, learning and participating in an educational setting.
- 3.21 UNRWA will gradually streamline the Green approach in the design and upgrade of its facilities, to reduce running costs and minimise the negative effects of energy consumed in the operation of these facilities on the environment. UNRWA will strive to gradually eliminate the use of unsafe rented schools and upgrade schools to meet UNRWA infrastructure security, safety and accessibility standards.
- 3.22 UNRWA will continue to provide education services in extremely challenging environments. As part of its Syria response, UNRWA will continue to implement a coherent Agency-wide approach that includes alternative modalities of learning, safety, security training, survival skills, psychosocial support with additional counsellors in place in all three fields, enhanced communication and engagement with parents and communities, and teacher training.
- 3.23 UNRWA's Education Programme has benefitted invaluablely from the Agency's partnership collaboration with UNESCO since its foundation. UNRWA recognises that its growing collaboration with other partners, including UNICEF, the Norwegian Refugee Council (NRC) and the Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) has also enhanced its education programme for the benefit of refugees. UNRWA will continue to give greater purposes to these and other strategic partnerships to achieve its objective of providing and enhancing quality, equitable and inclusive education in both development and emergency

contexts. UNRWA will, in particular, look into facilitating access to early childhood education through strategic partnerships. UNRWA will continue to work closely with Ministries of Education in all Fields.

3.24 The Strategic Framework reflects the following expected accomplishments:

- (a) Universal access to and coverage of basic education.
- (b) Educational quality and outcomes against set standards are enhanced
- (c) Improve access to educational opportunities for learners with special education needs (SEN)

FINANCIAL RESOURCES

**Table 3-1: Acquire Knowledge and Skills
Resource Requirements by Objective**
(Cash and In-kind, USD'000s)

	2016	2017
	Estimate	Estimate
A. Universal access to basic education	344,258	357,029
B. Improved educational quality and outcomes against set standards	5,964	6,047
Total Regular Budget	350,222	363,076
Project Budget	71,093	9,271
Grand Total	421,315	372,347

**Table 3-2 : Acquire Knowledge and Skills
Resource Requirements by Category of Expenditure**
(Cash and In-kind, USD'000s)

	2012	2013	2014	2015	2016	2017
	Expenditure	Expenditure	Expenditure	Budget	Estimate	Estimate
Staff Costs						
International Staff	537	571	593	843	-	-
Basic Salaries	234,512	236,950	228,188	262,199	273,307	284,831
Hazard Pay and Special Elements	493	11	1,127	-	-	-
Provident Fund Agency Contributions	34,832	35,667	35,255	39,412	40,814	42,440
SPOA,SOA and Others	869	946	1,257	956	766	784
Overtime	16	60	17	1	-	-
CAF	13,929	23,094	27,108	8,798	-	-
Special Allowances	10,588	11,068	11,147	10,797	10,550	10,719
Health Related Expenses	4,689	4,987	5,030	4,683	5,149	5,200
Miscellaneous Allowances	68	95	30	19	2	2
Severance Cash Payment Out	20,008	17,614	2,723	9,556	-	-
LDC Cost	5,200	5,928	6,376	1,632	2,135	1,950
Temporary Staff	71	151	125	286	156	156
Sub-total	325,812	337,142	318,976	339,182	332,879	346,082
Non Staff Costs						
Consumption of Inventories	542	-	-	599	513	519
Non inventory Supplies	7,436	6,348	6,045	6,274	6,170	5,700
Utilities	962	1,200	1,713	2,460	1,367	1,380
Maintenance of Premises	2,726	4,631	4,259	3,598	3,803	3,827
Equipment and Construction	2,628	1,868	1,338	4,563	3,992	4,052
Training	186	100	105	153	72	78
Travel	183	103	107	150	106	107
Admin Support Services	96	104	81	112	65	62
Consultancy Services	449	191	138	134	36	5
Hospital Services	-	-	-	-	-	-
Miscellaneous Services	1,105	1,060	1,108	1,240	1,201	1,246
Subsidies to Hardship Cases	3	6	3	3	20	20
Subsidies to Patients	-	-	-	-	-	-
Third Parties Subsidies	-	-	-	-	-	-
Other Subsidies	-	-	-	-	-	-
Reserve	-	-	-	112	-	-
Cost Recovery	(22)	(3)	(5)	(2)	(2)	(2)
Depreciation ¹						
Sub-total	16,294	15,608	14,892	19,396	17,343	16,994
Total Staff and Non-Staff Cost	342,106	352,750	333,868	358,578	350,222	363,076
Emergency Appeal	12,642	11,491	14,904	-	-	-
Projects	10,731	47,308	50,512	8,186	71,093	9,271
Grand Total	365,479	411,549	399,284	366,764	421,315	372,347

**Table 3- 3: Acquired Skills and Knowledge
Project List
(USD'000s)**

	2016 Estimate	2017 Estimate
Reconstruction of damaged schools in Gaza	\$64,693	\$2,904
Decrease the number of floating classrooms through the construction of 27 additional classrooms in Jordan	\$830	\$830
Upgrading of 30 rented schools in Jordan	\$500	\$500
Inclusive Education in Syria: design tools and intervention to identify and support children with disabilities within and outside schools	\$300	\$300
Reconstruction/renovation of schools in Syria which are accessible, inclusive and violence-free	\$3,000	\$3,000
“I have a dream”: Ensuring accessibility to UNRWA school facilities in the West Bank	\$461	\$461
Promoting a fun and protected learning environment for Palestine refugee students in West Bank	\$666	\$666
Sustainable improvements for a quality, equitable and inclusive Education System	\$383	\$350
Review and improvement of the UNRWA curriculum framework	\$185	\$185
Implementation of an ICT strategy for schools and strengthening the E-library programme	\$75	\$75
Total Acquired Skills and Knowledge	\$71,093	\$9,271

Strategic Objective: Universal access to basic education

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 - 2013
Universal access to basic education	(i) Reduced dropout rate of pupils in the elementary education cycle	Target	1.8	0.4	0.35
		Estimate		1.9	0.4
		Actual			2.3
	(ii) Reduced dropout rate of pupils in the preparatory education cycle	Target	5.0	2.4	2.5
		Estimate		5.1	2.4
		Actual			5.4
Output			2016	2017	
Provision of primary, preparatory and secondary education: Provision of general education to approximately 500,000 eligible refugee children in nearly 700 UNRWA elementary and preparatory schools (and secondary education in Lebanon).			344,258	357,029	
Total			344,258	357,029	

Strategic Objective: Improved educational quality and outcomes against set standards

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 - 2013
Improved educational quality and outcomes against set standards	Increase in the mean score obtained by students in the monitoring of learning achievement tests [percentage]	Target	43	-	-
		Estimate		42	-
		Actual			40
Output			2016	2017	
Qualitative and quantitative research: Qualitative and quantitative research in the areas of classroom observation, drop-outs and monitoring learning achievement to identify and address the key factors impacting quality education.			508	477	
Teacher policies and professional development: Implementation, monitoring and evaluation of teacher policies and strengthening the Organisational professional support structure and professional development programmes for approximately 22,000 teachers.			4,800	4,882	
Inclusive education: Implementation, monitoring and evaluation of inclusive education policies and diagnostic tools to identify and support 500,000 children, including through the provision of psychosocial support.			159	169	
Curriculum enhancement: Implementation, monitoring and evaluation of curriculum review strategies and tools to ensure alignment with education programme objectives and with United Nations values.			252	267	
Human rights and conflict resolution: Implementation of human rights conflict resolution and tolerance education policies, strategies and toolkits in 700 schools.			-	-	
Information and communications technologies to schools: Implementation of the information and communications technologies in education strategy in 700 schools to enhance teaching and learning.			245	252	
Education management information system: Implementation of the Agency-wide education management information system in 700 schools to strengthen programme planning and management.			-	-	
Learning achievement monitoring tests: Implementation of learning achievement monitoring tests in all schools offering grades four and eight, for 60,000 students.			-	-	
School construction maintenance and renovation: Maintenance of nearly 700 schools and construction or renovation of educational facilities.			-	-	
Total			5,964	6,047	

SUB-PROGRAMME 3: A DECENT STANDARD OF LIVING

HUMAN DEVELOPMENT GOAL

- 4.1 This Sub-Programme comprises two elements: (a) strengthening refugee capabilities for increased livelihood opportunities; and (b) ensuring refugees are able to meet their basic food and shelter needs.
- 4.2 Livelihoods: Livelihood opportunities derive from the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base. Sustainable livelihoods emphasise strengths rather than needs, recognising the inherent potential of every person. Health and education as described above are essential dimensions of human development and central to increased livelihood opportunities. Access to resources for a decent standard of living, another dimension of human development, is also important for sustainable livelihoods. The right to work and engage in productive employment is also a fundamental human right. Employment opens up a range of opportunities to access needed resources by empowering people economically, socially and politically. Empowerment is one of the primary means to mitigate poverty, build human dignity and promote human development. At both the community and individual levels, sustained employment and the opportunity to earn a decent living are critical for survival and recovery from conflict.
- 4.3 Livelihood assets are enhanced through improving the collective physical, social, cultural, economic and environmental aspects of communities and the spatial environments in which they live. This promotes collective identity, sense of belonging, social interaction, social networks, social ties, social support community cohesion, competence and access to resources.

- 4.4 UNRWA contributes to Palestine refugee livelihood opportunities in three ways: i) direct interventions through its programmes; ii) indirectly through the jobs it creates in its operations, including the staff it employs and the opportunities created in the reconstruction sector through its reconstruction projects; and iii) by promoting and supporting Palestine refugees' access to economic opportunities through advocacy with host governments and local economic actors.
- 4.5 Through guidance counselling, labour-market studies and awareness programmes, UNRWA aims to prepare children in its schools for one of the more important choices in life: what to do after school. The resources that UNRWA devotes to this activity are, however, limited relative to the total number of students.
- 4.6 UNRWA operates nine Technical and Vocational Education and Training (TVET) centres that graduated some 20,000 students between 2010 and 2014. The TVET programme provides UNRWA students with some comparative advantage in finding employment, and plays an important role as part of early recovery in conflict contexts. It provides diverse courses, from trade to professional to short-term courses, and through strong links with the local labour market. Employment rates for TVET graduates are high, at 72 per cent for males and 63 per cent for females in 2014, including Syria field.
- 4.7 UNRWA offers microfinance services through two different channels: the Microfinance Programme and the Microcredit Community Support Programme (MCSP). These initiatives work to ensure that Palestine refugees, including women and the abject poor, have access to microcredit.
- 4.8 The Microfinance Programme provides sustainable income-generation opportunities for Palestine refugees as well as other poor or marginalised groups in all UNRWA fields of operations except Lebanon. It extends credit and complementary financial services to households, entrepreneurs and small-business owners. These investments create and sustain jobs, reduce poverty and empower our clients, particularly women. Between 2010 and 2014, 168,000 loans with a total value of USD188.0 million were issued, approximately one-fifth of which went to poor clients and two-thirds were issued to low income clients. In addition, of the total loans issues, 65,000 loans valued at USD87.0 million were given to

Palestine refugees, 61,800 loans valued at USD46.8 million were given to women and 50,800 loans valued at USD48.8 million were given to youth aged 18-30.

- 4.9 The MCSP aims to increase the individual household assets of vulnerable Palestine refugees, specifically through supporting community-managed initiatives that provide refugees with access to financial products and non-financial services. The programme serves Palestine refugees in all UNRWA fields except the Gaza Strip. Between 2010 and 2014, approximately 15,250 loans valued at USD15.7 million were disbursed, the vast majority of them through community managed funds.
- 4.10 Beyond completing the basic education provided by UNRWA, Palestine refugees should also aspire to complete secondary and tertiary education. For high achievers unable to afford tertiary education, UNRWA provides university scholarships across all fields with project funding. In 2011-2012, 210 scholarships were awarded.
- 4.11 Each field has established tailored economic opportunity portfolios specific to its context to enhance livelihood opportunities for Palestine refugees. For example, in Lebanon employment service centres have been established to link Palestine refugees with employment opportunities. In the Gaza Strip emergency appeal funding supports job creation schemes.
- 4.12 Approximately one fifth of the Palestine refugee population lives in 58 camps in the five fields of operations. Refugee camps have evolved in an un-planned manner from being simple temporary structures into highly urbanised spaces, with high population density, overcrowding and high built up areas. In many cases, refugee camps are active economic hubs. Depending on location – urban, semi-urban or rural – some camps are still extremely underdeveloped living environments with shelters still built from corrugated sheets and asbestos and in many cases lack proper sanitation and water supply. Improving livelihoods of individuals and communities living in camps requires adequate approaches that integrate physical, spatial, social, economic and environmental improvements addressing the refugees, their assets, potentials and strengths. The Infrastructure and Camp Improvement Programme, following a participatory needs assessment through urban planning, attempts to reform the space and improve the setting and environment in which refugees live. The programme also examines the built

environment of camps within their context, link them to the neighbouring context, resources and potentials, and contribute through the linkages and integration to come up with innovative solutions to the refugees' worst problems, in particular contributing to the alleviation of poverty and improved quality of life. With UNRWA's guidance, camp populations develop CIPs. CIPs have two complementary components – first, an urban improvement plan and, second, a community development plan. The CIP development process not only strengthens the physical/material assets and social assets in camps, but goes further to increase the capabilities of refugees through participation in decision-making, community mobilisation, encouraging voluntarism, addressing higher education, employment, under-employment and social isolation. So far, CIPs have been developed for 10 camps. UNRWA has created an information system with set indicators that allows the Agency to prioritise camps in the different areas of operations.

- 4.13 In addition to these programmatic interventions, UNRWA is one of the largest employers of Palestine refugees in the Near East. Providing employment opportunities with UNRWA is not a strategic objective in and of itself, but it is important to recognise that the salaries paid by UNRWA do not just ensure continued quality of services to refugees, but also represent an injection of income into refugee and other local communities. By employing 30,000 full-time employees (almost half of whom are women), approximately 150,000 people benefit directly from UNRWA's salaries and many more benefit indirectly.
- 4.14 UNRWA furthermore creates livelihood opportunities through its construction projects. In 2012 the Agency expended USD69.8 million on construction projects that generated over 5,100 jobs and in 2013 expenditure on construction projects totalled USD104 million, with over 7,600 jobs created.
- 4.15 Similarly, UNRWA works to ensure that local communities benefit from as much of UNRWA's non-workforce expenditure as possible through competitive tendering procedures. In 2014, UNRWA issued 7,948 procurement contracts valued at over USD278.7 million. Of these, almost 6,820 valued at USD191.0 million (68 per cent) were awarded to suppliers/providers in the oPt, Jordan, Syria and Lebanon.

- 4.16 Basic needs of food and shelter: Human development is derived from and built on a platform on which basic human needs are met. Basic needs "provide the opportunities for the full physical, mental and social development of human personality and then derive the ways of achieving this objective". This includes addressing both material needs like food, shelter and environmental health and the broader set of human needs associated with the human development concept.
- 4.17 The right to food is the most basic of human rights. Safeguarding it and improving the nutritional status of individuals and families helps to ensure the absence of malnutrition and child stunting, and enables human productive capacities to be expended on development needs such as education and livelihoods.
- 4.18 Shelters provide refugees a home, security for their belongings, safety and protection for their families from the cold, dampness, heat, rain, wind and other threats to health, a place to strengthen social relations and networks, a place for local trading and service provision, and a means to access basic services. For women, shelter is particularly significant in terms of poverty, health, child rearing and violence. As a basic human need, refugees should have sustainable access to safe drinking water, sanitation, drainage, natural lighting, washing facilities, means of food storage, refuse disposal and emergency services.
- 4.19 Mitigation of poverty and concomitant improvements in human development are difficult if there is a high prevalence of persons and families who cannot meet their basic needs of nutrition, shelter, and environmental health. The creation of employment and income-generation opportunities alongside programmes to address basic needs like those identified above provide a multi-dimensional approach to poverty reduction. Meeting basic needs is a central element in any response to humanitarian emergencies including, but not limited to, those that result in significant displacement, loss of assets and income, and are protracted in nature.
- 4.20 UNRWA is one of a limited number of actors that provides food or cash assistance directly to Palestine refugees living in poverty. It does so with resources provided under its Emergency SSNP. In 2013 UNRWA provided assistance to 283,000 poor refugees under the SSNP. Under the Emergency Programme the Agency distributed some 2.85 million rations of food to over 700,000 abject and absolute

poor refugees in Gaza and provided food assistance to 335,000 Palestine refugees in Syria.

- 4.21 UNRWA aims to provide food parcels containing 80 per cent of caloric needs to all abject poor refugees, defined as those who cannot meet their food consumption needs; however the number of beneficiaries is inevitably dependent on funding received. At present, the SSNP remains severely underfunded and locked into a food distribution programme combined with ineffective amounts of cash distribution. UNRWA's preferred modality of direct assistance to poor refugees who are not able to meet their food needs, is through the provision of cash transfers. This is for numerous reasons, including efficiency, flexibility, dignity and convenience for refugees.
- 4.22 In shelter rehabilitation projects, UNRWA assesses and prioritises substandard shelters that are structurally unsafe, built with temporary material like asbestos and zinc, overcrowded and lack gender separation. Between 2010 and 2013, UNRWA rehabilitated 2,600 substandard shelters not including emergency cases and shelter construction in NBC in Lebanon. Progress in rehabilitating shelters and meeting annual targets has been challenging due to financial constraints, as the programme is driven by project funding, and the security situation in Syria, which precludes the rehabilitation of shelters in that field.
- 4.23 In relation to emergency shelter, UNRWA is uniquely placed to provide safe shelter for civilians whose homes and communities become engulfed in conflict. During conflict and emergency situations, UNRWA provides temporary shelters to refugees and their families in UNRWA facilities. However, considering the delivery of education and other services to refugees, UNRWA is not in a position to continue using UNRWA facilities for protracted periods. In post-conflict situations, UNRWA mobilises resources to help repair shelters that are damaged or destroyed by conflict. It has, on occasion, taken a central role in major construction/reconstruction of neighbourhoods/camps and appeal to other actors and stakeholders to assist and lead in the reconstruction process.
- 4.24 UNRWA does not manage or administer official refugee camps. Provision of public services is the responsibility of host authorities. Nevertheless, UNRWA offers support where necessary, appropriate and possible.

CONSTRAINTS AND CHALLENGES

- 4.25 Livelihoods: With unemployment rising, economic engagement for Palestine refugees is of concern across all fields. In particular, high rates of youth unemployment, especially affecting female youth and low labour force participation rates for women, ranging between 10 and 18 per cent across UNRWA fields, will remain the most significant livelihood challenge for Palestine refugees.
- 4.26 Palestine refugees face a number of constraints and threats in building sustainable livelihoods. Despite refugees having strong human capital as a result of the education and health structures provided by UNRWA and host authorities, the majority of refugees do not have access to the full range of assets – social, natural, physical and financial capital – required for sustainable livelihoods, including those required to develop coping strategies and build resilience.
- 4.27 The situation in refugee camps is particularly dire. In general, refugees who have improved socio-economic conditions move outside camps due to the poor living conditions.
- 4.28 Due to poverty, unemployment, increased population density and a deteriorating built environment, there is a shortage of adequate housing in camps. This is coupled with a lack of regulatory frameworks and planning which is resulting in a fast rate of haphazard urbanisation. Services are lacking and social infrastructure is deteriorating. Private and common spaces are not differentiated anymore, which results in the abuse of privacy. Social problems are increasing. Isolation and social segregation are serious problems facing refugees living in camps.
- 4.29 Regulatory changes in the oPt and in Jordan in relation to microfinance present significant challenges for the Agency in maintaining and growing its microfinance and microcredit programmes. The changes threaten the continued success of the Microfinance Programme and the MCSP and their potential to increase their impact for vulnerable Palestine refugees, including women, youth and those affected by emergencies.
- 4.30 Basic needs of food and shelter: UNRWA operates in contexts of increasing political instability, worsening socio-economic conditions and growing protection gaps for Palestine refugees, all of which threaten the basic human needs of food, shelter and environmental health.

- 4.31 Levels of food insecurity amongst Palestine refugees remain high, and are growing and deepening. At the same time, the assistance provided by UNRWA is far from sufficient and food insecure households must resort to other sources to supplement what UNRWA provides. Many must resort to coping strategies such as selling belongings or eating less. Others resort to eating poor quality food, which has a number of health implications, including diabetes and obesity. Depending on the field, UNRWA's assistance under the SSNP covers between 11 and 25 per cent of the abject poverty line and between four and 10 per cent of the absolute poverty line, and is furthermore not indexed to inflation. This means that the "hunger gap" that people cannot make up from either their own resources or aid will continue to grow over time due to an increased cost of living.
- 4.32 The needs of refugees living in substandard shelters are growing, estimated to be approximately 202,000 persons, equivalent to approximately 47,000 shelters in 2012. This does not include persons who lost their shelter in the destruction of NBC and who are awaiting construction of the camp, nor does it include those whose shelters have been damaged or destroyed as a consequence of the conflicts in Syria and Gaza. The majority of these shelters have asbestos roofing which constitutes a health threat. Furthermore, poor sanitation, lack of ventilation, dampness and overcrowding (gender separation) in these shelters leads to poor health and psychosocial dysfunction.
- 4.33 Sanitation related communicable diseases are still a problem in some Palestine refugee camps as access to potable water and sanitation is worsening across UNRWA fields of operations, this is particularly a problem in contexts affected by conflict.

EXPECTED ACCOMPLISHMENTS

- 4.34 The challenges above present a highly threatening context with limited opportunities for refugees. The Agency has, however, opportunity to make a significant contribution to addressing these challenges by focusing the attention of its current programmes on vulnerable persons, by innovative pilot projects, and by maximising the indirect contribution made by other aspects of the Agency's operations.

- 4.35 The Agency will focus on building the capabilities of refugees and on improving access to livelihood opportunities. It will do this by strengthening the capacities of refugees through training and other educational opportunities, enabling access to financial services, creating employment opportunities, as an indirect by-product of its operations, and advocating for refugees' legal right to work, where this is restricted.
- 4.36 UNRWA will build on existing sub-programmes to expand the number of people reached through its livelihood interventions. Interventions will target refugees who are most in need, in particular youth and women who, respectively, have high unemployment rates and low labour force participation rates across all UNRWA fields. Improving livelihoods also requires a strategic focus on poor refugees, particularly those living in refugee camps. Emergencies are expected to continue to characterise the operating context in three out of five UNRWA fields during the biennium. Given this assumption, the destructive impact of conflicts on livelihoods and the centrality of livelihoods in recovery efforts, UNRWA will give particular focus to promoting employment and income generating opportunities for refugees in conflict and post-conflict settings.
- 4.37 The interrelationship between deteriorated living conditions, bad health conditions, lack of capacities, capabilities, access to resources and poverty in camps can be effectively and efficiently addressed by an integrated, comprehensive, and participatory urban planning approach in improving the life of refugees in the camp. Preparation and gradual implementation of CIPs for the remaining 48 camps across UNRWA fields needs to be addressed before the situation in the camps becomes irreversible. UNRWA will continue prioritising camps for improvement to enhance the communities' capacities and assets. Prioritisation criteria have been developed that take into consideration physical, spatial, social, economic and environmental conditions. The Agency will target at least one camp/field for comprehensive improvement through the production of new CIPs and will follow up on sustainable implementation of the current CIPs.
- 4.38 UNRWA will aim to increase the number of TVET graduates, while at the same time reducing costs. In doing this, UNRWA will seek to generate more diversity and flexibility in the courses offered and to better align these with local market

demand. UNRWA will give greater access for vulnerable youth, improve the gender dimension of programming and enrolment, enhance efficiency, quality and labour market relevance, and ensure overall programme sustainability and effectiveness. Where possible, co-financing will be introduced with the goal of generating a broader resource base for the expansion of TVET placements and opportunities. Increased tracking of graduates and engagement and feedback loops with employers will enable TVET to ensure courses remain relevant and appropriate.

- 4.39 UNRWA will review its education science facilities in the West Bank and Jordan and their provision of teacher training to assess their contribution to the strategic objectives of the Education Programme and to those of the Agency as a whole. This review will consider the role of ESF and FESA with regard to teacher supply in UNRWA schools, as well as their broader potential to improve capabilities for livelihood opportunities – particularly for the vulnerable.
- 4.40 UNRWA will study the effectiveness and impact of its Scholarship Programmes, particularly for the vulnerable.
- 4.41 UNRWA will complete the transformation of the Microfinance Programme into a new microfinance institution independent of UNRWA by 2017, subject to certain conditions. This will enable the programme to secure new sources of financing to expand and benefit more persons, including more Palestine refugees, than it is able under UNRWA. UNRWA will ensure that the new entity fully maintain the Agency’s microfinance mission for Palestine refugees, women, youth, the poor and those affected by conflict.
- 4.42 UNRWA will furthermore study how it can best ensure vulnerable Palestine refugees have access to microcredit, microfinance and savings facilities. UNRWA will determine if and how the MCSP can be made more effective.
- 4.43 UNRWA will assess the effectiveness of the Employment Services Centre model used in Lebanon and Job Creation Programmes (JCP). In so doing, UNRWA will consider opportunities to improve impact and the extent to which the programmes could be implemented in other UNRWA fields.

- 4.44 UNRWA will assess the plausibility of innovative projects to provide enhanced livelihood opportunities in contexts that are not conducive to economic opportunities for Palestinians.
- 4.45 In its capacity as one of the largest employers of Palestine refugees, UNRWA commits itself to do more to move towards gender parity in management positions. It will do so by improving recruitment practices to eliminate unintended obstacles for women to be successful and establish processes to support capacity strengthening of women. The Agency will support to the extent possible opportunities for staff members to undertake assignments with sister UN Agencies and other recognised international Organisations.
- 4.46 UNRWA will continue to enhance opportunities in the delivery of livelihood support through its ongoing collaborations with partners including the PalFund trust fund with the OPEC Fund for International Development (OFID), the Palestine Credit Bureau with the Palestine Monetary Authority (PMA), GIZ and relevant members of UN Country Teams (including the International Labour Organisation (ILO)). The Agency will also seek to establish a partnership with the World Bank and the United Nations Development Programme (UNDP) on promoting and developing economic engagement opportunities. Engagement with the UN Entity on Gender Equality and the Empowerment of Women (UN Women) will be sought in the area of women's economic empowerment.
- 4.47 New partnerships at the local level within fields will look to the private sector and business community, in particular with respect to the TVET programme, with the aim of strengthening the evidence base of its programming through increased access to labour market information, as well as expanding vocational training opportunities and social infrastructure works.
- 4.48 Through its procurement activities, UNRWA will continue actively to favour local contractors, where applicable, particularly those that employ Palestine refugees.
- 4.49 Basic needs of food and shelter: In the provision of food assistance, UNRWA will continue to target the abject poor. Wherever possible and appropriate, UNRWA will adopt a cash-transfer mechanism in preference over the direct provision of food. UNRWA will aim to mobilise sufficient resources to ensure that direct assistance to the food insecure is equivalent to at least 20 per cent of the abject

poverty line. This will, however, require USD12.5 million more per annum than spent at present on the current caseload and will still exclude the absolute/churning poor from any direct assistance. Providing this level of assistance to all of the identified abject poor cases across all fields would cost an additional USD32.1 million per annum. The cost of providing meaningful social transfers of 50 per cent of the total value of the abject poverty line to the current caseload of abject poor SSNP population would require an additional USD75.0 million per annum. The coverage of 50 per cent of the abject poverty line implies that the poor would bring their own contribution of the other 50 per cent.

- 4.50 UNRWA will seek partnerships to consolidate its efforts in helping Palestine refugees meet their basic human needs of food, shelter and environmental health. UNRWA will continue to work with the World Food Programme (WFP) in the delivery of food assistance, both on the logistics side of food delivery and in twinning deliveries where appropriate to deliver tandem support to host communities and Palestine refugees.
- 4.51 UNRWA will seek funding to enable it to gradually rehabilitate and repair substandard shelters. If the requisite funding is received and rehabilitation targets are met, it is estimated that the number of poor refugees living in substandard shelters will decrease by over 28 per cent between 2012 and 2021. In prioritising shelters, UNRWA will apply criteria based on safety, health, socio-economic status and vulnerability.
- 4.52 In emergencies, the Agency will continue to provide humanitarian assistance to refugees, including the most vulnerable and those who have been displaced internally or to other UNRWA fields. Strategic responses to emergencies will include advocacy to host authorities, UN agencies and donors on the plight of affected Palestine refugees affected; make available its premises to shelter and protect displaced civilians during armed conflict; the promotion of partnerships with donors, Non-Governmental Organisations (NGOs) and others, and close coordination with UN Humanitarian Coordinator.
- 4.53 UNRWA will prioritise projects addressing water resource, supply and networks, sewerage networks and water drainage in camps that suffer from severe deteriorated environmental infrastructure conditions. In identifying priority

environmental health and infrastructure projects in camps, UNRWA will apply criteria that considers both the severity of the health risk and the levels of poverty and deprivation in the camp. UNRWA needs to strengthen its capacity to monitor water quality and quantity provided to refugees.

4.54 The Strategic Framework reflects the following expected accomplishments:

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

FINANCIAL RESOURCES

**Table 4-1: A Decent Standard of Living
Resource Requirements by Objective**
(Cash and In-kind, USD'000s)

	2016 Estimate	2017 Estimate
A. Reduced poverty among the poorest Palestine refugees ¹	55,242	55,390
B. Sustained access to employment for Palestine refugees	22,438	22,719
C. Substandard camp infrastructure and accommodation upgraded	1,526	1,574
D. Inclusive financial services and access to credit and savings facilities are increased	315	323
Total Regular Budget	79,521	80,006
Project Budget	564,390	130,480
Grand Total	643,911	210,486

¹ Includes SSNP Food Reserve of USD26.0m and USD26.0m for the years 2016 and 2017 respectively.

Table 4-2 : A Decent Standard of Living
Resource Requirements by Category of Expenditure
(Cash and In-kind, USD'000s)

	2012	2013	2014	2015	2016	2017
	Expenditure	Expenditure	Expenditure	Budget	Estimate	Estimate
Staff Costs						
International Staff	649	720	619	842	-	-
Basic Salaries	19,180	19,490	19,600	22,152	20,226	20,633
Hazard Pay and Special Elements	51	(1)	148	-	-	-
Provident Fund Agency Contributions	2,817	2,928	3,012	3,301	3,006	3,060
SPOA,SOA and Others	502	540	553	576	350	355
Overtime	55	20	94	8	95	95
CAF	1,080	1,886	2,294	757	-	-
Special Allowances	1,242	1,283	1,302	1,273	1,118	1,118
Health Related Expenses	484	511	533	504	570	570
Miscellaneous Allowances	26	14	7	-	-	-
Severance Cash Payment Out	1,872	1,671	299	1,033	-	-
LDC Cost	351	461	476	217	280	281
Temporary Staff	141	147	278	194	215	215
Sub-total	28,450	29,670	29,215	30,857	25,860	26,327
Non Staff Costs						
Consumption of Inventories	8,215	-	-	22,912	11,585	11,589
Non inventory Supplies	2,295	2,500	1,835	1,865	3,101	3,082
Utilities	510	695	817	911	856	866
Maintenance of Premises	981	2,303	2,220	1,242	1,389	1,409
Equipment and Construction	1,690	609	526	575	685	646
Training	64	104	96	176	101	129
Travel	111	70	120	156	102	109
Admin Support Services	209	204	257	213	126	126
Consultancy Services	205	101	502	261	127	127
Hospital Services	-	-	-	-	-	-
Miscellaneous Services	522	516	570	659	678	685
Subsidies to Hardship Cases	12,624	10,931	8,407	7,202	9,000	9,000
Subsidies to Patients	16	23	19	16	-	-
Third Parties Subsidies	-	-	14	112	20	20
Other Subsidies	93	70	112	32	155	155
Reserves ¹	-	-	-	9,025	26,000	26,000
Cost Recovery	(251)	(170)	(285)	(274)	(264)	(264)
Depreciation ¹	-	-	-	-	-	-
Sub-total	27,284	17,956	15,210	45,083	53,661	53,679
Total Staff and Non-Staff Cost	55,734	47,626	44,425	75,940	79,521	80,006
Emergency Appeal	86,310	94,976	172,323	-	-	-
Projects	74,411	179,070	283,133	201,606	564,390	130,480
Grand Total	216,455	321,672	499,881	277,546	643,911	210,486

¹ Includes SSNP Food Reserve of USD9.0m, USD26.0m and USD26.0m for the years 2015, 2016 and 2017 respectively.

**Table 4- 3: A Decent Standard of Living
Project List
(USD'000s)**

	2016 Estimate	2017 Estimate
Shelter rehab for most vulnerable families in refugee camps in Lebanon	\$4,103	\$4,226
Nahr el Bared Camp Reconstruction	\$69,348	\$69,348
Construction of refugee shelters and other reconstruction needs in Gaza	\$457,800	\$21,800
Energy saving upgrading of two vocational training centers in Jordan	\$1,900	1900
Shelter construction and maintenance in Jordan	\$11,000	\$11,000
Technical and vocational training in Syria: expand the outreach of the programme and the volume of courses offered in line with regular job market assessments	\$2,000	\$2,000
Sustain the provision of adequate emergency shelter in Syria	\$5,500	\$5,500
Shelter Rehabilitation Assistance for the most Vulnerable Refugees in West Bank	\$4,986	\$7,014
“Future Restored”: Helping young refugees in West Bank and their families dealing with the effects of conflict-related violence	\$791	\$791
Improved Employment Opportunities for Palestine Youth	\$461	\$400
Microfinance transformation	\$5,000	\$5,000
Microfinance support in the occupied Palestinian territory	\$1,500	\$1,500
Total A Decent Standard of Living	\$564,389	\$130,479

Strategic Objective: Reduced poverty among the poorest Palestine refugees

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 – 2015	2012 – 2013
Reduced poverty among the poorest Palestine refugees	Increased percentage of abject poor among the beneficiaries of the UNRWA SSNP	Target	62	59	56
		Estimate		59	56
		Actual			56
Output			2016	2017	
Social Safety Net: Provision of a social safety net to the most vulnerable refugees, including direct support to approximately 300,000 refugees each year.			55,242	55,390	
Short-term emergency assistance: Provision of short-term emergency assistance to vulnerable refugees affected by small-scale family emergencies and national crises, focusing on greater harmonisation between emergency and social safety net assistance.			-	-	
Total			55,242	55,390	

Strategic Objective: Sustained access to employment for Palestine refugees						
Expected Accomplishment	Indicators of achievement	Performance measures				
			2016 - 2017	2014 - 2015	2012 - 2013	
Sustained access to employment for Palestine refugees	Female and male employment rates for graduates within 12 months of graduation maintained [percentage female/male employment]	Target	75/78	80/78	77/85	
		Estimate		75/78	80/78	
		Actual			75/78	
Output				2016	2017	
Provision of technical and vocational training: Provision of training in technical and vocational skills to 7,000 students per year, of whom 40 per cent are women.				21,305	21,575	
Career guidance and counselling: Provision of counselling and appropriate career guidance to 3,500 technical and vocational training graduates and 10,000 school students.				490	498	
Quality of technical and vocational training: Implementation of the technical vocational education training strategy to enhance the quality, relevance and effectiveness of the technical vocational education training programme by increasing employability to 75 per cent.				-	-	
Refugees benefit from income generation programme: Refugees benefit from income generation programmes.				642	646	
Total				22,437	22,719	

Strategic Objective: Substandard camp infrastructure and accommodation upgraded						
Expected Accomplishment	Indicators of achievement	Performance measures				
			2016 - 2017	2014 - 2015	2012 - 2013	
Substandard camp infrastructure and accommodation upgraded	Increased number of refugee families living in rehabilitated shelters	Target	4,500	-	-	
		Estimate		11,753	-	
		Actual			1,368	
Output				2016	2017	
Establishing baseline of shelter numbers: Establishment of a clear baseline of the number of shelters that need rehabilitation in all camps.				-	-	
Shelter rehabilitation: Rehabilitation of 4,500 substandard shelters.				146	172	
Human rights and conflict resolution (merged into SP2): Implementation, monitoring and evaluation of human rights and conflict resolution training policies as well as strategies and toolkits for all VTCs and education science faculties.				-	-	
Partner capacity building: Building the capacity of partners of RSS to deliver a holistic package of services to the most vulnerable refugees, including those in poverty and those who are socially marginalised because of gender, disability, Gender-Based Violence (GBV) and emergency situations.				1,381	1,402	
Total				1,527	1,574	

Strategic Objective: Inclusive financial services and access to credit and savings facilities are increased

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 - 2013
Inclusive financial services and access to credit and savings facilities are increased	(i) Increase in the value of loans disbursed	Target	125m	246m	170m
		Estimate		89m	174m
		Actual			68m
	(ii) Increase in the number of loans disbursed	Target	136,847	246,000	150,000
		Estimate		94,392	174,000
		Actual			59,443
Output				2016	2017
Microfinance outreach: Establishment of inclusive self-sufficient financial systems that serve the most vulnerable by broadening the microfinance outreach and diversifying the product range.				315	323
Refugee registration system (merged into SP4): Improvement of registration services through a web-based database that provides real-time data and a tracking system and protects and preserves Palestine refugee records.				-	-
Total				315	323

SUB-PROGRAMME 4: HUMAN RIGHTS ENJOYED TO THE FULLEST

HUMAN DEVELOPMENT GOAL

- 5.1 All persons are holders of fundamental rights which derive from the inherent dignity of the human person. The primary responsibility to respect, protect and fulfil these human rights lies with states. UNRWA's role is to contribute to the protection of Palestine refugees when this responsibility is not fulfilled. Refugees are entitled to international protection which both reflects and aims to respond to their specific situation. Protection refers to all activities aimed at obtaining full respect for the rights of the individual in accordance with the letter and spirit of the relevant bodies of law (that is, human rights law, international humanitarian law and refugee law).
- 5.2 For UNRWA, protection is what the Agency does to safeguard and advance the rights of Palestine refugees including through the direct provision of services and other activities. Human rights and human development reinforce each other: expanding people's capabilities and protecting their rights go hand in hand.
- 5.3 In recent years UNRWA has significantly strengthened its protection role by introducing dedicated capacity both at headquarters and field offices. In 2012, UNRWA adopted a Protection Policy and other protection tools and standards have also been developed. In particular, a Tool for Incorporating Minimum Standards on Protection into UNRWA Programming and Service Delivery was developed in 2010 along with a set of protection standards against which progress is measured through annual Protection Audits. The Agency has introduced various initiatives to mainstream protection in its service delivery in accordance with the tools developed in recent years.
- 5.4 Complementary to UNRWA's clear mandate for protection of Palestine refugees, it is encouraged by the General Assembly to further address the needs and rights of children, women and persons with disabilities in its operations in accordance with relevant international human rights treaties. UNRWA has a Gender Mainstreaming

Strategy and GBV programme, a Disability Policy, an Inclusive Education Policy and is undertaking a mapping with a view to developing a Child Protection Framework for the Agency. While protection concerns relating to these at-risk groups are discrete, the approach required to address them are similar.

- 5.5 Programmatically, UNRWA has focused on violence and abuse in Palestine refugee communities, particularly that which is directed at women, children, persons with disabilities and vulnerable groups more broadly. In order to respond to these protection issues, UNRWA has established specialised family and child protection projects as well as systems to detect, assess, intervene, refer and monitor protection cases to ensure a holistic and comprehensive response to violence and other threats, either itself or in coordination with key protection actors. Specific to GBV, from 2010 to 2013, UNRWA's referral system initiative resulted in the detection of 4,264 survivors, with programmes reporting 4,542 cases of survivors in need. UNRWA has also responded to many child protection cases and those of Palestine Refugees from Syria.
- 5.6 In addition, the Agency has also been a strong advocate for the protection and promotion of the rights of Palestine refugees. This has included on the negative consequences of the occupation in the oPt, the blockade on the Gaza Strip, and the impact of the Syrian conflict on Palestine refugees. UNRWA documents alleged human rights violations and brings these to the attention of duty bearers and the international human rights system.

CONSTRAINTS AND CHALLENGES

- 5.7 Palestine refugees are facing an increasing number of protection challenges in all UNRWA fields of operations. There is a wide range of protection issues confronted by Palestine refugee across the region with the expectation that UNRWA should respond to all these. While UNRWA has an important role and responsibility for the protection and promotion of human rights related to and through the delivery of its services, the overall responsibility lies with States, however. A key obstacle in this regard is the lack of compliance by duty bearers with their obligations to protect and promote the human rights of Palestine refugees.

- 5.8 While UNRWA has strengthened its internal capacity to deliver on its protection mandate it still lacks the full capacity and specialised skills in relation to protection in some instances and will seek to commence addressing these in the biennium.
- 5.9 The understanding of UNRWA's protection role has been improved both within the Agency and externally with relevant stakeholders. However, UNRWA will seek to enhance its protection discourse and practice further to clarify roles and responsibilities of all actors involved.
- 5.10 The protection of survivors of GBV and other forms of violence is extremely challenging and precarious, often requiring specific psychosocial interventions with families. There is limited presence of sufficiently trained and equipped experts within Palestinian communities to provide this support.
- 5.11 The definition of a person eligible for registration with UNRWA as a Palestine refugee only recognises descendants through the male line. In light of the discriminatory effect of this on spouses and children of Palestine refugee women married to non-refugees, in 2006, UNRWA extended the eligibility to register for UNRWA services to the husbands and descendants of women married to non-refugee men (termed within the Agency as Married to Non Refugees, 'MNRs'). However, this policy change faced considerable challenges in its practical application and at present, UNRWA practice in the registration and provision of services to MNR women and their family members is different between and within Fields.

EXPECTED ACCOMPLISHMENTS

- 5.12 UNRWA has two broad approaches to protection based on its protection policy: programmatically (internal dimension) and through private and public advocacy (external dimension). While maintaining this overall framework, UNRWA will develop its protection approach further, bringing its protection priorities into greater focus, bringing greater coherence and consistency to its protection activities across the Agency, and determining its role based on an understanding of where it has added-value as compared to other UN agencies and protection actors. This will require some adjustments to ensure a more integrated approach to protection that uses the Agency's resources most effectively. UNRWA will focus on the following areas:

- 5.13 Protection mainstreaming in and through UNRWA service delivery: UNRWA will address protection challenges that arise from its programme service delivery in education, health, RSS, microfinance and infrastructure and camp improvement. This will include focusing on instances when UNRWA, through its actions or policies, unintentionally undermines the realisation of specific rights like the socio-economic rights to food, water, health and education. By addressing such concerns through “do-no-harm” and other approaches, UNRWA service delivery promotes and respects the rights of beneficiaries and ensures the security and dignity of beneficiaries. Protection needs are addressed in all aspects of UNRWA’s regular programme and project design, policies, protocols and procedures, as well as in staff training. In all contexts, UNRWA will work to ensure that its assistance and service delivery is carried out in accordance with internationally agreed standards and its own minimum protection standards. UNRWA will regularly measure its level of compliance with these minimum standards and take necessary corrective action.
- 5.14 Case tracking and referral of protection cases affecting at-risk groups: UNRWA will seek to address cases of violence, abuse, neglect and exploitation of vulnerable groups including women, children and persons with disabilities, regardless of the context. Specific protection threats include GBV, abuse, exploitation, coercion and child marriage, among others. The majority of such threats are external to UNRWA in domestic and other settings. Such cases often necessitate specialised services that UNRWA is unable to provide and therefore UNRWA will strengthen its tracking systems and referral mechanisms for the handling of such cases along with external partners. Specifically in relation to GBV, UNRWA will continue to implement the multi-sectoral approach to responding to and preventing GBV. It will ensure survivors are referred to UNRWA’s assistance programmes including food and cash, education, health, legal counselling and psychosocial support. When UNRWA is unable to provide the required assistance in legal counselling and psychosocial support, it will refer the case to an external service provider while ensuring follow-up. To complement this work UNRWA will support awareness-raising to tackle the prevention side of violence and abuse. In recognition of the heightened vulnerabilities concerning women and children in times of emergency, UNRWA will take significant steps to

mainstream gender, GBV and child protection interventions in its emergency response, both at the programmatic and operational levels. This will include the establishment of safe spaces for women and children in displacement centres as well as ensuring that outreach in the provision of assistance is carried out in a way that reaches female- and child-headed households.

5.15 Protection programming: UNRWA addresses vulnerability and external protection threats through targeted protection programming. These elements include programming to empower and promote the resilience of Palestine refugees to protection threats. This involves the development of dedicated protection programmes that provide integrated assistance to respond to protection cases affecting individuals, families or communities. Such programmes differ from UNRWA's on-going service delivery since they are standalone interventions designed to respond to specific protection concerns. UNRWA will seek to expand these specialised protection programmes.

5.16 Monitoring, reporting and advocacy (international protection): UNRWA will promote, in coordination with its partners, respect for the rights of Palestine refugees under international human rights, humanitarian and refugee law, through monitoring, reporting and advocacy. This component covers protection for which the primary responsibility lies with the host government, occupying power, or authority or entity exercising de facto control. Its content is determined by the specific protection threats faced by Palestine refugees as a result of neglect or deliberate undermining of their rights. Within its existing capacity, UNRWA will monitor report and engage in private and public advocacy on emblematic cases relating to threats to Palestine refugees. UNRWA will monitor and report on such cases and engage in advocacy towards relevant duty bearers to prevent such violations from occurring and seeking accountability and remedial measures for those that do occur. UNRWA will raise concerns about protection threats and seek accountability for violations of rights with the relevant authorities, both privately and publicly as appropriate. UNRWA will use public advocacy, including media and strategic communications to raise awareness of protection concerns affecting Palestine refugees and seek action for these to be addressed. UNRWA will also continue to make predictable and consistent use of available international

mechanisms with which the UN is mandated to cooperate, in particular the international human rights system in accordance with UNRWA's Framework for Effective Engagement with the International Human Rights System.

- 5.17 UNRWA will advocate on legal status and international protection issues. This refers to the protection concerns of Palestine refugees who are forced to flee from one field to another as a result of conflict. This relates to concerns such as non-admission and refoulement, and the legal status of Palestine refugees in countries to which they have fled. It also relates to longstanding protection of refugees linked to their precarious legal status in host countries.
- 5.18 UNRWA will review and update its disability framework to ensure the needs of persons with disabilities are adequately identified and responded to throughout its programmes and service delivery, in accordance with the Convention on the Rights of Persons with Disabilities (CRPD). It will also develop a Child Protection Framework to provide coherence and strengthen its approach to child protection activities.
- 5.19 Regarding the MNRs, the Agency will move towards resolving longstanding variations in registering and providing services to MNR women and their husbands and descendants. It will do so taking into account a number of protection, legal, financial and operational considerations, as well as the specific situation in each field of operations.
- 5.20 UNRWA will leverage existing partnerships, including with the Office of the High Commissioner for Human Rights (OHCHR), UNICEF, and the International Committee of the Red Cross (ICRC) on protection issues. It will also seek and formalise other partnerships as a means to strengthen its own role on protection and better ensure protection of Palestine refugees through joint projects, cooperation agreements and other mechanisms.
- 5.21 The Strategic Framework reflects the following expected accomplishments:
- (a) Rights of Palestine refugees are safeguarded and advanced.
 - (b) Strengthened capacity of Palestine refugees to formulate and implement sustainable social services in their communities.

- (c) Palestine refugee registration and eligibility for UNRWA services are in accordance with relevant international standards.

FINANCIAL RESOURCES

**Table 5-1: Human Rights Enjoyed to the Fullest
Resource Requirements by Objective**
(Cash and In-kind, USD'000s)

	2016	2017
	Estimate	Estimate
A. Increased awareness and respect for the rights of Palestine refugees	1,623	1,653
B. Rights, safety and dignity of Palestine refugees promoted and protected	4,010	4,111
C. Palestine refugee status and eligibility to UNRWA services protected	2,213	2,245
Total Regular Budget	7,846	8,009
Project Budget	7,000	7,000
Grand Total	14,846	15,009

**Table 5-2 : Human Rights Enjoyed to the Fullest
Resource Requirements by Category of Expenditure**
(Cash and In-kind, USD'000s)

	2012	2013	2014	2015	2016	2017
	Expenditure	Budget	Estimate	Estimate	Estimate	Estimate
Staff Costs						
International Staff		-	-			
Basic Salaries	2,235	1,927	2,186	2,401	5,648	5,794
Hazard Pay and Special Elements	14	(0)	10			
Provident Fund Agency Contributions	328	329	332	356	843	865
SPOA,SOA and Others	43	35	47	44		
Overtime and Excess hours supplement	4	(1)	8	8	30	30
CAF	108	178	211	66		
Special Allowances	215	212	196	213	351	352
Health Related Expenses	50	53	53	48	152	152
Miscellaneous Allowances	2	11	1			
Severance Cash Payment Out	85	144	29	190		
LDC Cost	46	34	34	75	31	31
Temporary Staff	11	-	19	86	49	49
Sub-total	3,141	2,923	3,127	3,487	7,104	7,273
Non Staff Costs						
Consumption of Inventories	15	-	-	13	13	13
Non inventory Supplies	70	58	36	51	62	56
Utilities	-	-	-	0		
Maintenance of Premises		123	112	10	18	18
Equipment and Construction	78	19	9	10	48	49
Training	12	14	18	73	11	11
Travel	13	13	49	59	4	4
Admin Support Services	23	1	2	4	3	3
Consultancy Services	4	18	45	35		
Hospital Services		-	-			
Miscellaneous Services	9	20	32	74	146	145
Subsidies to Hardship Cases	358	406	179	169	273	273
Subsidies to Patients	61	60	16	26	95	95
Third Parties Subsidies		3	20	20	32	32
Other Subsidies	81	80	80	80	37	37
Reserves		-	-			
Cost Recovery	(185)	(179)	(141)	(164)		
Sub-total	539	636	458	461	742	736
Total Staff and Non-Staff Cost	3,680	3,558	3,585	3,947	7,846	8,009
Emergency Appeal	4,151	5,729	3,746			
Projects	4,708	13,842	10,980	353	7,000	7,000
Grand Total	12,539	23,129	18,311	4,300	14,846	15,009

**Table 5- 3: Human Rights Enjoyed
Project List
(USD'000s)**

	2016 Estimate	2017 Estimate
Maintain the Area Support programme to support gender mainstreaming activities and respond to key protection capacity and delivery gaps throughout UNRWA operations in four areas	\$6,600	\$6,600
Sustain and expand the provision of GBV services: tracking referral, services, counseling and assist.	\$400	\$400
Total Human Rights Enjoyed to the Fullest	\$7,000	\$7,000

Strategic Objective: Increased awareness and respect for the rights of the Palestine refugees

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 - 2013
Increased awareness and respect for the rights of the Palestine refugees	Increased percentage of UNRWA written interventions on rights issues that received positive responses from the authorities	Target	50	-	-
		Estimate		40	-
		Actual			35
Output			2016	2017	
Mainstreaming protection into service delivery: Increased respect for protection principles in the Agency's programming and service delivery, including through training and awareness-raising delivered to staff at all levels.			1,623	1,653	
Total			1,623	1,653	

Strategic Objective: Rights, safety and dignity of Palestine refugees promoted and protected

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 - 2013
Rights, safety and dignity of Palestine refugees promoted and protected	Strengthened degree of mainstreaming of UNRWA protection standards in service delivery [percentage]	Target	64	-	-
		Estimate		55	-
		Actual			49
Output			2016	2017	
Increased respect and protection of rights: Increased respect and protection of the rights of Palestine refugees by the relevant authorities, including through the development of an enhanced network of interlocutors to whom UNRWA systematically submits interventions.			4,010	4,111	
Total			4,010	4,111	

Strategic Objective: Palestine refugee status and eligibility to UNRWA services protected

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 - 2013
Palestine refugee status and eligibility to UNRWA services protected	Percentage of new inscriptions meeting UNRWA standards maintained	Target	99	-	-
		Estimate		99	-
		Actual			99
Output			2016	2017	
Registration and eligibility services: Provision of registration and eligibility services.				2,213	2,245
Referral systems for gender-based violence survivors: Establishment of referral systems for GBV survivors in all UNRWA fields of operation.				-	-
Total				2,213	2,245

**SUB-PROGRAMME 5: EFFECTIVE AND EFFICIENT GOVERNANCE AND
SUPPORT IN UNRWA**

MANAGEMENT SERVICES GOAL

- 6.1 UNRWA must ensure the systems, structures and procedures are in place to achieve the above objectives and effectively manage the risks that will confront the Agency.
- 6.2 This Chapter outlines the management and operational responses to the three primary risks. First, is the risk that the Agency will have insufficient resources to enable it to address the outcomes. Second is the risk of dramatic and unforeseen changes in the operating environment that change refugee needs or the Agency's ability to operate. Third is the risk associated with change.
- 6.3 UNRWA will (a) build an ambitious relationship and fundraising approach, (b) strengthen management systems for maximum impact and effective response, and (c) foster and institute a culture of partnership with refugees and staff.
- 6.4 UNRWA has had a number of successes in its RMS in recent years, securing a greater diversification of the donor base to include more contributions from Arab States, emerging markets and other non-traditional donors including the private sector. Overall, resource mobilisation has continued to increase each year. Nonetheless, financing the Agency remains significantly reliant on a small group of donors who are facing increasing challenges in supporting changes arising as a result of increasing numbers of beneficiaries and modifications in the delivery of our services resulting from changes in the nature of services delivered. Despite some resource mobilisation successes in recent years, UNRWA has not been given sufficient resources to enable its operations to keep pace with the increasing needs of Palestine refugees. This comes at the same time that host authorities are facing similar challenges in supporting Palestine refugees. There is every reason to believe that UNRWA will continue to face a long-term resource mobilisation challenge.

- 6.5 UNRWA must mobilise more resources from traditional and new donors. A new approach is required, and the financing of UNRWA will be supported by a new RMS commencing in 2016. This will be the product of an analytical evaluation of resource mobilisation in 2015, to assess the strengths, weaknesses, risks and opportunities of the current approach. An important part of this strategy will be on strengthened communication.
- 6.6 The resource mobilisation challenge makes it even more imperative for the Agency to focus on its strengths and ensure it makes the biggest impact with the available resources and for the Agency to actively work with partners to transform a number of current collaborations into long-term strategic engagements that enhance the ability of UNRWA to fulfil expectations and its mandate in the service of Palestine refugees. UNRWA remains the mandated UN agency for Palestine refugees and has the greatest capacity in the UN system to respond to refugee needs, especially in times of emergency and crisis. UNRWA will use this position of leadership to ensure that refugees benefit from specialised expertise and programmes of other actors at all levels – international, national and local.
- 6.7 UNRWA will build on sound management practices and programme reform efforts already embarked upon in order to continue providing vital quality services cost effectively, and will also ensure refugees benefit to the maximum extent possible from additional opportunities and services provided by others.
- 6.8 UNRWA is committed to management of its costs in a way that retains the Agency's capacity to achieve its strategic objectives with maximum impact of its resources, and without compromising on essential services. The largest driver of costs – UNRWA's service delivery and the staff required for that – is also UNRWA's biggest asset.
- 6.9 UNRWA will continue to manage its workforce responsibly. Through programme reforms such as those in the Education and Health Programmes, UNRWA will produce a greater quality impact without significant increases in its workforce. Based on projected needs, some increase in UNRWA's workforce will be required, but the Agency will seek to limit this increase to the education sector in Gaza Field where the number of children seeking admission to UNRWA schools is expected to continue to grow (a pattern that is not expected in other Fields).

- 6.10 As regards compensation to its workforce, UNRWA is committed to being recognised by all stakeholders – its workforce, refugees, host authorities and donors – as a fair employer. UNRWA will continue to rigorously adhere to the Agency’s Pay Policy which is founded on an objective to optimise the Agency’s human resources to ensure the best possible services are provided to the refugee community. This can be ensured by applying the correct remuneration, providing acceptable conditions of service and by applying the correct classification grades to approved posts. The Pay Policy dictates that the Agency will take into account the relationship between UNRWA compensation and that of the Government of the host country. In doing so, UNRWA will endeavour to ensure that compensation, including salaries, offered to the Agency’s workforce are not significantly above or below the host country comparator, as determined through routine salary surveys, as well as other timely analysis of labour market developments.
- 6.11 To strengthen its accountability in meeting its targets on gender equality and women’s empowerment, UNRWA participates in the UN-SWAP, the systems-wide gender mainstreaming accountability framework. The results of the UN-SWAP are indicative of UNRWA’s successes in a number of different areas, including in strategic planning, monitoring and reporting, and capacity development. In 2013, UNRWA met or approached requirements for 87 per cent of all performance indicators. In the assessment UNRWA performed significantly better on average compared to other UN Funds and Programmes and the performance of the UN system as a whole, evidence of its leadership in gender equality and women’s empowerment in the UN system. Despite these successes, further progress is required in some areas, including in establishing a gender marker system with financial benchmarks to track resource allocations to gender equality and in relation to women in management positions.
- 6.12 In order to make the most of its resources, UNRWA requires information systems that support management decision-making. It further requires a corporate culture that promotes access to information as well as the triangulation and validation of data for purposes of decision-making. UNRWA information systems architecture

has been the subject of significant reform in recent years. More work will be undertaken in the biennium to complete these reforms.

- 6.13 UNRWA will adhere to results based management, and will employ strong risk management systems and oversight structures. UNRWA will continue to strengthen its monitoring and analytical capacity including in relation to developing a better understanding of vulnerability to poverty and social marginalisation and how UNRWA's programmes and partners can provide a more effective response. UNRWA will make optimal use of evaluations and has developed a long-term evaluation plan for the period 2015-2021.
- 6.14 UNRWA will ensure that it operates in full compliance with its regulatory framework, applicable international law and to the humanitarian principles of humanity, neutrality, impartiality and independence. UNRWA will conduct regular inspections of facilities and ensure inspection and investigation systems are in place to ensure adherence to this commitment. There will be a no tolerance approach to fraud, corruption and any other financial irregularities. UNRWA will optimise the benefit of strengthened legal capacities in all Field offices and Headquarters to reduce potential liabilities, exposure to reputational risk, and to ensure maximum appreciation of and adherence to its privileges and immunities. UNRWA will further develop and implement internal oversight work plans that address enterprise risk and, therefore, further UNRWA's ability to achieve its strategic objectives. UNRWA will ensure that accepted recommendations of audits, evaluations and inspections, as well as decisions relating to fraud, corruption and other financial irregularities are promptly followed up and implemented.
- 6.15 UNRWA will furthermore ensure efficient and flexible operational structures, systems and procedures are in place so that the Agency is prepared and ready to respond to emergencies when they arise. Given the size of UNRWA's regular infrastructure (including staff, installations, supply chains, long-term agreements), UNRWA has a unique capacity to respond quickly and effectively to humanitarian needs and to incorporate resilience and recovery programming into its emergency response. Opportunity does, however, exist for the Agency to further improve its agility, flexibility and, therefore, effectiveness in any environment, whether it be

one of relative safety, crisis, emergency or high risk. UNRWA will take measures to ensure that the existence of emergency operations in one Field will not have an impact on non-emergency operations in other Fields of operations.

- 6.16 UNRWA remains committed to building stronger and more empowering relationships with refugees and staff. Refugees must be given the opportunity to influence decisions that will affect them. UNRWA will engage with and involve refugees at different stages in the planning cycle. UNRWA will improve communications and clarity to refugees about their entitlements and mechanisms to hear and respond to petitions and complaints.
- 6.17 Sustained by a large and diverse workforce, and shaped by an Organisational culture dating to the 1950s, UNRWA has made efforts over time to modernise its management and planning systems. These efforts have been geared towards further improving the effectiveness of the Agency in protecting and assisting the refugees, and in ensuring optimal use of the resources entrusted to it by the international community. The engagement of UNRWA's workforce and unions on issues related to staff relations and conditions of service have grown considerably in recent years, in the context of reform-driven changes in roles and responsibilities for many staff, and of new wage-related demands from public sector workers throughout the Middle East.
- 6.18 With so many of UNRWA's achievements depending on the direct delivery of services to refugees by individual staff, building a strong culture of trust, consultation and respect at all levels in workforce management and staff relations are of vital importance. With a view to building greater awareness of perceptions, expectations and requirements of staff and management, consultation will foster higher levels of trust and respect in the workplace. Coupled with renewed efforts to enhance staff capacity including through leadership development, the Agency looks forward to a revitalised commitment by all staff to leading and implementing the Agency's vision; ensuring the needs of the refugees that the Agency serves come before individual interest; striving to improve the quality of our work and the services UNRWA provides; promoting and enabling a collaborative and empowering team environment for staff to work in; coaching and helping staff under supervision to grow and develop and providing them with honest,

constructive feedback as part of supporting and managing performance. UNRWA will furthermore strengthen its commitment to transparency, open communication, and dialogue. UNRWA will ensure proper handling of appeals and petitions from staff and will review in 2015 the effectiveness of the various mechanisms of the administration of the UNRWA internal justice system in light of the ongoing review of the UN system for the administration of justice.

- 6.19 Security of its staff is crucial to UNRWA presence and mandate delivery. Carrying out humanitarian and human development activities in places of armed conflict or internal violence continues to be a dangerous undertaking. UNRWA recognises that the risks to the refugee community are not distinguishable from the risks to its 30,000 local staff that live amongst and serve the community. UNRWA acknowledges as a starting premise that the Organisation and its front line staff will be confronted by significant levels of risk. The key Organisational issue is how UNRWA manages those risks to its staff. UNRWA will focus on four targeted initiatives to improve staff safety. First, UNRWA will finalise the establishment of a UNRWA Institutional Security Management Framework. Second, UNRWA will carry out Organisational and field operational risk assessments on programmes, projects, activities, staff occupations and or staff at most risk. Third, UNRWA will build the capacity of management and staff to make decisions about safety and security within the workplace, with an eye towards being able to identifying/assessing emerging risks. Fourth, UNRWA will further develop the Agency's security and operational risk management system in order to deliver on the aforementioned initiatives. It will do so in order to meet UNRWA's mandatory UN requirement to maintain a robust internal security management system that adheres to the principles of determining acceptable risk, providing adequate and sustainable resources to manage risk to staff, operations, premises and assets, and of implementing security policies and procedures.

OBJECTIVES

- 6.20 Provision of effective leadership and direction for achieving strategic objectives
Develop and sustain UNRWA, enabling it to carry out its mandate.

FINANCIAL RESOURCES

**Table 6-1: Effective and Efficient Governance and Support in UNRWA
Resource Requirements by Objective**
(Cash and In-kind, USD'000s)

	2016 Estimate	2017 Estimate
A. Provision of effective leadership and direction for achieving strategic objectives	71,845	72,710
B. Develop and sustain UNRWA, enabling it to carry out its mandate	76,589	77,596
Total Regular Budget	148,434	150,306
Project Budget	3,248	3,282
Grand Total	151,682	153,588

* Excludes Microfinance Department (MD) budget self-sustained through interest income on loan distributions.

Table 6-2: Effective and Efficient Governance and Support in UNRWA
Resource Requirements by Category of Expenditure
(Cash and In-kind, USD'000s)

	2012	2013	2014	2015	2016	2017
	Expenditure	Budget	Estimate	Estimate	Estimate	Estimate
Staff Costs						
International Staff	24,483	27,332	27,211	26,966	32,028	32,028
Basic Salaries	25,518	25,356	27,743	29,634	50,195	51,328
Hazard Pay and Special Elements	53	3	205	-	-	-
Provident Fund Agency Contributions	3,720	3,956	4,074	4,377	7,093	7,221
SPOA, SOA and Others	1,383	1,541	1,636	1,725	3,882	3,907
Overtime	364	373	535	495	770	776
CAF	1,552	2,659	3,086	1,081	-	-
Special Allowances	3,041	2,489	2,606	4,325	3,936	3,966
Health Related Expenses	(780)	1,227	1,243	1,410	1,993	2,003
Miscellaneous Allowances	103	63	29	248	148	148
Severance Cash Payment Out	2,260	2,063	408	1,646	-	-
LDC Cost	371	475	760	3,792	5,411	5,441
Temporary Staff	1,255	1,390	1,538	2,060	1,542	1,713
Sub-total	63,323	68,927	71,074	77,759	106,998	108,531
Non Staff Costs						
Consumption of Inventories	8,818	28,676	35,825	4,225	4,410	4,397
Non inventory Supplies	1,956	1,683	2,137	1,816	3,680	3,710
Utilities	2,104	2,440	2,506	2,804	3,748	3,870
Maintenance of Premises	5,241	1,664	2,076	1,640	3,283	3,392
Equipment and Construction	10,879	14,156	16,841	7,494	6,932	6,971
Training	776	714	696	931	1,194	1,222
Travel	1,553	1,189	1,411	1,471	2,018	2,024
Admin Support Services	4,268	3,887	4,608	4,961	5,927	5,883
Consultancy Services	1,634	1,469	2,409	1,512	2,173	2,197
Hospital Services	-	-	-	-	-	-
Miscellaneous Services	5,440	4,804	4,369	6,400	8,963	9,001
Subsidies to Hardship Cases	704	16	13	120	29	29
Subsidies to Patients	-	-	-	693	693	693
Third Parties Subsidies	-	742	646	-	19	19
Other Subsidies	533	105	152	170	170	170
Reserves	-	-	-	549	125	125
Cost Recovery	(3,291)	(2,381)	(2,308)	(8)	(1,928)	(1,928)
Depreciation ¹						
Sub-total	40,615	59,164	71,381	34,778	41,436	41,775
Total Staff and Non-Staff Cost	103,938	128,091	142,455	112,537	148,434	150,306
Emergency Appeal	12,377	31,036	36,161	-	-	-
Projects	7,779	56,362	33,896	3,970	3,248	3,282
Grand Total	124,094	215,489	212,512	116,507	151,682	153,588

**Table 6- 3: Effective and efficient governance and support
Project List
(USD'000s)**

	2016 Estimate	2017 Estimate
Support to the Operations Support Officer Programme in Lebanon	\$1,108	\$1,142
Strengthening Internal Oversight Services	\$2,140	\$2,140
Total Effective and efficient governance and support in UNRWA	\$3,248	\$3,282

Strategic Objective: Provision of effective leadership and direction for achieving strategic objectives

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 – 2013
Provision of effective leadership and direction for achieving strategic objectives	Percentage of staff who consider that strong leadership is recognised and encouraged in UNRWA	Target		-	-
		Estimate			-
		Actual			
Output			2016	2017	
Providing of effective leadership and direction for achieving all goals			9,097	9,125	
Strategic and operational plans and management for results			41,087	41,816	
Agency capacity to mobilise resources and manage donor relations developed			5,557	5,580	
Productive relationships with donor governments and the UN System			2,161	2,164	
Institutionalise and optimise the security risk management system			6,898	6,981	
Strengthen governance and conformity with the Agency's regulatory framework, UN Jurisprudence and international law			2,821	2,817	
Independent and objective assurance of UNRWA's risk management, controls and governance processes			3,220	3,223	
Independent, impartial and judicious decisions issued in a fair and timely manner to applicants appealing administrative decisions of the Agency			1,004	1,004	
Total			71,845	72,710	

Strategic Objective: Develop and sustain UNRWA, enabling it to carry out its mandate

Expected Accomplishment	Indicators of achievement	Performance measures			
			2016 - 2017	2014 - 2015	2012 – 2013
Develop and sustain UNRWA, enabling it to carry out its mandate	Degree to which planned results are achieved	Target		-	-
		Estimate			-
		Actual			
Output			2016	2017	
Administrative support provided to operations			16,532	16,743	
Ensure appropriate goods, commodities and services are available to UNRWA beneficiaries in a timely and cost-effective manner			25,874	26,041	
Management information systems supporting effective decision-making			12,704	13,029	
HR management strategies aligned to the Agency's vision and mission and clearly communicated to staff			2,575	2,593	
Staff personnel services			10,923	11,153	
Financial services provided (management information and advice, financial transaction processing, accounting and reporting)			7,703	7,758	
Staff provided with legal advice concerning their terms of employment			278	279	
Staff provident fund maintained and administered			0	0	
Total			76,589	77,596	

CHAPTER VII

UNITED NATIONS BOARD OF AUDITORS RECOMMENDATIONS - IMPLEMENTATION STATUS

Table 11 below illustrates the current status of 60 recommendations in the United Nations Board of Auditors (UNBOA) report for 2014. As of 31 July 2015, 39 recommendations were implemented; 44 under implementation; one had not been implemented and 5 had been overtaken by events.

UNRWA's management is committed to implementing the recommendations, some of which require additional funding, span biennia or require strategic intervention. Most of the recommendations indicated as under implementation are planned in the third and fourth quarter of the 2015.

**Table 11: Implementation Status of the UNBOA Recommendations for the
Biennium Ended 31 December 2013**

Department	Number of recommendations	Implementation Status			
		Implemented	Under Implementation	Not Implemented	Overtaken by Events
External Relations and Communication Department	3	-	2	1	-
Finance Department	5	3	2	-	-
Department of Administrative Support	37	16	16	-	5
Programme Coordination and Support	25	9	16	-	-
Department of Human Resources	8	6	2	-	-
Department of Oversight Services	8	5	3	-	-
Executive Management	3	-	3	-	-
Total	89	39	44	1	5

CHAPTER VIII

WORKLOAD INDICATORS AND STATISTICS

Key workload indicators and statistics for each HDG are provided in Table 12 below in order to illustrate the magnitude of the task facing UNRWA in achieving its mission with respect to the Palestine refugee population.

Table 12: WORKLOAD INDICATORS & STATISTICS

Indicator	U* o M	End 2011 Actual	End 2013 Actual	As at 31-12-2014
Registered Refugees	No.	1,167,572	1,240,082	1,276,929
Education Staff	No.	21,254	21,902	21,924
Pupil Enrolment	No.	485,500	476,323	493,500
Schools	No.	699	666	685
Vocational & Technical Training trainees	No.	6,539	7,289	7,234
A long and healthy life				
Health Staff (excluding environmental health)	No.	3,474	3,379	3,338
Primary Health Care Facilities	No.	137	138	137
Patient visits	No.	10669571	9290197	9457155
A decent Standard of Living				
Estimated number of persons living below the poverty line	No.			
Special Hardship Cases (SHC) and Social Safety Net (SSN) Cases	No.	293,718	296,784	294,152
Number of loans made	No.	39,998	26,539	34,967
Value of Loans made (cumulative)	USD	44,382,450	30,547,508	34,376,230
Number of substandard shelters of SSN cases	No.	11,823	38,000	44654
Number of substandard shelters of SSN cases rehabilitated/constructed	No.	679	1,385	1,075
Effective and Efficient Governance and Support in UNRWA				
Information, Communication and Technologies (ICT) service users	No.			
UNRWA Area staff (female)	No.	14,951	15,345	15,564
UNRWA Area staff (male)	No.	15,210	15,331	15,154
Accounting vouchers processed	No.			
Provident Fund Assets	USD'000			

(1) Palestine refugee population.

* UoM = Unit of Measurement

ACCRUAL BUDGETING – FROM IPSAS TO UNSAS

1. In previous biennia up to 2012-2013, the Programme Budget was presented as per Modified Cash Basis (UNSAS). However, with UNRWA now fully IPSAS compliant effective 1 January 2012, in accordance with Regulation 9.2 of updated Financial Regulations, the tables below reflect the movement in budget from IPSAS (Accrual Budget) to UNSAS used for internal management purposes only.
2. **Accrual Budget Definition:**

Using accrual concepts, budgeting under IPSAS simply implies quantitative limits on the expenses incurred as opposed to using cash payments as basis.
3. **Why Accrual Budget:**
 - a) Shifts attention from a basic cash management function to managing all expenses associated with service delivery;
 - b) Detects where funding levels do not match up to service delivery;
 - c) Greater linkages between budgeting and financial reporting on the same basis of accrual accounting; i.e. improve comparability of data;
 - d) Improve decision making with respect to assets – including the acquisition, disposal and maintenance of fixed assets, and the management of stocks;
 - e) Strengthen accountability and financial management;
 - f) Reflects full scope and size of the Agency's:
 - Resources (all financial and non-financial assets)
 - Obligations (all liabilities)
 - Greater focus on consumption of resources
 - Budgeting and forecasting would be based on anticipated economic events, revenues, and operational costs in the fiscal year, not anticipated receipts or payments in the fiscal year.

4. The tables 9-1 to 9-5 reflect the following main changes when budgeting under IPSAS as compared to Modified Cash Basis UNSAS:
- a) Capital Expense (CAPEX): Under UNSAS, capital requirements are treated as expenditure whereas under IPSAS, treated as an Asset and therefore included under the Capital Budget.
 - b) Severance / Early Voluntary Retirement (EVR): Under UNSAS includes estimates reflecting the cash payout required for staff retiring of USD29.2 million and USD32.4 million in 2016 and 2017, respectively. Under IPSAS, it captures the net movement in provision for Severance / EVR accrued for all around 30,000 staff on board (explained below in c), estimated at USD71.6 million and USD73.7 million in 2016 and 2017, respectively.
 - c) Severance Provision: Reflects the non-cash severance accrued for the around 30,000 Area (National) staff on the Agency payroll.
 - d) Depreciation and Amortisation: Under IPSAS, this item reflects the non-cash depreciation and amortisation expense accrued for tangible and intangible assets owned by the Agency estimated at USD31.6 million per annum. Being a non-cash expense, it is not part of the UNSAS Budget.
 - e) Annual Leave: Under IPSAS, this item reflect the non-cash leave provision of the around 30,000 Area (National) staff accrued during the year estimated at USD2.0 million per annum, and therefore is only reflected under IPSAS.

5. **Tables presented below include:**

Table 9-1: Summary of 2016-2017 Total Budget Volume by HDG

Table 9-2: Summary of 2016-2017 Total Budget Volume by Programme

Table 9-3: Summary of 2016 Total Budget Volume per Field per HQ Department

Table 9-4: Summary of 2017 Total Budget Volume per Field per HQ Department

Table 9-5: Summary of 2016-2017 Total Budget Volume by Resources

TABLE 9-1 BIENNIUM BUDGET 2016-2017
Summary of 2016-2017 Agency Wide Total Budget Volume by Human Development Goal
(USD'000s)

Goal	2016 Fiscal Year					2017 Fiscal Year					2016-2017 Biennium				
	Regular Budget			Project Budget	Total	Regular Budget			Project Budget	Total	Regular Budget			Project Budget	Total
	Cash ¹	In Kind	Total			Cash ¹	In Kind	Total			Cash	In Kind	Total		
A Long and Healthy Life	139,143	3,884	143,027	49,617	192,644	141,699	3,892	145,591	39,236	184,827	280,842	7,776	288,618	88,853	377,471
Acquired Knowledge and Skills	410,855	722	411,577	71,093	482,670	425,097	741	425,838	9,271	435,109	835,952	1,463	837,415	80,364	917,779
A Decent Standard of Living ²	85,517	1,008	86,525	564,390	650,915	86,111	1,030	87,141	130,480	217,621	171,628	2,038	173,666	694,870	868,536
Human Rights Enjoyed to the Fullest	9,310	5	9,315	7,000	16,315	9,507	5	9,512	7,000	16,512	18,817	10	18,827	14,000	32,827
Effective and efficient governance and support in UNRWA	167,505	1,349	168,854	3,248	172,102	169,641	1,356	170,997	3,282	174,279	337,146	2,705	339,851	6,530	346,381
Total Goal Requirements	812,330	6,968	819,298	695,348	1,514,646	832,055	7,024	839,079	189,269	1,028,348	1,644,385	13,992	1,658,377	884,617	2,542,994
Contingency Reserve	11,461	-	11,461	-	11,461	8,652	-	8,652	-	8,652	20,113	-	20,113	-	20,113
VAT Reserve ^{3,3}	1,000	-	1,000	-	1,000	-	-	-	-	-	1,000	-	1,000	-	1,000
Total Other Requirements	12,461	-	12,461	-	12,461	8,652	-	8,652	-	8,652	21,113	-	21,113	-	21,113
Total Resource Requirements - IPSAS view	824,791	6,968	831,759	695,348	1,527,107	840,707	7,024	847,731	189,269	1,037,000	1,665,498	13,992	1,679,490	884,617	2,564,107
+ CAPEX	2,023	17	2,040		2,040	2,027	18	2,045		2,045	4,050	35	4,085	-	4,085
+ Severance / EVR	29,157		29,157		29,157	32,424		32,424		32,424	61,581	-	61,581	-	61,581
- Depreciation	(31,630)		(31,630)		(31,630)	(31,630)		(31,630)		(31,630)	(63,260)	-	(63,260)	-	(63,260)
- Severance Provision	(71,627)		(71,627)		(71,627)	(73,746)		(73,746)		(73,746)	(145,373)	-	(145,373)	-	(145,373)
- Annual Leave	(2,000)		(2,000)		(2,000)	(2,000)		(2,000)		(2,000)	(4,000)	-	(4,000)	-	(4,000)
Total Resource Requirements - UNSAS view	750,714	6,985	757,699	695,348	1,453,047	767,782	7,042	774,824	189,269	964,093	1,518,496	14,027	1,532,523	884,617	2,417,140

¹ Excludes the cost of one international post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

² Includes SSNP Food Reserve of USD26.0m per annum.

³ Reflects the forecasted VAT un-settled by the PA in the biennium 2016-2017.

TABLE 9-2 BIENNIUM BUDGET 2016-2017
Summary of 2016-2017 Agency Wide Total Budget Volume by Programme
(USD'000s)

Programme	2016 Fiscal Year					2017 Fiscal Year					2016-2017 Biennium				
	Regular Budget			Project Budget	Total	Regular Budget			Project Budget	Total	Regular Budget			Project Budget	Total
	Cash ¹	In Kind	Total			Cash ¹	In Kind	Total			Cash ¹	In Kind	Total		
Education Programme	452,632	2,039	454,671	49,617	502,249	467,505	2,078	469,583	39,236	506,741	920,137	4,117	924,254	88,853	1,008,990
Health Programme	127,262	4,448	131,710	71,093	198,355	129,591	4,457	134,048	9,271	138,862	256,853	8,905	265,758	80,364	337,217
Relief & Social Services Programme ²	66,227	225	66,452	564,390	630,617	66,523	228	66,751	130,480	197,003	132,750	453	133,203	694,870	827,620
Infrastructure and Camp Improvement Prog	35,021	4	35,025	7,000	42,021	35,753	4	35,757	7,000	42,753	70,774	8	70,782	14,000	84,774
Executive Direction	21,948	222	22,170	3,248	25,196	21,980	227	22,207	3,282	25,262	43,928	449	44,377	6,530	50,458
Support Departments	109,240	30	109,270	-	109,240	110,703	30	110,733	-	110,703	219,943	60	220,003	-	219,943
Total Programme Requirements	812,330	6,968	819,298	695,348	1,514,646	832,055	7,024	839,079	189,269	1,028,348	1,644,385	13,992	1,658,377	884,617	2,542,994
Contingency Reserve	11,461	-	11,461	-	11,461	8,652	-	8,652	-	8,652	20,113	-	20,113	-	20,113
VAT Reserve ³	1,000	-	1,000	-	1,000	-	-	-	-	-	1,000	-	1,000	-	1,000
Total Other Requirements	12,461	-	12,461	-	12,461	8,652	-	8,652	-	8,652	21,113	-	21,113	-	21,113
Total Resource Requirements - IPSAS view	824,791	6,968	831,759	695,348	1,527,107	840,707	7,024	847,731	189,269	1,037,000	1,665,498	13,992	1,679,490	884,617	2,564,107
+ CAPEX	2,023	17	2,040	-	2,040	2,027	18	2,045		2,045	4,050	35	4,085	-	4,085
+ Severance / EVR	29,157		29,157	-	29,157	32,424		32,424		32,424	61,581	-	61,581	-	61,581
- Depreciation	(31,630)		(31,630)	-	(31,630)	(31,630)		(31,630)		(31,630)	(63,260)	-	(63,260)	-	(63,260)
- Severance Provision	(71,627)		(71,627)	-	(71,627)	(73,746)		(73,746)		(73,746)	(145,373)	-	(145,373)	-	(145,373)
- Annual Leave	(2,000)		(2,000)	-	(2,000)	(2,000)		(2,000)		(2,000)	(4,000)	-	(4,000)	-	(4,000)
Total Resource Requirements - UNSAS view	750,714	6,985	757,699	695,348	1,453,047	767,782	7,042	774,824	189,269	964,093	1,518,496	14,027	1,532,523	884,617	2,417,140

¹ Excludes the cost of one international post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

² Includes SSNP Food Reserve of USD26.0m per annum.

³ Reflects the forecasted VAT un-settled by the PA in the biennium 2016-2017.

TABLE 9-3: REGULAR BUDGET REQUIREMENTS BY FIELD / HQ DEPARTMENT

Year 2016

(USD'000s)

Field/HQ	Gaza Strip	Lebanon	Syrian Arab	Jordan	West Bank	Education	Health	Relief ¹	DICI	Executive Direction	Support Department	Total
	275,676	102,376	69,456	160,077	126,273	4,547	12,026	26,749	1,512	1,745	38,861	819,298
IPSAS Budget	275,676	102,376	69,456	160,077	126,273	4,547	12,026	26,749	1,512	1,745	38,861	819,298
Reserves												
Contingency Reserve	-	-	-	-	-	-	-	-	-	-	11,461	11,461
VAT Reserve ²	-	-	-	-	-	-	-	-	-	-	1,000	1,000
Total Reserves											12,461	12,461
IPSAS Total Budget	275,676	102,376	69,456	160,077	126,273	4,547	12,026	26,749	1,512	1,745	51,322	831,759
Add:												
CAPEX	500	530	50	319	421	-	-	-	-	-	220	2,040
Severance / EVR	-	-	-	-	-	-	-	-	-	-	29,157	29,157
Deduct:												
Depreciation	12,361	2,344	1,664	2,517	4,490	1,273	2	7	1	14	6,957	31,630
Severance Provision	27,872	9,497	6,823	15,323	10,821	249	44	20	72	196	709	71,627
Annual Leave	-	-	-	-	-	-	-	-	-	-	2,000	2,000
UNSAS Budget	235,943	91,065	61,019	142,556	111,383	3,025	11,980	26,722	1,439	1,535	71,033	757,699

¹ Includes SSNP Food Reserve of USD26.0m.

² Reflects the forecasted VAT un-settled by the PA in the biennium 2016-2017.

TABLE 9-4: REGULAR BUDGET REQUIREMENTS BY FIELD / HQ DEPARTMENT

Year 2017

(USD'000s)

Field/HQ	Gaza Strip	Lebanon	Syrian Arab	Jordan	West Bank	Education	Health	Relief ¹	DICI	Executive Direction	Support Department	Total
	288,794	104,102	70,290	161,863	128,312	4,582	1,278	27,480	1,768	11,501	39,109	839,079
IPSAS Budget	288,794	104,102	70,290	161,863	128,312	4,582	1,278	27,480	1,768	11,501	39,109	839,079
Reserves												
Contingency Reserve ²											8,652	8,652
VAT Reserve											-	0
Total Reserves											8,652	8,652
Total Resources Requirements	288,794	104,102	70,290	161,863	128,312	4,582	1,278	27,480	1,768	11,501	47,761	847,731
Add:												
CAPEX	500	530	50	319	426	-	-	-	-	-	220	2,045
Severance / EVR	-	-	-	-	-	-	-	-	-	-	32,424	32,424
Deduct:												
Depreciation	12,361	2,344	1,664	2,517	4,490	1,273	2	7	1	14	6,957	31,630
Severance Provision	28,697	9,778	7,025	15,777	11,141	257	44	21	74	202	730	73,746
Annual Leave	-	-	-	-	-	-	-	-	-	-	2,000	2,000
UNSAS Budget	248,236	92,510	61,651	143,888	113,107	3,052	1,232	27,452	1,693	11,285	70,718	774,824

¹ Includes SSNP Food Reserve of USD26.0m.

TABLE 9-5: REGULAR BUDGET REQUIREMENTS BY RESOURCES 2016-2017
(USD'000s)

Category of Expenditure	2016 ¹ Estimate	2017 ¹ Estimate
Staff Costs		
International Staff	32,028	32,028
Basic Salaries	397,077	411,498
Hazard Pay and Special Elements	-	-
Provident Fund Agency Contributions	58,856	60,850
SPOA,SOA and Others	12,493	12,749
Overtime and Excess hours supplement	998	1,004
CAF	-	-
Special Allowances	19,519	19,719
Health Related Expenses	9,197	9,259
Miscellaneous Allowances	176	176
Annual Leave Expenses	-	-
Severance Provision	71,627	73,746
LDC and Temporary Staff -(D)	11,291	11,307
Sub-total	613,262	632,336
Non Staff Costs		
Consumption of Inventories	37,991	38,497
Non inventory Supplies	19,741	19,364
Utilities	6,413	6,560
Maintenance of Premises	10,014	10,167
Equipment and Construction	10,758	10,799
Training	1,467	1,507
Travel	2,305	2,268
Admin Support Services	6,280	6,232
Consultancy Services	2,550	2,543
Hospital Services	19,857	19,987
Miscellaneous Services	14,115	14,250
Subsidies to Hardship Cases	9,327	9,328
Subsidies to Patients	9,434	9,458
Third Parties Subsidies	71	71
Other Subsidies	362	362
Reserves	26,125	26,125
Cost Recovery	(2,404)	(2,405)
Depreciation	31,630	31,630
Sub-total	206,036	206,743
Total Staff and Non-Staff Cost	819,298	839,079
Contingency Reserve ²	11,461	8,652
VAT Reserve ³	1,000	-
Sub-total	12,461	8,652
Total Resource Requirements - IPSAS view	831,759	847,731
+ CAPEX	2,040	2,045
+ Severance / EVR	29,157	32,424
- Depreciation	31,630	31,630
- Severance Provision	71,627	73,746
- Annual Leave	2,000	2,000
Total Resource Requirements - UNSAS view	757,699	774,824

¹ Excludes the cost of one international post that may not be funded by the RB of the UN during the 2016-2017 Biennium.

² Includes SSNP Food Reserve of USD26.0m per annum.

³ Reflects the forecasted VAT un-settled by PA in the biennium 2016-2017.