



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



August 2017

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Acronyms

A	
ACABQ	Advisory Committee on Administrative and Budgetary Questions
AdCom	Advisory Commission Meeting
C	
CAPEX	Capital Expense
CERF	Central Emergency Response Fund
CIP	Camp Improvement Plan
CPI	Consumer Price Inflation
CRPD	Convention on the Rights of Persons with Disabilities
D	
DSRM	Director of Security and Risk Management
E	
EA	Emergency Appeal
e-Health	Electronic Medical Records
EMIS	Education Management Information System
ESF	Education Sciences Faculties
EVR	Early Voluntary Retirement
F	
FESA	Faculty of Educational Sciences and Arts
FHT	Family Health Team
G	
GBV	Gender-Based Violence
GFO	Gaza Field Office
GIZ	Gesellschaft für Internationale Zusammenarbeit
H	
HQ	Headquarters
HQA	Headquarters' Amman
HRCRT	Human Rights Conflict Resolution & Tolerance
I	
IASC	Inter-Agency Standing Committee
ICIP	Infrastructure Camp Improvement Programme
ICRC	International Committee of the Red Cross
ICT	Information, Communication and Technologies
ILO	International Labour Organisation
ISC	Indirect Support Costs
J	
JCP	Job Creation Programmes
JFO	Jordan Field Office
L	
LDC	Limited Duration Contract
LFO	Lebanon Field Office
M	
MCSP	Microcredit Community Support Programme
MMD	Microfinance and Microenterprise Department
MHPSS	Mental Health and Psychosocial Support
MLA	Monitoring Learning Achievements
MNRs	Married to Non Refugees
MoH	Ministry of Health
MoE	Ministry of Education
MTS	Medium Term Strategy
N	
NBC	Nahr El-Bared Camp
NCD	Non-Communicable Disease

NGOs	Non-Governmental Organizations
NRC	Norwegian Refugee Council
O	
OFID	OPEC Fund for International Development
OHCHR	Office of the High Commissioner for Human Rights
oPt	occupied Palestinian territory
OSO	Operations Support Officer
OPEC	Organization of the Petroleum Exporting Countries
P	
PHCF	Primary Health Care Facilities
PMA	Palestinian Monetary Authority
PB	Programme Budget
R	
RB	Regular Budget
RBM	Result Based Management
RCVI	Rehabilitation Centre for the Visually Impaired
RR	Registered Refugees
RSSP	Refugee Social Services Program
S	
SAR	Syrian Arab Republic
SDG	Sustainable Development Goal
SFO	Syria Field Office
SHC	Special Hardship Cases
SMS	Short Message Service
SRCR	Syria Regional Crisis Response
SSN	Social Safety Net
SSNP	Social Safety Net Programme
SWAP	UN-System Wide Action Plan on Gender
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
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USD	United States Dollars
V	
VTC	Vocational Training Centre
W	
WBFO	West-Bank Field Office
WHO	World Health Organisation
X	
XB	Extra Budgetary

INTRODUCTION TO 2018 - 2019 BIENNIUM BUDGET

OVERALL ORIENTATION

- 1.1 The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA or “the Agency”) was established within the United Nations system as a subsidiary organ of the General Assembly by the Assembly in resolution 302 (IV) of 8 December 1949 and became operational on 1 May 1950, from which the Agency derives its mandate to provide assistance to Palestine refugees. 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. The Agency has delivered its services in times of relative calm in Middle East, and in time of hostilities. It has fed, housed, and clothed tens of thousands of refugees and at the same time, educated and given health care to hundreds of thousands of young refugees. UNRWA is unique in terms of its long-outstanding commitments to one group of refugees and its contributions to the welfare and human development of four generations of Palestine refugees. Today, UNRWA is the main provider to basic services – Education, Health, Relief and Social Services – to 5.75 million registered Palestine refugees in the Middle East. UNRWA stands ready to continue to adapt and reform during the biennium 2018-2019 in accordance with the triennial mandate that it receives from the Assembly. However, as explained later in this Chapter, UNRWA’s chronic financial crisis poses risks to its operational stability, a matter of deep concern to the Agency and its stakeholders.
- 1.2 UNRWA reports directly to the General Assembly. Overall advice and support regarding Agency programmes and activities are provided to the Commissioner-General by the 30-delegation Advisory Commission, which includes representatives of the Agency’s major donors and host Governments.
- 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. In line with this mission, as part of its medium-term strategy for 2016-2021 (the “MTS”), the Agency works towards five strategic outcomes: (a) Palestine refugee rights under international law are protected and promoted; (b) Palestine refugee health is protected and disease burden is reduced; (c) school-age children

- complete quality, equitable and inclusive basic education; (d) Palestine refugee capabilities are strengthened for increased livelihood opportunities; and (e) Palestine refugees are able to meet their basic human needs of food, shelter and environmental health. Progress towards these objectives will drive UNRWA operations during the biennium 2018-2019.
- 1.4 To bring about these five strategic outcomes, UNRWA will maintain and improve the provision of education and health services, relief and social support, microfinance services, infrastructure and camp improvement within refugee camps, and protection, for the benefit of registered Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip, a population that is projected to exceed 6 million by the end of 2019.
- 1.5 UNRWA's strategy is aligned with the Sustainable Development Goals. Poverty and human rights, which are major components of the Goals, are also at the core of the UNRWA medium-term strategy. With respect to the former, both the Goals and the medium-term strategy recognizes that poverty is multidimensional and that its mitigation and eradication can be achieved only through a coordinated multisectoral response. Amongst other things, the Goals focus on achieving food security, attaining gender equality, achieving peaceful and inclusive societies responding to changing health needs, equitable and inclusive quality education, water and sanitation and reducing inequalities, all of which are reflected in UNRWA's Strategic Outcomes.
- 1.6 The Agency also provides emergency assistance to more than 1.5 million Palestine refugees in acute distress as a result of armed conflict in the occupied Palestinian territory and, more recently, in the Syrian Arab Republic. UNRWA will continue to provide such services, as necessary, as well as on an exceptional and temporary basis, services to non-refugees currently displaced and in serious need of continued assistance, as mandated by the General Assembly in resolution 2252 (ES-V) and, most recently, in resolution 68/77.
- 1.7 UNRWA will continue its efforts to mainstream protection and a gender perspective into its activities, including with a view to meeting the needs of Palestine refugee children, persons with disabilities, youth and other vulnerable groups. These efforts will bring the Agency closer to fulfilling its obligations under relevant resolutions of the General Assembly, including paragraph 13 of resolution 68/78, the Beijing Platform for Action, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities and other applicable international instruments.

CONTEXT

- 1.8 The Middle East is experiencing significant political, social and economic changes. Instability and, in some cases, active conflict are expected to characterize 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.

- 1.9 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

- 1.10 The assumptions on which the MTS was developed have so far proven to be accurate and are likely to remain so during the 2018 – 2019 biennium. These assumptions are summarized in this section.
- 1.11 The West Bank¹ 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.
- 1.12 The illegal blockade of the Gaza Strip will continue in some form. The Gaza Strip will continue to be one of the weakest economies in the world. The majority of the population will be pushed further into poverty. Environmental and resource concerns, including the acute water shortage, will pose an increasing existential threat to Gaza as a liveable place.
- 1.13 In the West Bank, protection challenges as a result of the occupation are expected to continue to affect the daily life of all Palestinians, including refugees. The economy is expected to remain stagnant, contributing to high rates of unemployment, poverty and food insecurity.
- 1.14 The conflict in Syria will continue to worsen, with devastating consequences for all civilians including Palestine refugees. Damage to the economic environment and essential infrastructure will further increase dependence on UNRWA and threaten to further reverse human development. 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.
- 1.15 Lebanon's stability is likely to remain adversely affected by the ongoing conflict in Syria and the 1.2 million Syrian refugees it is hosting.
- 1.16 Jordan will continue to host millions of refugees, whether they are Palestine refugees or from Syria and Iraq. Heightened external security threats are expected to continue to pose a risk of

¹ All references to West Bank in this document include East Jerusalem

- internal conflict. Nonetheless, Jordan has always enjoyed strong and steady levels of peace and security above all other UNRWA Fields of operations.
- 1.17 It is assumed that the macro-environment will be characterized 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 emergency assistance will persist, combined with a rising demand for core services.
- 1.18 Projections suggest that the total population registered by UNRWA will increase from 5.75 million in 2016 to 6.46 million in 2021. Growth rates will vary between Fields, with the fastest growth expected in the Gaza Strip and more moderate growth projected in Lebanon. In 2021 there will also be an estimated 1.66 million women of reproductive age (15-49) of whom around 334,000 will utilize UNRWA services. In 2021, around 470,000 refugees will be 3 years or younger. An estimated 1.1 million Palestine refugees will be of school age – half of whom are expected to be attending UNRWA schools. Between 2012 and 2021, the number of Palestine refugee youth is estimated to increase from 1.04 million to 1.08 million. In 2021, the number of Palestine refugees aged 60 and above is estimated to reach 804,000, up from 656,000 in 2012. The number of poor is expected to increase from 1.63 million (2012) to 2.17 million (2021), of whom 566,000 will be abject poor. Excluding refugees ordinarily resident in Syria, the population of refugee camps is expected to be approximately 916,000 in 2021, of whom approximately 145,000 are expected to be living in 33,800 substandard shelters.
- 1.19 Palestine refugees will continue to face a human development crisis. Levels of food insecurity and poverty are high and increasing particularly in Palestine refugee camps and gatherings. 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.
- 1.20 Refugees are also likely to face 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 expected to continue to increase. Prolonged political, social and economic instability combined with repeated and widespread violations of human rights will continue to have significant adverse effects upon the human development and wellbeing of Palestine refugees, including mental health.

BUDGET STRUCTURE

- 1.21 UNRWA's Programme Budget (PB) is structured consistently with the strategic outcomes in the MTS for the period 2016-2021 and in line with the approved Unified Framework Structure for the

biennium 2018-2019 (A/71/6 Prog.22), which was used for the Fascicle Budget for the same biennium.

- 1.22 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 principles. For internal management purposes, the annual operational approved Budget is also restructured to reflect the accrual budgeting; therefore, 2018-2019 programme budget also includes one chapter (IX) representing a reconciliation from accrual budgeting to modified cash basis principles.
- 1.23 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 of the UN for the duration of the Agency's mandate (see further Figure 1).
- 1.24 In July 2016, UNRWA initiated an Operational Planning Process focused on delivery of its Sub-Programme Structure. Sub-Programmes are the building blocks of UNRWA programmes, including Projects. Sub-Programme Structure is used to identify detailed activities and related expenditures within programmes. Purpose of the Sub-Programme Structure review is:
- a) Reflect appropriate programmatic strategic outcomes;
 - b) Agency wide consistency in use of Sub-sub-programme Structure;
 - c) Consolidation of donor intervention with the programme structure

This project was finalized in early 2017, with full application of unified sub-programme structure in all funding portals.

- 1.25 Over last biennium, UNRWA has made several management actions to reduce cost and increase efficiencies; one of these actions is adopting Zero-Based Budget Methodology to reflect actual requirements of Palestine refugees. However, requirements presented in this document, presents total requirements on need-based that would sustain the Agency in the coming biennium.

The following pages contain the listed summary tables:

Figure 1: An Organisational Chart of UNRWA showing the number of international and area staff located in each Field Office / HQ Department.

Table 1-1: A Summary of the PB for 2018–2019 broken down by Sub-programme and other requirements under PB and Project Budget.

Table 1-2: A Summary of the PB for 2018–2019 broken down by Programme and other requirements under PB and Project Budget.

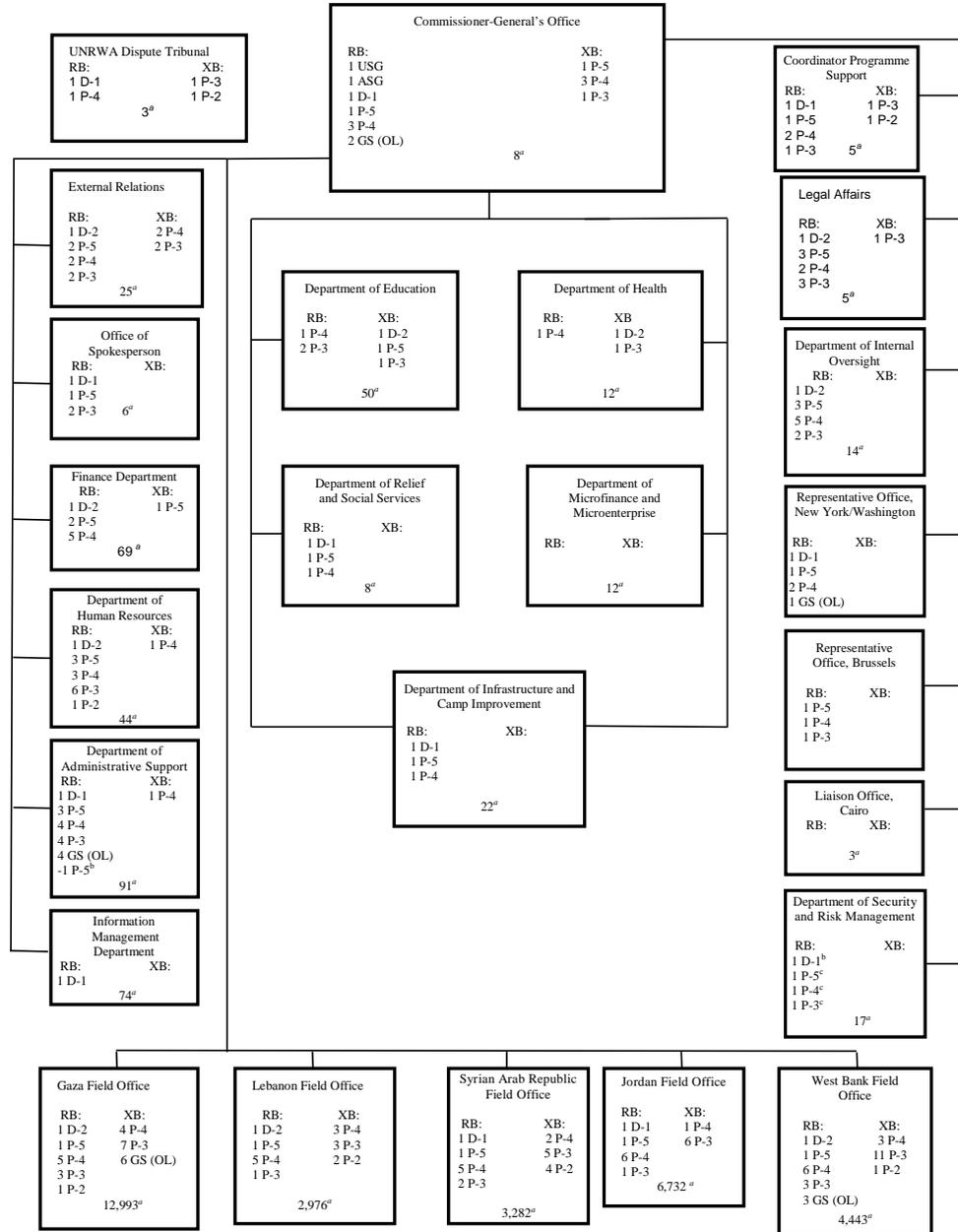
Table 2 and Figure 2: A Breakdown of the PB by Field and Headquarters (HQs) with comparative figures for the biennia 2016-2017 and 2018–2019.

Table 3 and Figure 3: A Breakdown of the PB by Resources with comparative figures for the biennia 2016-2017 and 2018–2019.

Table 4 and Figure 4: A Breakdown of Project Budget for the biennium 2018-2019 by Sub-programme and by Field Office / HQs.

Figure 1: UNRWA's Organizational Chart By Field Office / HQ Departments

Organisational structure and post distribution for the biennium 2018-2019.



Note: There are 80 international posts that are funded through extra budgetary resources.

^a National posts.

^b Post reclassification.

^c New posts.

TABLE 1-1 Biennium Budget 2018-2019
Summary of 2018-2019 Agency Wide Total Budget by Sub-programme
(USD'000s)

Sub-programme	2018 Fiscal Year					2019 Fiscal Year					2018-2019 Biennium				
	Programme Budget			Project Budget	Total	Programme Budget			Project Budget	Total	Programme Budget			Project Budget	Total
	Cash ¹	In Kind	Total			Cash ¹	In Kind	Total			Cash ¹	In Kind	Total		
Palestine refugee rights under international law are protected and promoted	7,566	5	7,571	5,042	12,613	7,617	6	7,623	5,669	13,292	15,183	11	15,194	10,711	25,905
Palestine refugee health is protected and disease burden is reduced	115,738	3,881	119,619	29,524	149,143	117,350	3,889	121,239	12,562	133,801	233,088	7,770	240,858	42,086	282,944
School-age children complete quality, equitable and inclusive basic education	413,126	739	413,865	36,838	450,703	428,188	759	428,947	24,650	453,597	841,314	1,498	842,812	61,488	904,300
Palestine refugee capabilities are strengthened for increased livelihood opportunities	27,937	800	28,737	10,384	39,121	28,404	819	29,223	10,100	39,323	56,341	1,619	57,960	20,484	78,444
Palestine refugees are able to meet their basic human needs of food, shelter and environmental health	56,736	207	56,943	259,994	316,937	57,262	209	57,471	235,808	293,280	113,998	416	114,414	495,802	610,216
Effective and efficient governance and support	190,545	1,353	191,898	9,640	201,538	205,828	1,359	207,187	5,351	212,538	396,373	2,712	399,085	14,991	414,076
Total Goal Requirements	811,648	6,985	818,633	351,422	1,170,055	844,649	7,041	851,690	294,140	1,145,831	1,656,297	14,026	1,670,323	645,562	2,315,885
Contingency Reserve	7,025		7,025		7,025	7,025		7,025		7,025	14,050	-	14,050	-	14,050
Total Other Requirements	7,025	-	7,025	-	7,025	7,025	-	7,025	-	7,025	14,050	-	14,050	-	14,050
Total Resource Requirements	818,673	6,985	825,658	351,422	1,177,080	851,674	7,041	858,715	294,140	1,152,855	1,670,347	14,026	1,684,373	645,562	2,329,935

¹ Includes the cost of proposed additional three international posts and one reclassification to be funded by United Nations Assessed Contributions during the 2018-2019 Biennium.

TABLE 1-2 Biennium Budget 2018-2019
Summary of 2018-2019 Agency Wide Total Budget by Programme
(USD'000s)

Programme	2018 Fiscal Year					2019 Fiscal Year					2018-2019 Biennium				
	Programme Budget			Project Budget	Total	Programme Budget			Project Budget	Total	Programme Budget			Project Budget	Total
	Cash ¹	In Kind	Total			Cash ¹	In Kind	Total			Cash ¹	In Kind	Total		
Education Programme	442,480	2,058	444,538	45,722	490,260	458,248	2,096	460,344	33,250	493,594	900,728	4,154	904,882	78,972	983,854
Health Programme	118,973	4,447	123,420	29,524	152,944	120,677	4,456	125,133	12,563	137,696	239,650	8,903	248,553	42,087	290,640
Relief & Social Services Programme	71,791	225	72,016	1,955	73,971	85,865	228	86,093	1,700	87,793	157,656	453	158,109	3,655	161,764
Infrastructure and Camp Improvement Programme	53,870	4	53,874	260,739	314,613	54,448	4	54,452	236,108	290,560	108,318	8	108,326	496,847	605,173
Protection Programme	5,219		5,219	5,824	11,043	5,222		5,222	5,051	10,273	10,441	-	10,441	10,875	21,316
Executive Direction	34,914	231	35,145	2,916	38,061	35,064	237	35,301	-	35,301	69,978	468	70,446	2,916	73,362
Support Departments	84,401	20	84,421	4,742	89,163	85,125	20	85,145	5,468	90,613	169,526	40	169,566	10,210	179,776
Total Programme Requirements	811,648	6,985	818,633	351,422	1,170,055	844,649	7,041	851,690	294,140	1,145,830	1,656,297	14,026	1,670,323	645,562	2,315,885
Contingency Reserve	7,025	-	7,025	-	7,025	7,025	-	7,025	-	7,025	14,050	-	14,050	-	14,050
Total Other Requirements	7,025	-	7,025	-	7,025	7,025	-	7,025	-	7,025	14,050	-	14,050	-	14,050
Total Resource Requirements	818,673	6,985	825,658	351,422	1,177,080	851,674	7,041	858,715	294,140	1,152,855	1,670,347	14,026	1,684,373	645,562	2,329,935

¹ Includes the cost of proposed additional three international posts and one reclassification to be funded by United Nations Assessed Contributions during the 2018-2019 Biennium.

TABLE 2: Programme Budget Requirements By Field And HQ Departments
(Cash and In-kind, USD'000s)

Field/HQ	2016 Expenditure	2017 Budget	2018 ¹ Estimate	2019 ¹ Estimate
Gaza Strip	234,975	248,236	293,266	306,858
Lebanon	91,419	92,510	131,542	132,240
Syrian Arab Republic	27,009	61,340	50,994	51,613
Jordan	127,328	143,897	155,118	171,050
West Bank	105,081	113,106	124,739	126,700
Headquarters				
Education Programme	2,347	3,052	2,960	2,992
Health Programme	1,026	1,232	1,278	1,293
Relief and Social Services Programme	1,041	27,452 ²	1,400	1,405
Infrastructure and Camp Improvement Programme	1,300	1,693	1,679	1,698
Protection Programme	97		4,950	4,951
Executive Direction	15,584	16,777	21,462	21,476
Support Departments	41,012	26,460	29,245	29,414
Sub-total	648,220	735,757	818,633	851,690
Contingency Reserve			7,025	7,025
Sub-total	-	-	7,025	7,025
Total Resources Requirements	648,220	735,757	825,658	858,715

¹ Includes the cost of proposed additional three international posts and one reclassification to be funded by United Nations Assessed Contributions during the 2018-2019 Biennium.

² Includes Social Safety Net Programme (SSNP) food reserve of USD 26 million in 2017.

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

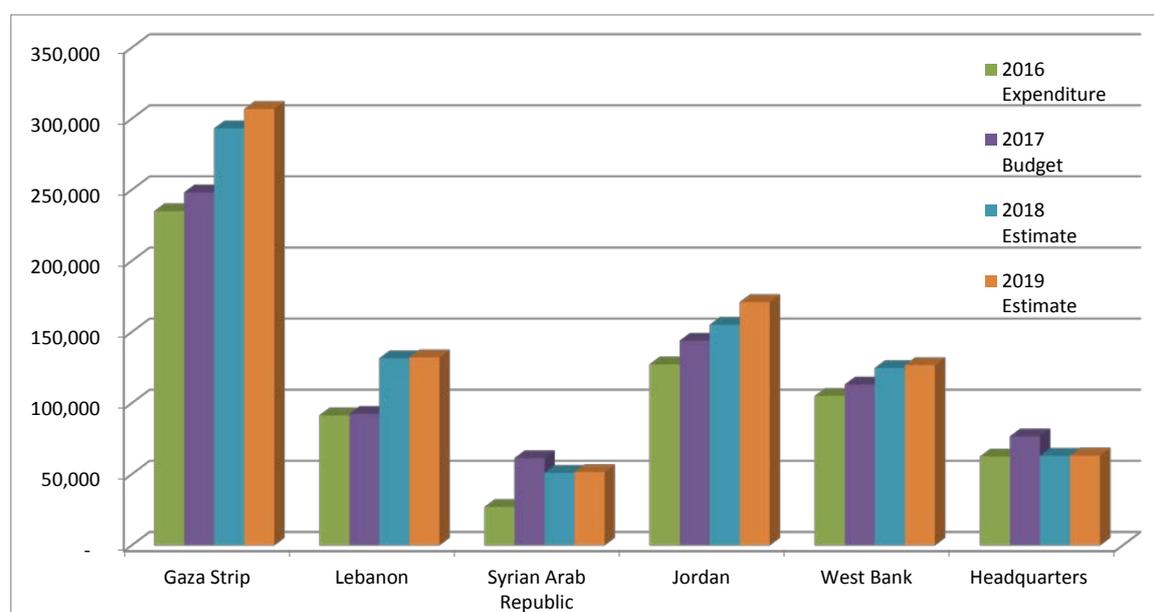


TABLE 3: Programme Budget Requirements By Resources
(Cash and In-kind, USD'000s)

Resources	2016 Expenditure	2017 Budget	2018 ¹ Estimate	2019 ¹ Estimate
Staff Costs				
International Staff	28,090	32,028	40,046	40,046
Area Staff	460,626	515,379	579,066	598,280
Limited Duration Contract (LDC)	1,175	2,563	1,204	1,205
Temporary Staff	15,859	8,744	7,665	7,664
Sub-total Staff Cost	505,751	558,714	627,981	647,196
Operational Costs				
Supplies ²	52,509	83,863	52,101	52,112
Utilities	6,407	6,559	6,168	6,168
Maintenance of Premises	9,282	10,167	30,560	30,596
Equipment and Construction	5,400	12,846	5,911	5,920
Training	534	1,511	1,476	1,476
Travel	1,708	2,268	1,881	1,881
Admin Support Services	6,179	6,232	5,347	5,347
Consultancy Services	3,189	2,543	2,695	2,695
Hospital Services	30,379	29,445	29,269	29,269
Miscellaneous Services	12,394	14,251	13,086	13,086
Subsidies to Hardship Cases ³	17,668	9,328	43,670	57,457
Third Parties Subsidies	717	71	2,612	2,612
Other Subsidies	168	362	235	235
Cost Recovery	(4,064)	(2,405)	(4,359)	(4,360)
Sub-total Operational Cost	142,469	177,043	190,652	204,494
Total Staff and Operational Cost	648,220	735,757	818,633	851,690
Contingency Reserve			7,025	7,025
Sub-total	-	-	7,025	7,025
Total Resources Requirements	648,220	735,757	825,658	858,715

¹ Includes the cost of proposed additional three international posts and one reclassification to be funded by United Nations Assessed Contributions during the 2018-2019 Biennium.

² Includes Social Safety Net Programme (SSNP) food reserve of USD 26 million in 2017

³ Increase in budget from 2017 to 2018 is due to change in policy (from food supplies to cash for food modality) in LFO, JFO, and WBFO.

Figure 3: Programme Budget by Resources
(Cash and In-Kind, USD'000's)

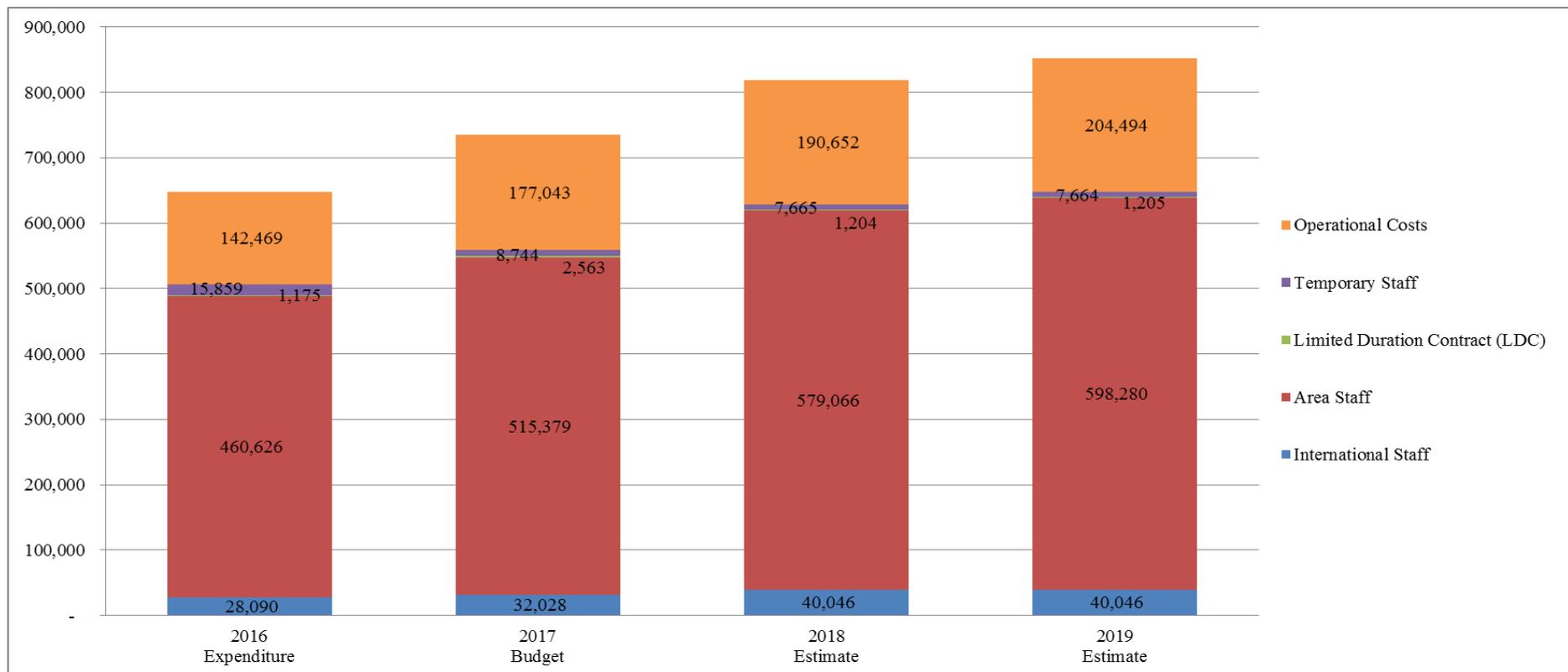


TABLE 4-1 : 2018 Projects Budget by Sub-programme by Field Office and HQ Department
(USD'000s)

Sub-programme	Gaza Strip	Lebanon	Syria	Jordan	West Bank	HQs	Total
Palestine refugee rights under international law are protected and promoted	-	-	-	-	930	4,112	5,042
Palestine refugee health is protected and disease burden is reduced	12,091	1,233	2,875	2,292	232	10,801	29,524
School-age children complete quality, equitable and inclusive basic education	21,585	4,814	839	5,343	1,100	3,157	36,838
Palestine refugee capabilities are strengthened for increased livelihood opportunities	105	1,627	863	2,766	290	4,733	10,384
Palestine refugees are able to meet their basic human needs of food, shelter and environmental health	181,060	58,548	39	10,004	10,343	-	259,994
Effective and efficient governance and support	46	2,228	323	1,426	138	5,479	9,640
Grand Total	214,887	68,450	4,939	21,831	13,033	28,282	351,422

Figure 4-1: 2018 Projects Budget by Sub-programme by Field Office and HQ Department

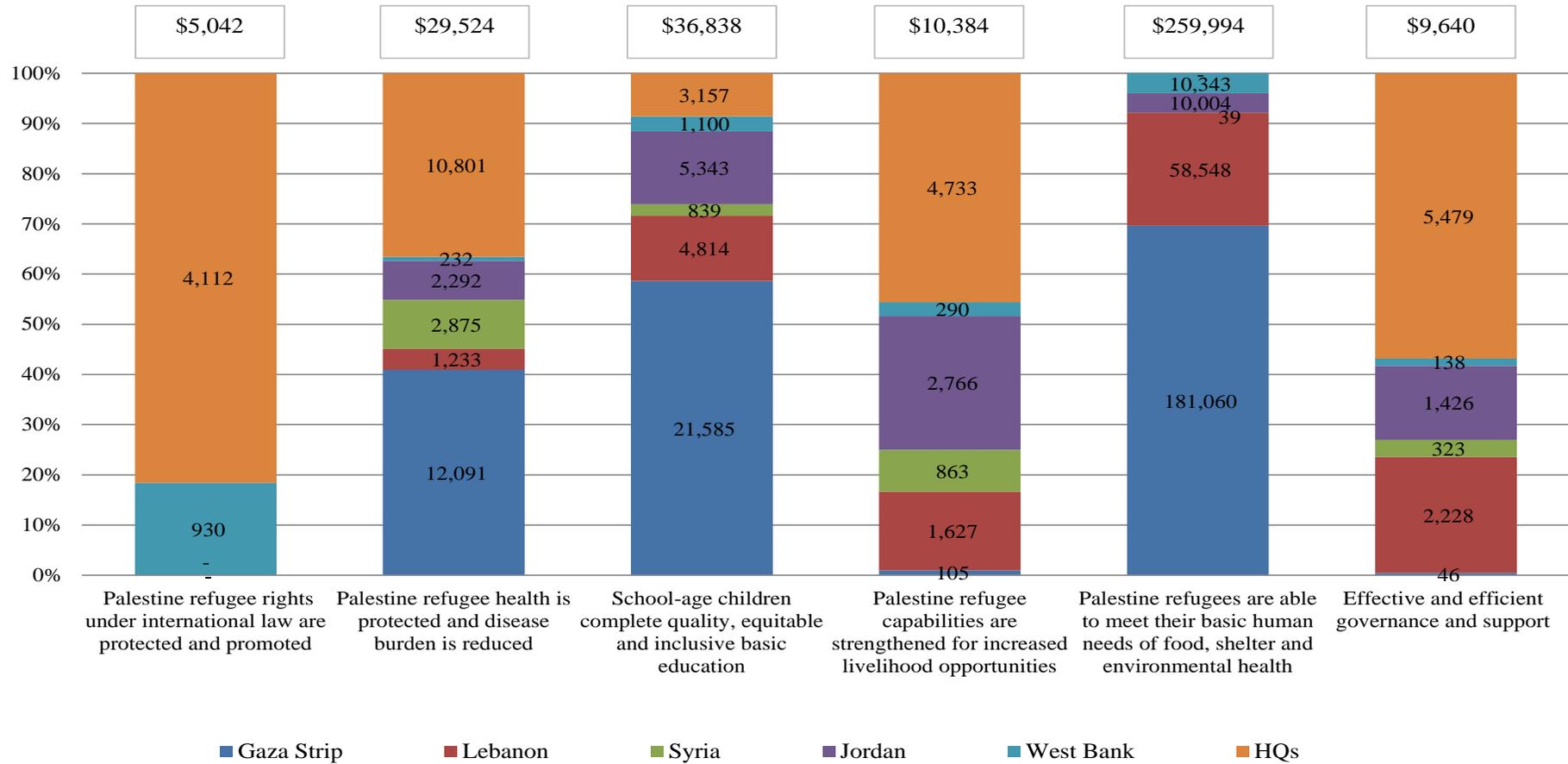


TABLE 4-2: 2019 Projects Budget by Sub-programme by Field Office and HQ Department
(USD'000s)

Sub-programme	Gaza Strip	Lebanon	Syria	Jordan	West Bank	HQs	Total
Palestine refugee rights under international law are protected and promoted	-	-	-	-	611	5,058	5,669
Palestine refugee health is protected and disease burden is reduced	4,650	-	-	1,200	-	6,712	12,562
School-age children complete quality, equitable and inclusive basic education	18,170	2,500	-	583	-	3,397	24,650
Palestine refugee capabilities are strengthened for increased livelihood opportunities	-	1,700	1,500	3,000	-	3,900	10,100
Palestine refugees are able to meet their basic human needs of food, shelter and environmental health	171,094	55,236	-	4,686	4,792	-	235,808
Effective and efficient governance and support	-	700	-	1,351	-	3,300	5,351
Grand Total	193,914	60,136	1,500	10,820	5,403	22,367	294,140

Figure 4-2: 2019 Projects Budget by Sub-programme by Field Office and HQ Department

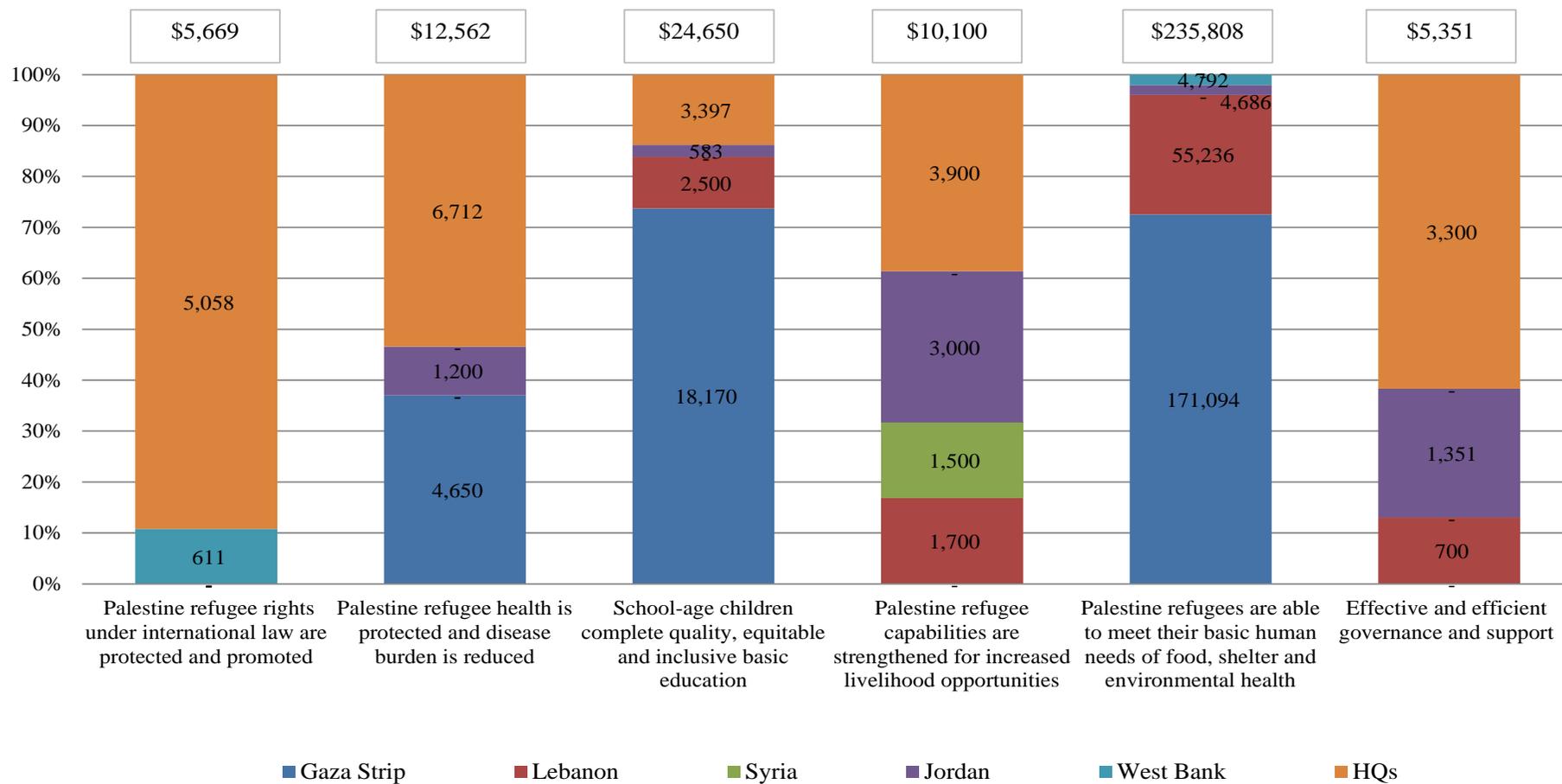
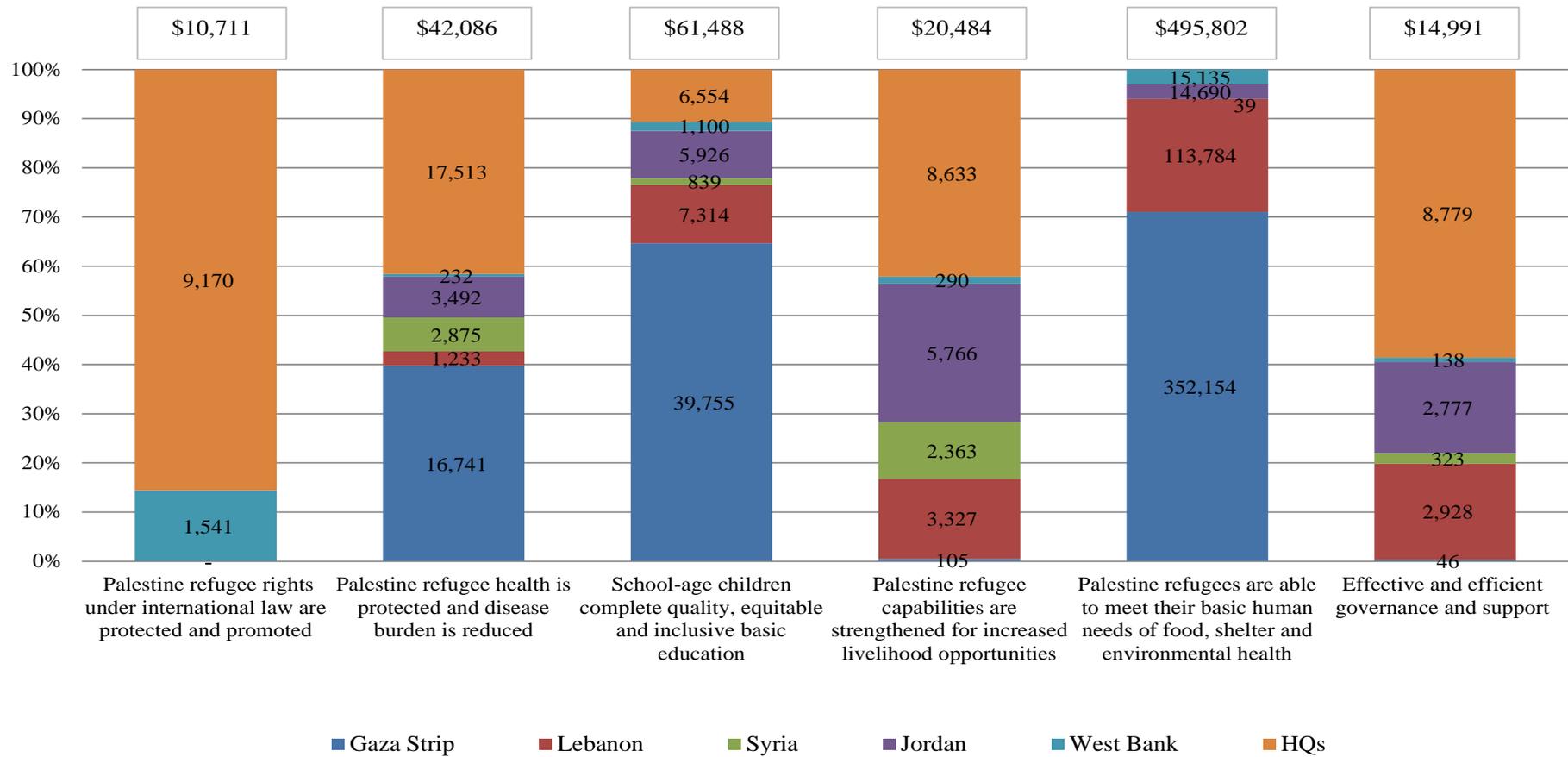


TABLE 4-3: Biennium Projects Budget by Sub-programme by Field Office and HQ Department
(USD'000s)

Sub-programme	Gaza Strip	Lebanon	Syria	Jordan	West Bank	HQs	Total
Palestine refugee rights under international law are protected and promoted	-	-	-	-	1,541	9,170	10,711
Palestine refugee health is protected and disease burden is reduced	16,741	1,233	2,875	3,492	232	17,513	42,086
School-age children complete quality, equitable and inclusive basic education	39,755	7,314	839	5,926	1,100	6,554	61,488
Palestine refugee capabilities are strengthened for increased livelihood opportunities	105	3,327	2,363	5,766	290	8,633	20,484
Palestine refugees are able to meet their basic human needs of food, shelter and environmental health	352,154	113,784	39	14,690	15,135	-	495,802
Effective and efficient governance and support	46	2,928	323	2,777	138	8,779	14,991
Grand Total	408,801	128,586	6,439	32,651	18,436	50,649	645,562

Figure 4-3: Biennium Projects Budget by Sub-programme by Field Office and HQ Department



HUMAN RESOURCES

- 1.26 In order to deliver its core programmes and projects, the Agency employs International and Area Staff.
- 1.27 In compliance with Resolution 3331B (XXIX) of 17 December 1974, during the 2016–2017 biennium, 155 international staff posts were funded from United Nations' Assessed Contributions. UNRWA has sought an increase in this number. As of June 2017, UNRWA was engaged in ongoing discussions with the General Assembly's Advisory Committee on Administrative and Budgetary Questions (ACABQ) on this proposal.
- 1.28 UNRWA proposed to establish three posts (1 P-5 Chief Analysis and Security Training, 1 P-4 Senior Security Trainer and 1 P-3 Security and Risk Analyst in DSRM, HQ Amman) and reclassification of one post from P-5 to 1 D-1 Director Security and Risk Management.
- 1.29 Apart from the above, 80 international staff posts are funded from extra budgetary resources with four posts funded by partnership arrangements; two posts funded by United Nations Educational, Scientific and Cultural Organisation (UNESCO), two posts funded by World Health Organisation (WHO), and one post funded by Provident Fund.

TABLE 6: International Staffing Requirements 2018-2019

Post Grade	UN Programme Budget*	Extra Budgetary resources
A) Professional & Above		
USG	1	-
ASG	1	-
D2	8	2
D1	12	0
P5	28	3
P4/P3	96	60
P2/P1	2	9
Sub-total (A)	148	74
B) General Services		
	10	6
Sub-total (B)	10	6
Total (A+B)	158	80

* Includes the cost of proposed additional three international posts and one reclassification to be funded by United Nations Assessed Contributions during the 2018-2019 Biennium.

- 1.30 Programmes are delivered primarily through 30,148 local (“Area”) staff as of 31 Dec 2017, the number of which will need to increase up to the approved workforce ceiling of 30,889 by the end of 2019 if the Agency is to realise the achievements set out in this Budget (see Tables 7-1 and 7-2 below). This is because of the need to employ more teachers in Gaza Field to accommodate an annual increase of 10,000 students in each scholastic year.

**TABLE 7-1: Estimated Number of Area Staff as at 31 December 2019
By Programme**

Programme	Gaza	Lebanon	SAR	Jordan	W/Bank	HQs	Total
Education Programme	10,671	1,948	2,415	5,257	2,747	50	23,088
Health Programme	965	372	380	722	748	12	3,199
Relief & Social Services Programme	202	110	84	108	160	8	672
Infrastructure and Camp Improvement Programme	518	231	122	296	247	22	1,436
Protection Programme	-	43	-	-	-	1	44
Executive Direction	29	64	41	96	65	72	367
Support Departments	608	208	240	253	476	298	2,083
Grand Total	12,993	2,976	3,282	6,732	4,443	463	30,889

**TABLE 7-2: Estimated Number of Area Staff as at 31 December 2019
By Sub-Programme**

Sub-programme	Gaza	Lebanon	SAR	Jordan	W/Bank	HQs	Total
Sub-programme1: Palestine refugee rights under international law are protected and promoted	33	14	15	27	36	1	126
Sub-programme 2: Palestine refugee health is protected and disease burden is reduced	931	352	365	711	722	-	3,081
Sub-programme3: School-age children complete quality, equitable and inclusive basic education	10,519	1,786	2,249	4,881	2,432	-	21,867
Sub-programme4: Palestine refugee capabilities are strengthened for increased livelihood opportunities	242	137	149	312	335	12	1,187
Sub-programme5: Palestine refugees are able to meet their basic human needs of food, shelter and environmental health	460	266	140	340	278	-	1,484
Sub-programme6 ¹ : Effective and efficient governance and support	808	421	364	461	640	450	3,144
Grand Total	12,993	2,976	3,282	6,732	4,443	463	30,889

¹ All programme-management staff is reported under Sub-Programme 6: Effective and efficient governance and support

FINANCIAL SITUATION

- 1.31 The financial insecurity of UNRWA has been of a matter of long-standing, serious concern to the General Assembly. In recent years, the Agency's financial crises have worsened dramatically, and funding shortfalls of growing magnitude have persisted into the fourth quarter since 2013. The Agency's reserves have long been depleted, and repeated stopgap measures – from suspension of vendor payments, to borrowing from the Central Emergency Response Fund (CERF) – do not offer sustainable recourse.
- 1.32 For an agency with 500,000 students in its schools, and a large maternal and child health caseload in and around 58 refugee camps, the recurring financial crises threaten to disrupt service provision to a vulnerable population of 5.75 million refugees, intensifying the deep uncertainty this population is exposed to. In 2015, for example, the Agency came within days of suspending general education for its half-million refugee pupils. The coordinated mobilization of donors rescued the school year, but two years later funding remains precarious for UNRWA's basic service delivery. The recurrent financial crises facing UNRWA represent political, humanitarian and security risks.
- 1.33 Some 93 per cent of UNRWA's core funding is voluntarily contributed. Roughly 3 per cent is received from the United Nations Programme Budget. Donors give generously to the Agency, but voluntary contributions have not been predictable or sustained. Neither have they been sufficient, over time, to meet increasing refugee needs which outpace resources received by the Agency for its three funding portals: the Programme Budget, Projects (largely infrastructure-related), and Emergency Appeals.
- 1.34 Amidst severe financial crises in recent years, UNRWA moved forward with robust and far-reaching internal measures to contain costs and reduce funding shortfalls while, at the same time, taking all measures considered possible to protect and improve the quality and availability of core programmes. The Commissioner-General continues to appeal to stakeholders to uphold their collective responsibilities towards the refugees. This includes promotion of their human rights and sustaining the quality and scope of UNRWA's core services in accordance with the mandate the Agency receives from the General Assembly.
- 1.35 In 2015, UNRWA presented a zero-growth Operational Programme Budget for 2016 and, in late 2016, UNRWA presented a Programme Budget for 2017 in which it identified minimum operational expenditure requirements of USD 715 million² - out of total cash requirements of USD 760 million – a figure that was USD 81 million less than forecasts had the expenditure trends in 2011 – 2014 continued. The reduction in growth of the Programme Budget over 2015 and 2016 is in large part a product of management measures taken by the Agency to become more efficient while preserving (or, in fact, improving) the quality and breadth of services. Amongst other things:

² UNRWA requires USD 760 million in contributions to its Programme Budget in 2017 to run programmes to a level that will enable it to deliver on strategic objectives; USD 715 million is the minimum required to maintain current levels of operation.

- a. Through the successful reform of its primary health care programme, including the introduction of appointment systems, delegation of greater authorities to nurses, pharmacists etc, UNRWA has, without additional investment, reduced the number of doctor/patient visits per day, thereby increasing doctor-patient consultation time, and reducing anti-biotic prescription rates.
- b. Through the reform of medicine procurement, UNRWA secured reductions in expenditure to: first, procure sufficient supplies for a buffer stock of essential medicines enabling it to eliminate stock-ruptures; second, make the global standard in diabetes testing (the “HbA1c test”) available in all health-centres; and, third, include a cholesterol-lowering drug (“statin”) on its essential medications list to help combat the rise of non-communicable disease.
- c. Through a combination of systemic Education reforms and changes in the education class formation norms and standards, UNRWA has been able to accommodate increased enrollment in schools (predominately in Gaza) and achieve excellent results with an education workforce that would have otherwise (i.e., absent the reforms) been 700 greater (approximately USD 8.5 million annual cost) than today.
- d. Through reform of its hospitalization programme in Lebanon, UNRWA has been able to protect access for the most vulnerable refugees and, at the same time, curb a trend of annually increasing expenditure.
- e. Through reforms to its Social Safety Net Programme in 2016, UNRWA has been able to transition from the provision of food to the provision of cash subsidies to the abject poor in Lebanon, Jordan and West Bank, thereby providing (i) a more dignified and effective form of assistance to the abject poor, (ii) a form of assistance with a greater secondary impact on local economies, and (iii) assistance that bridges more of the abject poverty gap than had the transition not taken place.

1.36 However, for all of the Agency’s cost effectiveness and all that the Agency had done to bring down its cost structure throughout the period 2015–2016, UNRWA’s financing has remained insecure throughout 2015 till present. In August 2015 UNRWA was days away from a temporary suspension of education for 500,000 students, sparking high level reactions from Host Countries alarmed at the potential impact on national security. In late 2016, the Agency resorted to a CERF loan of USD 20 million to ensure core operations could continue for the refugees. And, as noted above, the Agency commenced 2017 with projections of income to its Programme Budget for 2017 that were USD 115 million below its minimum operating requirements and USD 160 million below the amounts required to deliver results demanded by the MTS (please refer to Table 8 below). This level of shortfall was/is unprecedented in UNRWA’s 68 year history. UNRWA’s current situation is as critical as it was in 2015 and 2016. As per Advisory Commission Meeting (Adcom) presentation end of May 2017, the forecasted income for Emergency Appeal is USD 230 million resulting in an expected shortfall of USD 493 million. On the hand, the updated minimum operational requirements as end of May 2017 are USD 400 million, which result in an updated

shortfall of USD 80 million. For projects' portal, forecasted income is USD 150 million with minimum operational requirements of USD 250 million results in a shortfall of USD 100 million.

- 1.37 The crippling weakness in UNRWA's funding structure has become entrenched and UN Member States came to an agreement in 2016 that the structure was not viable for a multinational service provider with an ongoing mandate in a conflict region. It was universally recognized that the issue poses humanitarian, political and security threats to stakeholders.
- 1.38 In an effort to decisively address UNRWA's financial situation, on 6 December 2016, the General Assembly requested the Secretary-General, in paragraph 32 of resolution A/RES/71/93 "to facilitate broad consultations with member states, notably host countries, members of the Advisory Commission and other donors, as well as with international financial institutions, to explore all potential ways and means, including through voluntary and assessed contributions, to ensure that the Agency's funding is sufficient, predictable and sustained for the duration of its mandate, and requests the Secretary-General to report on the conclusions of those consultations and recommendations to the General Assembly by March 2017 for its consideration, without prejudice to the advice of relevant committees."
- 1.39 In his report A/71/849, the Secretary-General urged Member States to work on a series of measures aimed at generating sufficient, sustained and predictable funding for UNRWA's operations and in support of Palestine refugees. The Secretary-General considered the importance of voluntary contributions, the potential for more support from the United Nations Programme Budget (addressed specifically below), the potential for UNRWA to access financial mechanisms administered by international financial institutions and other multilateral funding opportunities, and the potential for greater support from, amongst others, the private sector and the Palestinian diaspora.
- 1.40 In 2017, UNRWA has been making efforts to implement the recommendations in the Secretary-General's report – namely to:
- a. work with traditional donors to deepen their support, including through other funding portals that may exist within their development, humanitarian and peace/security budgets, and to secure multi-year agreements;
 - b. make efforts to secure more support from non-traditional donors to at least a level in percentage terms that is equivalent to the percentage to which they contribute to the United Nations Programme Budget;
 - c. strengthen its ties with Member States of the Organization of Islamic Cooperation in the hope of securing a collective commitment to provide sufficient, sustainable and predictable financial support to UNRWA's core programmes, including through the establishment of an Islamic financing mechanism such as a waqf;

- d. work with members of the League of Arab States to both increase the target of 7.8 per cent funding for UNRWA's Programme Budget and to increase the predictability in meeting that target;
- e. work with Member States who are members of relevant international financial institutions to support efforts to establish mechanisms that can contribute to short, medium and long term support to the delivery of human development services for Palestine refugees, including those services provided by UNRWA;
- f. work with those Member States who are members of the boards of humanitarian, development and peace and security trust funds to take active steps to enable UNRWA to be a recipient of grants in support of its core operations and to enable delivery of services that meet the needs of Palestine refugees;
- g. work to secure more financial support from the private sector, high wealth individuals and the Palestinian diaspora; and
- h. work with Member States and relevant UN Committees to pursue implementation of the Secretary-General's recommendation that relevant committees should "consider ways in which the United Nations Programme Budget can be used to support more of the Agency's essential operating costs than just its international staff requirements" and "give favorable consideration to requests from UNRWA that will improve its capacity to mobilize sustainable, sufficient and predictable resources in line with the recommendations set out herein".

1.41 As noted in the Secretary-General's report, UNRWA has limited capacity and technical expertise in some of the above areas and UNRWA has included within its Programme Budget an increased allocation to resource mobilization structures and capacities.

Table 8: Funding Status of the Agency's Three Funding Portals - 2017
(USD millions)

	Programme Budget	Projects	Emergency Appeal
Income Forecast	600.0	150.0 ¹	320.0 ¹
Budget	760.0	250.0	813.0 ²
Funding Gap	(160.0)	(100.0)	(493.0)
Min. Operational Requirements	715.0	250.0	400.0
Updated Shortfall	(115.0)	(100.0)	(80.0)

¹ Presents confirmed pledges as of May 2017.

² Presents the appealed amount in the 2017 for oPt emergency appeal of USD 402 million and SRCR of USD 411 million.

2018-2019 FUNDING STATUS

1.42 Current projections of income and expenditure, shown in Table 9 below, indicate a funding gap for the Programme Cash Budget of USD 144.0 million and USD 161.4 million, in 2018 and 2019 respectively. This shortfall is resulting from lower income (based on indicative estimates from donors and estimated interest income) of USD 674.7 million and USD 684.7 million, when compared to budgeted expenditures of USD 818.7 million and USD 846.1 million, in 2018 and 2019 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 - Programme Budget 2018-2019
(USD millions)

	2018	2019
Income Forecast	674.7	684.7
Programme Budget	(818.7)	(851.7)
Funding Gap	(144.0)	(167.0)

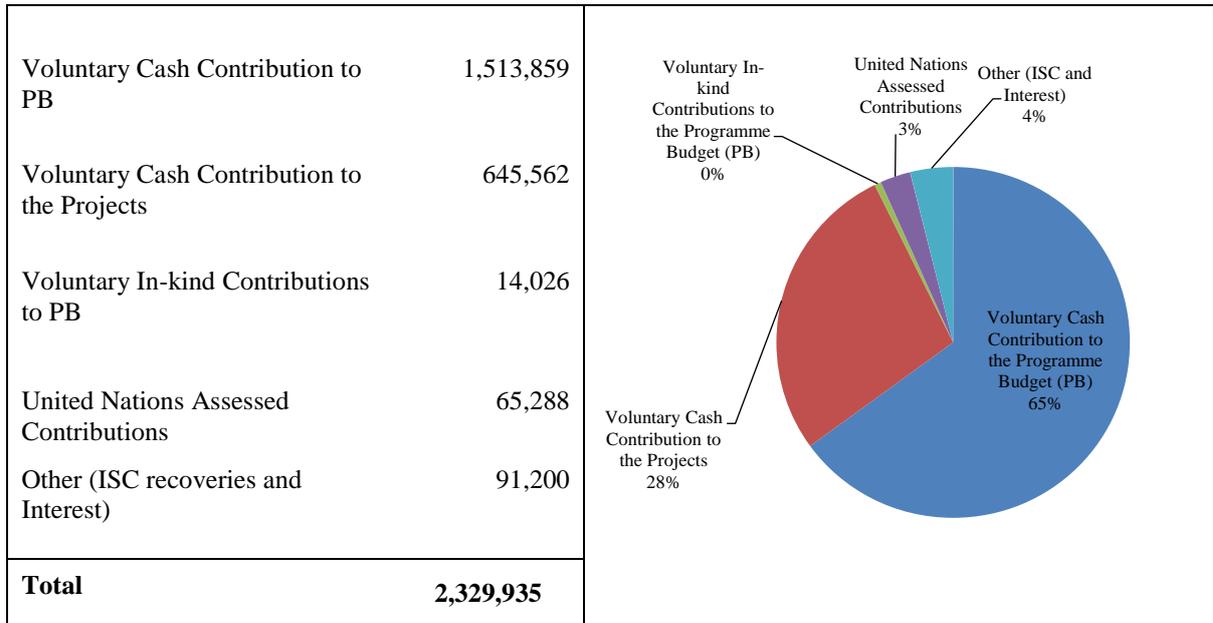
1.43 Income forecast, by donor for 2018 and 2019 appear in Table 10 below:

Table 10: Income Forecast for Programme Budget – 2018-2019
(USD'000s)

Donor	Income forecast 2018	Income forecast 2019
USA	152,272	152,272
EU	114,222	114,222
Sweden	47,532	47,532
UK	42,526	42,526
Japan	29,145	29,145
Saudi Arabia	22,000	22,000
Switzerland	19,507	19,507
UAE	16,443	16,443
Norway	13,321	13,321
Australia	14,914	14,914
Canada	14,837	14,837
Netherlands	14,558	14,558
Denmark	10,531	10,531
Germany	10,078	10,078
France	9,087	9,087
Italy	7,391	7,391
Belgium (including Flanders)	7,167	7,167
Luxembourg	5,039	5,039
Finland	5,039	5,039
Ireland	4,479	4,479
Spain (Including Regional Governments)	2,534	2,534
Austria	2,016	2,016
Kuwait	2,000	2,000
Russia	2,000	2,000
Turkey	1,500	1,500
Other donor income	25,000	35,000
Sub Total	595,138	605,138
Indirect Support Costs (ISC)	45,000	45,000
International Staff funded through assessed contributions	33,979	33,976
Interest	600	600
Grand Total	674,717	684,714

1.44 Figure 6 below shows the expected sources of funding of the Agency’s total budget estimates for 2018 and 2019, including both the programme and projects budget.

Figure 6: Budget Funding – 2018-2019
(USD’000s)



1.45 The funding of 158 international posts (including proposed three additional international posts to be funded by UN Assessed Contributions during the 2018-2019 Biennium), accounts for 3 per cent annually of the total budget volume. 4 per cent of other income is derived from the following sources:

- a. Interest and miscellaneous income including ISC of USD 45.6 million annually;
- b. Funding of six staff posts (two international) 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 Voluntary contributions from *inter alia* Member States, multilateral institutions, international financial institutions, private sector and high wealth individuals will be requested to cover approximately 93 per cent of total budget estimates for 2018-2019, of which 65 per cent are cash contributions to Programme Budget, 28 per cent cash receipts earmarked towards projects, and less than 1 per cent constitutes In-kind contributions to Programme Budget.

1.47 Insufficient funding of UNRWA’s operations will impact at different levels:

- a. In the immediate/short-term, UNRWA’s services will reduce. The number of students in classrooms will increase. Less teaching/instruction materials will be available for educational and training facilities, jeopardizing the chances of delivering the curriculum. Doctor-patient ratios will increase and doctor-patient consultation times will reduce. The accuracy of diagnoses and quality of treatment plans will reduce. UNRWA will be unable to

provide the essential (life-saving) non-communicable disease medicines needed. Less money will be available for hospitalization cover to ensure the provision of life-saving interventions. Fewer abject poor refugees will receive assistance. Fewer substandard shelters will be rehabilitated/reconstructed. The availability of potable water supply and sanitary and infrastructure services in camps will reduce. Installations and environmental infrastructure will be inadequately maintained and repaired and will become dangerous for refugees. Vehicles will be inadequately maintained and repaired and become dangerous for staff and refugees. Financial exposure to liability will increase.

- b. In the short/medium term: School attendance rates will reduce. Pass-rates in schools will decrease. Dropout rates will increase and survival rates (the number of students completing basic education) will decrease. Unit education costs will increase. Student achievement levels will stagnate or decrease. Wastage of resources in schools will increase. Patients will be provided with less access to preventative health care. The cost of treatment interventions (medications, hospital care, etc.) will increase. Vaccination rates will reduce. Reproductive health for women will suffer. Malnutrition in mothers resulting from poor health care will aggravate the risk of child mortality and malnutrition. Child malnutrition will raise the risk of poor performance in school in later years. Limited care provision and unavailability of medicines will contribute to critically disabling complications. Refugees will become subject to water and sanitation related diseases.
- c. In the medium/long term: Unemployment, underemployment, poverty, and food insecurity rates/levels will increase at a faster pace. Mean years of schooling and expected years of schooling will reduce. Life expectancy at birth will reduce. The chance of involvement in dangerous behavior (e.g., crime, substance abuse, militant activity) will increase.

1.48 Underfunding will not only impact UNRWA operations in meeting the needs of Palestine refugees, but also has the potential to increase the burden on the already-strained public services of host authorities.

1.49 The unpredictability and unsustainability of UNRWA's funding, combined with a lack of working capital (which has, due to several successive years of underfunding, been exhausted), results in an inability to plan programmatic/operational change with certainty. The majority of UNRWA's costs are staff costs which are fixed. Any change to the workforce through re-training and redeployment, or through termination/separation requires additional funding. UNRWA no longer has any working capital which not only challenges the Agency's ability to ensure continuity of services from one year to the next, but also limits its cost effectiveness and capacity to make changes in its operations. The unpredictability and unsustainability of UNRWA's funding has resulted in significantly more time being spent by senior management of the Agency just mobilizing the needed funding to avoid a suspension or cessation of operations. Finally, and just as importantly as any of the above, at a time of great instability in the Middle-East, the short and medium term impact of service reductions by UNRWA will likely result in significant additional insecurity for host countries.

1.50 It is incumbent on all Member States of the UN to provide the financial and political support needed to enable UNRWA to fulfil its mandate for so long as a solution to the plight of Palestine refugees remains elusive. UN Resolution A/RES/71/93 and the Secretary-General's report A/71/849 provide the UN General Assembly and its individual members with an unprecedented opportunity in this regard. Sufficient, predictable and sustainable (for the duration of UNRWA's mandate) funding for UNRWA's operations is possible but it requires a collective effort on multiple fronts. UNRWA has already re-doubled efforts to ensure that all of the recommendations of the Secretary-General are put into action. UNRWA counts on the collective and individual support of Member States in this endeavor starting with favorable consideration of the Secretary-General's recommendations concerning the provision of additional support to UNRWA from the UN Regular Budget to cover the Agency's essential executive, programmatic and administrative management costs.

SUB-PROGRAMME 1: PALESTINE REFUGEE RIGHTS UNDER INTERNATIONAL LAW ARE PROTECTED AND PROMOTED

CURRENT OPERATIONS

- 2.1 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. According to the Inter-Agency Standing Committee (IASC), 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).
- 2.2 For UNRWA, protection is what the Agency does to safeguard and advance the rights of Palestine refugees under international law. UNRWA applies a holistic approach to protection which includes an 'internal' dimension, focused on realizing the rights of Palestine refugees in and through the Agency's service delivery programmes (including protection mainstreaming, case management and referral, and protection programming), and an 'external' dimension, involving engagement with relevant duty bearers to ensure respect for Palestine refugees' rights (including monitoring, reporting and advocacy). Human rights and human development reinforce each other: expanding people's capabilities and protecting their rights go hand in hand.
- 2.3 In recent years, UNRWA has significantly strengthened its protection response in view of the increasing protection challenges faced by Palestine refugees. Since 2015, there have been protection programmes and/or Operations Support Officers (OSOs) working on protection in all five UNRWA Field offices. In January 2016, a new Protection Programme was established at UNRWA headquarters in Amman to provide strategic direction of, and coordination to, the implementation of the diverse protection activities across the Agency. These organizational changes build on the 2012 UNRWA Protection Policy and the various specific protection tools and standards that have been developed in preceding years.
- 2.4 The Agency has introduced various initiatives to mainstream protection in its service delivery in accordance with the tools developed in recent years. This includes incorporating protection principles into programme strategies, policies and guidelines; developing mainstreaming checklists, and conducting protection trainings. In 2016, UNRWA revised the methodology of its Protection

Audits, through which programmes are assessed for their alignment to UNRWA's protection principles.

- 2.5 As part of UNRWA's 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. In this regard, UNRWA has adopted a Gender Equality Strategy (2016-2021), a Disability Policy and Disability Inclusion Guidelines, and a Child Protection Framework. While protection concerns relating to these at-risk groups are discrete, the approach required to address them should be in an integrated way.
- 2.6 Programmatically, UNRWA has focused on violence, abuse, neglect and exploitation in Palestine refugee communities, particularly that which is directed at women, children, and persons with disabilities. In order to respond to these protection issues, UNRWA is currently strengthening its protection response to these cases, including through the establishment of case management and referral systems in all Field offices. The Protection Programme has developed guidelines for addressing individual protection cases and is rolling out a protection database (Activity Info) in the five Fields of UNRWA operations. Protection staff in coordination with social workers, schools counselors and health staff identify and help respond to protection cases on a daily basis affecting at risk groups, particularly women, children and persons with disability. The specific protection threats addressed include gender-based violence (GBV), child protection and other general protection issues. In 2016, UNRWA identified 7,069 individuals experiencing a general protection risk, 6,074 GBV survivors, and 2,541 child protection cases. These individuals were provided with assistance through UNRWA programmes and/or referrals to external service providers.
- 2.7 UNRWA furthermore provides direct and indirect social services that aim to support the protection, social inclusion and empowerment of vulnerable groups experiencing a range of complex individual, social, and economic hardships. These services are carried out by UNRWA social workers both through the engagement of individuals and families in the home and through support to the community. UNRWA seeks to reform and strengthen the social services programme by enabling its front line staff to build resilience and create a protective environment at the family and community level.
- 2.8 In addition, the Agency has also been a strong advocate for the protection and promotion of the rights of Palestine refugees, including in relation to the negative consequences of the occupation in the oPt, the blockade of the Gaza Strip, and the impact of the Syrian conflict on Palestine refugees. UNRWA monitors the protection situation of Palestine refugees across its areas of operations, documents alleged human rights violations in certain instances, and brings protection concerns to the attention of duty bearers and the international human rights system.

CONSTRAINTS AND CHALLENGES

- 2.9 Palestine refugees represent the largest refugee population in the world and more than ever they are in need of protection. Across the region, Palestine refugees are facing a profound protection crisis

due to the spread of conflict and violence, protracted displacement, and the Israeli occupation. Because of these different factors and contexts, UNRWA has to contend with a multitude of protection issues that in turn require different types of responses. While UNRWA has an important role and responsibility as a duty bearer for the respect and promotion of human rights related to and through its service delivery, the overall responsibility lies with States. A key obstacle in this regard is the lack of respect by duty bearers for international law.

- 2.10 While UNRWA has continued to strengthen its internal capacity to deliver on its protection mandate, it still lacks the competencies and specialized skills in relation to protection in some instances. In 2016, protection training was already extended to 2,767 Agency personnel, while front-line staff are currently benefiting from the development of data collection tools and capacity development efforts. Such protection training will continue in future based on the availability of funds.
- 2.11 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.
- 2.12 The protection of survivors of GBV and other forms of violence is extremely challenging and precarious, often requiring specialized services. In some specific areas, such as addressing sexual violence or child protection cases, there is often a lack of quality and safe services provided at the national level.
- 2.13 Poor Palestine refugee families and individuals, especially those who reside in camps, experience a sense of disempowerment and social exclusion, which is often accompanied by an environment where mental illnesses, child abuse, early marriage, disability, domestic violence, and divorce are present. These intensify and drive the impact of other concerns, such as dropping out of schools at early stages and unemployment, and put already vulnerable families under huge pressure, often with little support available. UNRWA currently does not have an agency-wide approach to social work and case management to properly address these risks. Driven by donor-funded projects, each Field has nevertheless established trainings for social work and case management that is implemented by different categories of RSSP staffing and supported by a variety of donors. This has led to inconsistent approaches across Fields and does not support an institutionalized approach. Reforms are currently under design - and are expected to be rolled out in 2018 and 2019, which will transform UNRWA's social work programme in such a way that will better utilize its social worker work force (see "Expected Accomplishments" below).
- 2.14 The definition of a person eligible for registration with UNRWA as a Palestine refugee only recognizes 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 varies among and within Fields.

EXPECTED ACCOMPLISHMENTS

- 2.15 While maintaining its overall protection 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:
- 2.16 Protection mainstreaming in and through UNRWA service delivery: UNRWA will address protection challenges that arise from its programme service delivery in education, health, relief and social services, microfinance, and infrastructure and camp improvement. In all Field offices, UNRWA is working to ensure that its assistance and service delivery is carried out in accordance with protection mainstreaming principles. This includes for example the safety of installations, meaningful access for all Palestine refugees, including the most vulnerable, Palestine refugee participation and increased accountability. UNRWA will continue to train and support programme staff with practical tools to ensure that protection is incorporated in all activities and to measure the alignment of programmes to protection principles by conducting bi-annual Protection Audits and measuring the level of implementation of recommendations from previous Audits. As part of the implementation of the new UNRWA Gender Equality Strategy, Gender Action Plans have been developed highlighting key gender priorities by Field to create synergy between programmatic and operational changes.
- 2.17 UNRWA aims to shortly include a gender marker in its budget systems that will enable it to identify the financial resources being applied to different levels/forms of gender-sensitive programming.
- 2.18 UNRWA will also start with the implementation of its Child Protection Framework to provide coherence and strengthen its approach to child protection activities. Deliberate efforts will also be made to mainstream child protection in UNRWA's services and programme delivery, including the development of explicit standards for child protection programming to be shared widely and systematically used Agency-wide. Additional efforts will be made in the area of evidence-based child protection programming, utilizing data and statistics to inform programming through conducting key research especially on child marriage among others. UNRWA will commence the dissemination, implementation and monitoring of its Disability Inclusion Guidelines to ensure that 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).
- 2.19 Case management referral of protection cases affecting at-risk groups: UNRWA is working to strengthen its response to protection cases in line with international standards and best practices.

Specific protection threats include violence, neglect, abuse and exploitation. Gender-based violence and violence against children are key concerns. The majority of such threats are external to UNRWA in domestic and other settings. UNRWA is currently establishing referral systems in all Field offices and rolling out a professional case management approach aimed at streamlining the Agency-wide case management and referral mechanisms. As part of the roll-out of the Guidelines for Addressing Individual Protection Cases, UNRWA will support the development of specific training material. Specifically in relation to GBV, UNRWA will continue to implement its multi-sectoral approach to responding to and preventing GBV. It will ensure that survivors are referred to UNRWA's assistance programmes or to external service providers when UNRWA is unable to provide the required assistance in legal counselling and psychosocial support. To complement this work, UNRWA will support awareness-raising and prevention activities. 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 humanitarian operational plans, both at the programmatic and operational levels. This will include capacity building of staff; the establishment of safe spaces for women and children in displacement centers as well as ensuring that outreach in the provision of assistance is carried out in a way that reaches female-headed and child-headed households.

- 2.20 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 interventions that provide integrated assistance to individuals, families or communities impacted by protection concerns.
- 2.21 Monitoring, reporting and advocacy (international protection): UNRWA will continue to 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 concerns protection for which the primary responsibility lies with the host government, occupying power, or authority or entity exercising *de facto* control. Within its existing capacity, UNRWA will monitor report and engage in private and public advocacy on incidents of alleged violations of the rights of Palestine refugees. It will also focus on thematic concerns such as attacks on schools and education, which is a protection and advocacy priority for the Agency. UNRWA will also use public advocacy, including media and strategic communications, to raise awareness of protection concerns affecting Palestine refugees. UNRWA will continue to make use of available international mechanisms, in particular the international human rights system in accordance with UNRWA's Framework for Effective Engagement with the International Human Rights System. UNRWA's activities in this regard aim to prevent violations from occurring and seeking accountability and remedial measures.
- 2.22 UNRWA aims to strengthen its social services programme through a professionalization of its social work force and a standardization of its approach to social work. This would include the development of an institutional social work guidance and framework for operationalizing a

generalist approach to social work; the introduction of a capacity development programme for all UNRWA social workers and their supervisors that standardizes and strengthens their knowledge and skills in social work and case management with a social protection lens; the development of a partner referral system for refugees to access services that UNRWA is not able to provide and the institutionalization of social work in functions and staffing structure. This approach will provide for integrated assistance at individual, family and community level in addressing protection risks and socio-economic deprivation and for strengthening resilience and a sense of empowerment among refugees including the most vulnerable.

- 2.23 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). UNRWA will continue supporting the Rehabilitation Centre for the Visually Impaired (RCVI) which is the sole institution in the Gaza Strip ensuring education and rehabilitation is available for visually impaired children, including those affected from recent armed conflict, for kindergarten and school grades 1-6. It will also develop a Child Protection Framework to provide coherence and strengthen its approach to child protection activities.
- 2.24 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.
- 2.25 UNRWA will leverage existing partnerships, including with the Office of the High Commissioner for Human Rights (OHCHR), United Nations International Children's Emergency Fund (UNICEF), and the International Committee of the Red Cross (ICRC) on protection issues. It will also seek and formalize other partnerships as a means to strengthen its own role on protection and better ensure protection of Palestine refugees.
- 2.26 The Strategic Framework 2018-2019 reflects the following expected accomplishments:
- (a) Duty bearers are held accountable for violations of international law through monitoring, reporting and advocacy;
 - (b) Vulnerable and at-risk individuals and communities benefit from protection responses.

FINANCIAL RESOURCES

Objective of the Organization: Palestine refugee rights under international law are protected and promoted

Expected Accomplishment	Indicators of achievement	Performance measures		
			2018 - 2019	2016 - 2017
(a) Duty bearers are held accountable for violations of international law through monitoring, reporting and advocacy	Percentage of UNRWA interventions on protection issues that prompt positive responses from authorities	Target	53	39
		Estimate		33
		Actual		-
(b) Vulnerable and at-risk individuals and communities benefit from protection responses	Percentage of individuals identified as experiencing a protection risk (women, boys, girls and men) provided with assistance	Target	100	100
		Estimate		90
		Actual		-

Table 2-1: Palestine refugee rights under international law are protected and promoted
Resource Requirements by Objective
(Cash and In-kind, USD'000s)

	2018	2019
	Estimate	Estimate
A. Duty bearers are held accountable for violations of international law through monitoring, reporting and advocacy	2,346	2,395
B. Vulnerable and at-risk individuals and communities benefit from protection responses	5,225	5,228
Total Regular Budget	7,571	7,623
Project Budget	5,042	5,669
Grand Total	12,613	13,292

A. Duty bearers are held accountable for violations of international law through monitoring, reporting and advocacy
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Output	2018	2019
Palestine refugees and others registered with UNRWA	2,346	2,395
Total	2,346	2,395

B. Vulnerable and at-risk individuals and communities benefit from protection responses
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Output	2018	2019
Individuals experiencing a child protection risk assisted	13	13
Individuals experiencing a general protection risk assisted	115	115
UNRWA staff members who receive protection training across education, health, relief and social services, microfinance and infrastructure and camp improvement programming	5,085	5,087
Individuals experiencing a gender-based violence protection risk assisted	13	13
Total	5,225	5,228

Table 2-2: Palestine refugee rights under international law are protected and promoted
Resource Requirements by Category of Expenditure
(Cash and In-kind, USD'000s)

	2016 Expenditure	2017 Budget	2018 Estimate	2019 Estimate
Staff Costs				
International Staff	-	-	3,772	3,772
Area Staff	5,070	6,133	2,814	2,865
Limited Duration Contract (LDC)	40	49	31	31
Temporary Staff	126	30	28	28
Sub-total Staff Cost	5,236	6,212	6,645	6,696
Operational Cost				
Supplies	42	69	110	110
Maintenance of Premises	1	-	6	6
Equipment and Construction	92	49	2	2
Training	53	0	553	553
Travel	33	2	131	131
Admin Support Services	9	2	1	1
Consultancy Services	95	-	97	97
Miscellaneous Services	8	23	26	27
Sub-total Operational Cost	333	145	926	927
Total Staff and Operational Cost	5,569	6,357	7,571	7,623
Projects	15,382	7,000	5,042	5,669
Grand Total	20,951	13,357	12,613	13,292

Table 2-3: Palestine refugee rights under international law are protected and promoted
Project List
(USD'000s)

	2018 Estimate	2019 Estimate
Future restored:Helping young refugees and their families dealing with the effects of conflict -related violence	791	612
Professionalizing Social Work	300	200
Strengthening UNRWA's protection role	3,812	4,857
Summer Camps	139	-
Total Projects Budget	5,042	5,669

**SUB-PROGRAMME 2: PALESTINE REFUGEE HEALTH IS PROTECTED
AND THE DISEASE BURDEN IS REDUCED**

CURRENT OPERATIONS

- 3.1 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-recognized 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.
- 3.2 UNRWA contributes towards realizing this right for Palestine refugees by providing quality and universally accessible primary health care. In 2016, some 3.5 million persons, equivalent to almost 60 per cent of the total registered population, accessed UNRWA health services. It delivers these services primarily through 143 primary health care facilities utilizing a workforce of over 3,300 health staff. Among the Palestine refugee population, mothers, young children and persons of different age groups and those with Non-Communicable Disease (NCDs) use UNRWA's services the most.
- 3.3 In 2011 UNRWA began a reform process based on a Family Health Team (FHT) approach and the development of electronic medical records (e-Health). 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 organization of care and reduce the burden on staff of paper work, and facilitate timely and reliable data for needs-based decision-making. Together, the reforms aim to modernize the Agency's primary health services, making them more

person-centered and more efficient. By taking advantage of the reforms, average daily consultations per doctor have also decreased from 105 in 2012 to 85 during 2016 (the MTS target is 75 by 2021). Anti-biotic prescription rates have reduced from 24.5 per cent to 21.2 per cent (not including Syria) in 2016. UNRWA has accomplished this without adding more health staff but, rather, through the family health team approach, appointment systems, delegation of greater authorities to nurses, pharmacists etc.

- 3.4 In 2015, UNRWA centralized the procurement of the majority of essential medications. The annual spend on medications is approximately \$18m. The improved centralized procurement secured savings that enabled UNRWA to, first, procure sufficient supplies for a 6 month buffer stock of essential medicines. UNRWA has experienced almost no stock-ruptures on essential medications in 2016. Second, UNRWA now has the global standard in diabetes testing (the “HbA1c test”) available in all health-centres. And UNRWA has been able to include a cholesterol-lowering drug (“statin”) on its essential medications list. It is too early for UNRWA to see any change in indicators regarding hypertension/diabetes prevalence or treatment.
- 3.5 In addition to its primary health care sub-programme, UNRWA administers a hospitalization programme. The majority of services are provided by public or private hospitals through different means of contracts. Unlike primary health services, hospitalization support differs from Field to Field, depending on local circumstances. Around 102,000 hospital admissions were supported in 2016. This represents support being provided to only 2.9 per cent of the served refugee population whereas regional averages suggest that 13 per cent of the population will receive secondary or tertiary health care in a hospital every year. UNRWA has been undertaking efforts to further shift the focus of its scarce financial resources towards the most vulnerable refugees.

CONSTRAINTS AND CHALLENGES

- 3.6 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. Annual increase in number of NCD patients is around 3 to 5 percent; in 2016 NCD patients exceeded 250,000. People living with diabetes/hypertension will remain in UNRWA’s care, which require costly treatment. NCD care cost presents around 50 percent of all primary health care (including medicines) expenditure. UNRWA will continue to work with all stakeholders and hosting authorities for NCD care and prevention, (e.g. diet including salt/sugar, environment etc.)
- 3.7 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. Health Department will work on integration of mental health and psychosocial support into the Family Health Team in the future.

- 3.8 Increasing levels of poverty impact on the ability of refugees to obtain medical assistance outside of that provided by UNRWA.
- 3.9 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 centers.
- 3.10 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 centers, and building capacities for all users to move from the traditional paper-based system to an electronic system.
- 3.11 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.
- 3.12 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.
- 3.13 UNRWA continues to study the population accessing UNRWA's hospitalization programme. To make further progress in efforts to target the most vulnerable persons using its hospitalization programme, UNRWA must overcome gaps in its knowledge about the population that is, and is not, accessing its hospitalization programme.
- 3.14 Increase in the hospitalization budget is expected in Lebanon considering the increase in the population and the consequent increase in the burden of NCDs Vulnerability of the Palestinian is growing in Lebanon while the support from the host country is very limited or completely absent. Efforts have been taken to contain the expenditure but costs nevertheless continue to increase in large part due to increases in hospital prices as a result of higher demands owing to the arrival of Syrian refugees. In this regard, hospitals in Lebanon serve around two million Syrian refugees without any improvement of hospital system since the beginning of the Syrian crisis.
- 3.15 Gaza and Syria remain at risk in terms of fragile public health, which may increase the number of patients in UNRWA's health care system. UNRWA Demands on hospitalization are very high in Gaza and Syria due to the emergency situation in these respective Field Offices. Recent reports from Gaza Field reveal that funds are not sufficient to meet the increase needs of population towards Health Care services due to political and economic situation. There are expectations that current political and economic situations may deteriorate, which will bring about more people seeking for help from UNRWA. Cost of Health Care in Syria Field Office increases due to import

restrictions and reduction in health care coverage by Syrian MoH. Recent reports show that many Palestine Refugees have left Syria; however, people might come back when situation is better, which will require additional funds.

EXPECTED ACCOMPLISHMENTS

- 3.16 UNRWA will continue to provide universally accessible quality primary health care. UNRWA will maximize 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 behavioral 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 Organizations are providing quality care. UNRWA will improve its monitoring and reporting capacities in the area of mental health and psychosocial well-being and build the capacity of staff in this context.
- 3.17 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.
- 3.18 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.
- 3.19 E-Health will facilitate service delivery through the proper monitoring of patient demographic and clinical information and generating related reports, such as cohort analysis on treatment outcomes. This will also serve as an important planning tool.
- 3.20 UNRWA will continue to upgrade its health centers 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 centers 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 centers, reduce the running costs of health centers and have a positive impact on the environment as part of UNRWA’s commitment towards sustainable environmental management.

- 3.21 With the increasing demand in hospitalization caseloads across all five Fields of UNRWA operations – in terms of severity, frequency and numbers – it is anticipated that the hospitalization demand will continue to outstrip supply capacities. UNRWA will continue efforts to 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 maximize opportunities to increase resource mobilization through association.
- 3.22 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 rationalize the use of resources, including the possible merger of existing installations, to allow the establishment of new points of service in under-served areas.
- 3.23 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 World Health Organization (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.
- 3.24 The Strategic Framework reflects the following expected accomplishments:
- (a) People-centered primary health-care system using the family health team model
 - (b) Efficient hospital support services provided

FINANCIAL RESOURCES

Objective of the Organization: Palestine refugee health is protected and the disease burden is reduced				
Expected Accomplishment	Indicators of achievement	Performance measures		
			2018 - 2019	2016 - 2017
(a) People-centred primary health-care system using the family health team model	(i) Average number of daily medical consultations per doctor	Target	83	84
		Estimate		
		Actual		
	(ii) Percentage of women in compliance with the minimum four antenatal care visits	Target	91	91
		Estimate		
		Actual		
	(iii) Percentage of non-communicable disease patients coming to health centres regularly	Target	83	80
		Estimate		
		Actual		
	(iv) Number of Expanded Programme on Immunization vaccine-preventable disease outbreaks	Target	0.00	0.00
		Estimate		
		Actual		
(b) Efficient hospital support services provided	Percentage of UNRWA hospitalization accessed by SSNP	Target	15	14
		Estimate		
		Actual		

Table 3-1: Palestine refugee health is protected and disease burden is reduced
Resource Requirements by Objective
(Cash and In-kind, USD'000s)

	2018	2019
	Estimate	Estimate
A. People-centered primary health-care system using the family health team model	90,104	91,676
B. Efficient hospital support services provided	29,515	29,563
Total Regular Budget	119,619	121,239
Project Budget	29,524	12,562
Grand Total	149,143	133,801

A. People-centered primary health-care system using the family health team model

Output	2018	2019
Preventative and curative oral health-care consultations provided	5,238	5,320
Primary health-care consultations provided using the family health team model	70,917	72,158
Students in the first, fourth and seventh grades screened for vision impairment	720	750
Support for persons with disabilities to ensure that their needs are adequately identified and responded to	1,493	1,529
Quality pharmaceutical, laboratory and radiology services across all fields of operation to support diagnosis and treatment of medical conditions	11,735	11,918
Total	90,104	91,676

B. Efficient hospital support services provided

Output	2018	2019
Patients with life-threatening illnesses who require life-saving/life-supporting medical treatment and lack the financial assets or insurance coverage to attain it, receiving secondary and tertiary care	29,515	29,563
Total	29,515	29,563

Table 3-2 : Palestine refugee health is protected and disease burden is reduced
Resource Requirements by Category of Expenditure
(Cash and In-kind, USD'000s)

	2016 Expenditure	2017 Budget	2018 Estimate	2019 Estimate
Staff Costs				
Area Staff	48,571	56,649	64,630	66,242
Limited Duration Contract (LDC)	190	431	126	126
Temporary Staff	1,743	714	725	725
Sub-total Staff Cost	50,504	57,794	65,481	67,093
Operational Costs				
Supplies	24,855	28,092	22,850	22,858
Utilities	350	437	402	402
Maintenance of Premises	1,019	1,501	393	393
Equipment and Construction	570	975	147	147
Training	7	35	10	10
Travel	13	15	19	19
Admin Support Services	192	110	91	90
Consultancy Services	227	215	238	239
Hospital Services	30,298	28,657	29,189	29,189
Miscellaneous Services	1,441	1,242	1,009	1,009
Subsidies to Hardship Cases	570	6	-	-
Cost Recovery	(156)	(210)	(210)	(210)
Sub-total Operational Cost	59,386	61,075	54,138	54,146
Total Staff and operational Cost	109,890	118,869	119,619	121,239
Projects	31,462	39,236	29,524	12,562
Grand Total	141,352	158,104	149,143	133,801

Table 3-3 Palestine refugee health is protected and disease burden is reduced
Project List
(USD'000s)

	2018	2019
	Estimate	Estimate
Breast Cancer Screening	786	785
Community Life-style Behavioural Change Project	200	200
Construction and Equipping of Health Centers	4,650	4,650
e-Health expansion for the family health team approach	1,215	-
Health reform: Implementation and roll-out of Family Health Team approach and e-Health to improve primary health care services	2,313	-
Improving quality of care through Family medicine training	1,567	1,546
Integrating MHPSS into the Family Health Team Approach	1,865	1,648
Level 1 maintenance - Gaza Health Centers	41	-
Level 1 maintenance - Jordan Health Centers	92	-
Level 1 maintenance - Lebanon Health Centers	173	-
Level 1 maintenance - Syria Health Centers	75	-
Level 1 maintenance - West Bank Health Centers	232	-
Medical Hardship Fund	1,060	-
Merging two UNRWA Health Centers in Zarqa and relocating the Area Office	2,000	1,000
Prevention of anemia among children 6- 24 months of age	1,193	1,193
Prioritizing Reproductive Healthcare Services for Youth in Protracted Humanitarian Crises (Component 1 - Reprod Health)	1,200	1,200
Prioritizing Reproductive Healthcare Services for Youth in Protracted Humanitarian Crises (Component 2 - GBV)	340	340
Replace, upgrade or equip health centers and health points with lab equipment and reagent supplies in order to improve quality of, and access to primary healthcare	487	-
Screening for visual impairments among students in UNRWA schools	2,635	-
Strengthening Children's Psychosocial Well-being in the Gaza	7,400	-
Total Projects Budget	29,524	12,562

SUB-PROGRAMME 3: SCHOOL-AGE CHILDREN COMPLETE QUALITY, EQUITABLE AND INCLUSIVE BASIC EDUCATION**CURRENT OPERATIONS**

- 4.1 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 identity 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 also provides people with the social and cognitive skills they can use to support themselves financially through paid employment later in life. Long recognized for its socio-economic benefits, research highlights the central role education plays in helping individuals live more fulfilled lives, perform better in the labor market, have improved 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.
- 4.2 UNRWA provides education services to over half a million Palestine refugee children through some 702 schools. UNRWA's education programme is its largest, both in terms of staff and budgetary allocation, with 53 per cent of the Agency's PB expenditure. 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.
- 4.3 The number of children attending UNRWA schools has been stable for some years in most Fields, however since 2011, Lebanon and Jordan Fields have absorbed 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 – 2016, number of children in UNRWA schools in Gaza increased from 189,317 to 262,112.
- 4.4 In 2011, the UNRWA Education Programme began the design and implementation of a major Agency wide five-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 was seen as a long-term investment and UNRWA continues to embed, enrich and sustain the achievements of the reform in the MTS, with the overall objective of ensuring quality, equitable and inclusive education.

- 4.5 As part of the education reform, common universal education indicators were developed to enable the Agency to better monitor how the UNRWA Education Programme impacts the learning outcomes of its students. Indicators seek to measure, both quantitatively and qualitatively, progress on quality, inclusiveness and equity; this includes perceptual indicators to measure the alignment of teaching and learning practices with the education reform, the 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.
- 4.6 Integral to both the education reform and now the MTS, is evidence-based policy, planning and decision making at all levels and to this effect UNRWA has developed an Agency-wide Educational Management Information System (EMIS) which was launched across all Fields in the 2016/2017 school year and will be fully operational (the three modules – students, staffing and premises) in the 2017/18 school year. The EMIS has strengthened the Agency’s capacity to provide timely and reliable reports against key education indicators and enable comparability both amongst the five UNRWA Fields of operation, and in comparing UNRWA at an international level.
- 4.7 UNRWA has become a pioneer in emergency education programming. A multi-stranded response to the emergency in Syria has been implemented for children whose education has been impacted by the conflict 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 skills training for educationalists and children. These strands are underpinned by strengthened data collection and enhanced communication systems, such as the use of Short Message Services (SMS) between schools and parents. The success of the support through emergency education programming was further endorsed by the achievements of the UNRWA Syria students in the initial reports of the 2016 Monitoring Learning Achievement (MLA) tests.
- 4.8 UNRWA’s Annual Operational Reports of 2015 and 2016 along with other reports of, for example, the World Bank, evidence good results in terms of the quality, inclusiveness and equity of UNRWA’s Education Programme. In the 2015/2016 school year in particular, UNRWA witnessed a marked decrease in Agency-wide curriculum dropout rates, overall improvement in student achievement in MLA tests conducted in 2016, and strengthened textbook reviews.

- 4.9 Issues of disparity and inequity in pupil performance remain, but the results of the MLA tests in 2016 evidence good progress is being made in closing the gap, in other words reducing the percentage of the low achieving students. Progress here can be particularly seen in the results for Grade four Arabic and Grade eight mathematics. In Grade four Arabic Agency-wide, the proportion of Grade four students meeting the required performance levels³ reached 63.5 per cent⁴ in 2016 which is a substantial improvement since 2013, when just 55.1 per cent of Grade four students were at the same level. Additionally, Agency-wide, the proportion of Grade four students who were in the ‘not achieved’ performance level has improved since 2013 (when it was 15.2 per cent), with 12.9 per cent not meeting expectations in 2016. With respect to Grade eight mathematics, in 2016, the proportion of Grade eight students who met the required performance levels was 58.1 per cent⁵. Agency-wide, the proportion of students who were in the ‘not achieved’ performance level more than halved in 2016 compared with 2013, with just 3.2 per cent⁶ not meeting expectations rather than 7.2 per cent.

CONSTRAINTS AND CHALLENGES

- 4.10 Teaching and learning practices, as highlighted in the findings of the UNRWA Classroom Observation Study conducted in 2013, tend to be teacher-fronted, with limited diversity in practices to support and encourage the learning of all students. It is hoped that 2016 and 2019 Classroom Observation Studies will show that classroom practices are changing, and better supporting children’s learning and overall development.
- 4.11 UNRWA’s Education Programme only provides schooling for children from Grades one to nine, and to Grade 10 in Jordan and in one school in Jerusalem, and secondary schooling in Grades 10-12 in Lebanon. In addition to not providing the full education cycle UNRWA does not provide pre-school and kindergarten education, apart from some provision in Lebanon through French schools.
- 4.12 Educational infrastructure has suffered from a lack of resources and increasing demographic pressures, with over 50 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 potentially posing life and property threats in the case of natural disaster.
- 4.13 Student grade repetition is still a limitation with Fields adhering to Host country repetition rules. Repetition is discouraged as it has been shown that a student who repeats one grade is ten times more likely to drop-out. The 2013 Agency-wide Drop-Out Study also highlighted that drop-outs who had repeated at least one grade were more likely to report that they dropped out of school for academic engagement reasons than those drop-outs who did not repeat a grade.
- 4.14 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

³ This refers to two performance levels; Achieved and Advanced.

⁴ Figure excluding Syria

⁵ Figure excluding Syria however the figure remains the same whether Syria is included or not.

⁶ Figure excluding Syria

psychosocial well-being of children in UNRWA schools. This presents an ongoing challenge to meeting quality, inclusive and equitable educational outcomes, which must be addressed systemically and specifically.

- 4.15 Financial constraints will continue to be a major challenge in ensuring that the high numbers of students in UNRWA classrooms do not have a detrimental impact on the quality of education. For financial reasons, the Agency has had to adopt class formation norms and standards that cap the number of students in each purpose built classroom at 50. For 2016-2017, UNRWA was accommodating 515,260 children in its schools. The average class size was 37.5 children per class. By way of comparison, in 2011 – 2012, UNRWA had an average class size of 35.6 and, had UNRWA maintained this average class size, UNRWA would, in the 2016-2017 scholastic year, have required at least 700 more teachers (approximately \$8.5m annual cost). These financially-driven measures are making it more challenging for teachers to deliver the quality, inclusive and equitable education expected by the Agency. In this context, it is expected that, in the 2017-2018 school year, 65 per cent of classes in Gaza will have a class size of between 40 – 45 students.

EXPECTED ACCOMPLISHMENTS

- 4.16 To help address the challenges, UNRWA will remain committed to its education strategic objective of quality, inclusive and equitable education. If work continues to embed, sustain and enrich the policies, practices and programmes of the reform, the impact on the learners' cognitive, social, cultural and personal capabilities will help UNRWA students to realize their potential as an individual and as a member of their society, and the broader global community.
- 4.17 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, 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 also draw upon the support and expertise of partners. Measuring progress against clearly defined indicators will be key and UNRWA will reflect this within its monitoring and reporting frameworks.
- 4.18 The UNRWA Education Programme will continue seeking to close the gap in student achievement. It will achieve this through: continued emphasis on enhancing the professionalization of teachers in UNRWA schools; further embedding the adoption of inclusive education approaches which enhance education staff's capacity to develop behavior that promotes the psychosocial wellbeing of their students; enriching curricula to ensure it develops students' skills; building competences and attitudes that 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 and coherent approach.

- 4.19 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 standardized 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.
- 4.20 UNRWA will seek to improve the infrastructure of its schools to ensure they help facilitate quality, equity and inclusiveness, providing an environment conducive to learning 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 accessing, learning and participating in an educational setting.
- 4.21 UNRWA will gradually streamline a green approach to the design and upgrade of its facilities, to reduce running costs and minimize 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 its existing schools to meet UNRWA infrastructure security, safety and accessibility standards.
- 4.22 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 education in emergencies approach that includes providing alternative learning modalities , safety and security training, survival skills training and psychosocial support with additional counsellors in place in three Fields, enhanced communication and engagement with parents and communities, and teacher training.
- 4.23 Work will continue with regard to strengthening the overall education system in order to transform and sustain classroom practice in the key areas of teachers, curriculum, inclusion, evidence-based planning, and research. Operationalization is at three levels: policy, organizational and capacity development.
- 4.24 UNRWA's Education Programme has benefitted invaluablely from the Agency's partnership and collaboration with UNESCO since its foundation. UNRWA recognizes that its growing collaboration with other partners, including UNICEF, the Norwegian Refugee Council (NRC) and the Deutsche Gesellschaft for international Zusammenarbeit (GIZ) has also enhanced its education programme for the benefit of refugees. UNRWA will continue to work with partners 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.

4.25 The Strategic Framework reflects the following expected accomplishments:

- (a) Quality learning in conducive learning environments for all students;
- (b) Inclusive access to basic education is ensured;
- (c) Equitable basic education is ensured;

FINANCIAL RESOURCES

Objective of the Organization: School-age children complete quality, equitable and inclusive basic education				
Expected accomplishment	Indicators of achievement	Performance measures		
			2018-2019	2016-2017
(a) Quality learning in conducive learning environments for all students	(i) Mean score of students in Monitoring of Learning Achievement higher	Target	40.3 ⁷	
		Estimate		
		Actual		
	(ii) Teaching and learning practices align with reform criteria (percentage)	Target	12.21	
		Estimate		
		Actual		
(b) Inclusive access to basic education is ensured	(i) Percentage of students identified with a disability receiving support meeting their specific needs	Target	43.90 ⁸	-
		Estimate		
		Actual		
	(ii) Repetition rate in basic education (elementary)	Target	2.59 ⁹	
		Estimate		
		Actual		
	(iii) Repetition rate in basic education (preparatory)	Target	2.73 ¹⁰	
		Estimate		
		Actual		
(c) Equitable basic education is ensured	(i) Gap in student performance levels in Monitoring of Learning Achievement testing (percentage)	Target	3.7 ¹¹	-
		Estimate		
		Actual		

⁷ This 2019 target pertains to the indicator “mean score of students in Monitoring of Learning Achievement in higher order thinking skills – Grade 4 Arabic – male”. Due to the numerous disaggregations, only one grade, subject and gender was chosen. Please note that the full MLA report includes all disaggregations. This target applies to the period 2016-2019, as results under this indicator are collected every three years. In order to strengthen the understanding of the MLA results amongst UNRWA stakeholders, the baseline figures for 2013 have been revised (and the targets updated accordingly) to take into account a change in the methodology of analysis (full details are contained in the MLA report currently being drafted). Syria Field was not included in the 2013 survey (due to security reasons), and so Syria data has been excluded from the 2016 UNRWA totals for comparison purposes.

⁸ 42 per cent is the target for 2018 (2017/2018 school year) while 43.90 is the target for 2019 (2018/2019 school year).

⁹ The annual target for 2018 is 2.66; for 2019 it is 2.59

¹⁰ The annual target for 218 is 2.81; for 2019 it is 2.73.

¹¹ This 2019 target pertains to the indicator “Gap in student performance levels in Monitoring of Learning Achievement testing – Grade 8 mathematics female”. Due to the numerous disaggregations, only one grade, subject and gender was chosen. Please note that the full MLA report includes all disaggregations. This target applies to the period 2016-2019, as results under this indicator are collected every three years. In order to strengthen the understanding of the MLA results amongst UNRWA stakeholders, the baseline figures for 2013 have been revised (and the targets updated accordingly) to take into account a change in the methodology of analysis (full details are contained in the MLA report currently being drafted). Syria Field was not included in the 2013 survey (due to security reasons), and so Syria data has been excluded from the 2016 UNRWA totals for comparison purposes.

**Table 4-1: School-age children complete quality, equitable and inclusive basic education
Resource Requirements by Objective**
(Cash and In-kind, USD'000s)

	2018 Estimate	2019 Estimate
A. Quality learning in conducive learning environments for all students	413,865	428,947
Total Regular Budget	413,865	428,947
Project Budget	36,838	24,650
Grand Total	450,703	453,597

A. Quality learning in conducive learning environments for all students		
Output	2018	2019
Students enrolled in secondary education (Lebanon only) during the 2019/20 school year	6,656	6,740
Teachers benefitting from professional development and support	8,298	8,342
Students enrolled in basic education (elementary and preparatory) during the 2019/20 school year	398,911	413,865
Total	413,865	428,947

Table 4-2 : School-age children complete quality, equitable and inclusive basic education
Resource Requirements by Category of Expenditure
(Cash and In-kind, USD'000s)

	2016 Expenditure	2017 Budget	2018 Estimate	2019 Estimate
Staff Costs				
Area Staff	290,977	340,449	400,654	415,716
Limited Duration Contract (LDC)	5	156	21	21
Temporary Staff	10,730	1,927	1,272	1,272
Sub-total Staff Cost	301,712	342,532	401,947	417,009
Operational Costs				
Supplies	10,236	6,007	7,278	7,279
Utilities	1,186	1,380	950	950
Maintenance of Premises	3,313	3,809	2,503	2,513
Equipment and Construction	759	3,919	224	233
Training	32	72	36	36
Travel	1	18	1	1
Admin Support Services	52	52	55	55
Consultancy Services	3	5	-	-
Miscellaneous Services	782	1,121	851	851
Subsidies to Hardship Cases	14	20	20	20
Sub-total Operational Cost	16,378	16,403	11,918	11,938
Total Staff and Operational Cost	318,090	358,935	413,865	428,947
Projects	48,053	9,271	36,838	24,650
Grand Total	366,143	368,206	450,703	453,597

**Table 4-3: School-age children complete quality, equitable and inclusive basic education
Project List
(USD'000s)**

	2018 Estimate	2019 Estimate
Construction of 4 schools in Lebanon	2,500	2,500
Construction of 7 elementary schools in Gaza (198 classrooms, serving 7,920 students)	8,233	8,233
Construction of 8 preparatory schools in Gaza (serving 10,000 students)	9,937	9,937
Education in Emergencies (EiE) For Palestine Refugee Children	2,500	2,500
Eliminating double shift schools in Amman New Camp through the construction of one school and the refurbishment of three schools	3,885	583
Human Rights Conflict Resolution and Tolerance	274	547
Learning Support Programme	1,700	-
Level 1 maintenance - Gaza Schools	705	-
Level 1 maintenance - Jordan EDC	7	-
Level 1 maintenance - Jordan Schools	1,079	-
Level 1 maintenance - Lebanon Schools	614	-
Level 1 maintenance - Syria EDC	13	-
Level 1 maintenance - Syria Schools	421	-
Level 1 maintenance - West Bank Schools	930	-
Summer School and Saturday Activities	170	-
Support to UNRWA'S Human Rights Education Programme	2,710	-
Sustainable improvements for a quality, equitable and inclusive education system	383	350
UNDP is seeking funding for a large electricity project in Syria, which includes the provision of solar panels to up a number of schools, including UNRWA schools.	405	0
Upgrading the environmental health of school facilities in Jordan: Improving the level of protection to Palestine refugee students with a special focus on female students attending UNRWA schools in Jordan.	372	0
Total Projects Budget	36,838	24,650

SUB-PROGRAMME 4: PALESTINE REFUGEE CAPABILITIES ARE STRENGTHENED FOR INCREASED LIVELIHOOD OPPORTUNITIES

CURRENT OPERATIONS

- 5.1 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.
- 5.2 **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 emphasize strengths rather than needs, recognizing 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.
- 5.3 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.
- 5.4 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.
- 5.5 Through guidance counselling, labor-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.

- 5.6 UNRWA operates eight Technical and Vocational Education and Training (TVET) centers that graduated some 28,000 students between 2009 and 2016. 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 labor market. Employment rates for TVET graduates are high, at 71 per cent for males and 69 per cent for females in 2015, including Syria Field.
- 5.7 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.
- 5.8 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 2012 and 2016, 171,752 loans with a total value of USD 179 million were issued. In addition, of the total loans issued, 63,720 loans valued at USD 82.7 million were given to Palestine refugees, 65,890 loans valued at USD 51.8 million were given to women and 50,600 loans valued at USD 49.7 million were given to youth aged 18-30.
- 5.9 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.
- 5.10 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 2015/2016 the number of new and awarded scholarships was 379.
- 5.11 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 centers have been established to link Palestine refugees with employment opportunities. In the Gaza Strip emergency appeal funding supports job creation schemes.
- 5.12 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 urbanized spaces, with high population density, overcrowding and high built up areas. In many cases, refugee camps are active economic hubs. 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. UNRWA 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. With UNRWA's guidance, camp populations develop Camp Improvement Plans (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 also goes further to increase the capabilities of refugees through participation in decision-making, community mobilization, encouraging voluntarism, addressing higher education, employment, under-employment and social isolation.

- 5.13 CIPs have helped to empower camp communities as different local groups actively articulate their needs, better understand the overall challenges and different demands, develop visions, find compromises through discussion and negotiation and develop local capacities for bottom-up engagement. This has resulted in increased ownership by the camp communities and the generation of additional capacities and resources for camp improvement and livelihood opportunities.
- 5.14 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 recognize 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.
- 5.15 UNRWA furthermore creates livelihood opportunities through its construction projects. In 2016, the Agency expended USD 67 million on construction projects that generated over 3,000 Full Time Equivalent (jobs).

CONSTRAINTS AND CHALLENGES

- 5.16 Livelihoods: With unemployment rising, economic engagement for Palestine refugees is of concern across all Fields in UNRWA. In particular, high rates of youth unemployment, especially affecting female youth and low labor 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.
- 5.17 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.
- 5.18 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.

EXPECTED ACCOMPLISHMENTS

- 5.19 The challenges above present a highly threatening context with limited opportunities for refugees. UNRWA will seek opportunity to make a significant contribution to addressing these challenges by focusing the attention of its current programmes on vulnerable persons and by innovative projects.
- 5.20 UNRWA 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.
- 5.21 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 labor 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 characterize 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.
- 5.22 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 prioritizing camps for improvement to enhance the communities' capacities and assets.
- 5.23 Participatory urban planning is used to further enhance the partnership and trust between UNRWA and the refugee communities. UNRWA will strongly emphasize representative participation, including all social groups, focusing especially on the equal inclusion of vulnerable groups such as women, youth or people with disabilities. Understanding the refugees' needs and building on their knowledge helps to design demand-oriented measures. Empowering communities will create ownership and generate additional capacities and responsibilities for context specific camp improvement and livelihood opportunities.
- 5.24 Furthermore, CIPs are strengthening refugees' capabilities for increased livelihood opportunities. They have led to numerous initiatives addressing the communities' socio-economic needs through training (formal and informal), job creation (construction projects and others) and on-the-job activities (greening the camp, conducting surveys, etc.).

- 5.25 UNRWA, furthermore, creates livelihood opportunities for Palestine refugees through its construction projects. Through these construction projects, Palestine refugees benefit directly as well as indirectly.
- 5.26 By implementing its TVET reform strategy, UNRWA will aim to increase the number of TVET graduates, work towards greater 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 labor 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. Enhanced tracking of graduates and engagement and feedback loops with employers will enable TVET to ensure courses remain relevant and appropriate.
- 5.27 UNRWA will continue to 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. 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 – will be considered.
- 5.28 In 2016, UNRWA undertook a status review of the agency wide scholarship programme and identified recommendations for the way forward. UNRWA will work towards securing additional funding to enable it to implement the recommendations to strengthen and further diversity its Scholarship Programmes, particularly for the vulnerable.
- 5.29 UNRWA will continue its successful efforts over the 2016 – 2017 biennium to reduce the Microfinance Programme’s portfolio at risk and to increase the percentage of Palestine Refugees being served. UNRWA aims to strengthen the contribution made by the Microfinance Programme in Syria and Gaza. UNRWA aims to maximize the use of a new and innovative electronic payment system being developed in 2017.
- 5.30 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.
- 5.31 UNRWA will continue to look for opportunities to implement innovative projects to provide enhanced livelihood opportunities in contexts that are not conducive to economic opportunities for Palestinians.
- 5.32 In its capacity as one of the largest employers of Palestine refugees, UNRWA will continue efforts to move towards gender parity in management positions. It will aim to improve recruitment practices by eliminating 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 recognized international Organizations.

- 5.33 UNRWA will continue to enhance opportunities in the delivery of livelihood support through its ongoing collaborations with partners including the Pal Fund 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 Labor Organization (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.
- 5.34 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 labor market information, as well as expanding vocational training opportunities and social infrastructure works.
- 5.35 Through its procurement activities, UNRWA will continue actively to favor local contractors, where applicable, particularly those that employ Palestine refugees.
- 5.36 The Strategic Framework reflects the following expected accomplishments:
- (a) Palestine refugee capabilities are strengthened.
 - (b) Refugees have improved access to livelihood opportunities.

FINANCIAL RESOURCES

Objective of the Organization: Palestine refugee capabilities are strengthened for increased livelihood opportunities				
Expected Accomplishment	Indicators of achievement	Performance measures		
			2018-2019	2016-2017
(a) Palestine refugee capabilities are strengthened	(i) Percentage of social safety net programme students enrolled in vocational training centres, UNRWA educational science faculties and the Faculty of Educational Sciences and Arts	Target	TVET 33.15 FESAA 14	
		Estimate		
		Actual		
	(ii) Percentage of social safety net programme graduates from vocational training centres, UNRWA educational science faculties and the Faculty of Educational Sciences and Arts	Target	VTC 25.10 ¹² FESA 15.00 EFS 14.60	
		Estimate		
		Actual		

¹² The 2018 annual target s for VTCs: 25.1; FESA: 15; ESF: 14.60; The 2019 annual targets for VTCs: 25.3; FESA: 15; ESF: 14.60

(b) Refugees have improved access to livelihood opportunities	(i) Number of clients accessing financial services (including marginalized groups)	Target	74 905	
		Estimate		
		Actual		
	(ii) Index score of refugee living conditions and livelihood opportunities in identified priority camps	Target	6	6
		Estimate		
		Actual		
	(iii) Total number of micro-entrepreneurs with loans	Target	49 436	
		Estimate		
		Actual		

Table 5-1: Palestine refugee capabilities are strengthened for increased livelihood opportunities
Resource Requirements by Objective
(Cash and In-kind, USD'000s)

	2018	2019
	Estimate	Estimate
A. Palestine refugee capabilities are strengthened	28,737	29,223
Total Regular Budget	28,737	29,223
Project Budget	10,384	10,100
Grand Total	39,121	39,323

A. Palestine refugee capabilities are strengthened		
Output	2018	2019
Microfinance loans provided to Palestine refugees	13	13
Poor and marginalized women provided with microfinance loans	4,554	4,621
Refugee students completing short-term technical and vocational education and training	20,934	21,288
Refugees in receipt of scholarships for tertiary education	16	16
Refugees with enhanced capacity as a result of camp improvement planning processes	259	262
Students enrolled in pre-service teacher training, enabling them greater access to employment opportunities in the education sector	2,852	2,913
Youth provided with placement and career guidance	109	110
Youth provided with placement and career guidance	28,737	29,223

Table 5-2 : Palestine refugee capabilities are strengthened for increased livelihood opportunities
Resource Requirements by Category of Expenditure
(Cash and In-kind, USD'000s)

	2016 Expenditure	2017 Budget	2018 Estimate	2019 Estimate
Staff Costs				
Area Staff	19,978	22,143	23,350	23,817
Limited Duration Contract (LDC)	67	196	66	66
Temporary Staff	517	233	188	188
Sub-total Staff Cost	20,562	22,572	23,604	24,071
Operational Costs				
Supplies	1,799	2,634	2,373	2,373
Utilities	642	684	540	540
Maintenance of Premises	1,406	1,119	956	975
Equipment and Construction	406	676	52	52
Training	24	132	64	64
Travel	12	81	41	41
Admin Support Services	151	131	119	119
Consultancy Services	24	74	25	25
Hospital Services	80	95	80	80
Miscellaneous Services	302	461	387	387
Subsidies to Hardship Cases	553	744	574	574
Third Parties Subsidies	1	52		
Other Subsidies	116	191	178	178
Cost Recovery	(170)	(266)	(256)	(256)
Sub-total Operational Cost	5,346	6,808	5,133	5,152
Total Staff and Operational Cost	25,908	29,380	28,737	29,223
Projects	76,542	34,136	10,384	10,100
Grand Total	102,450	63,517	39,121	39,323

Table 5-3: Palestine refugee capabilities are strengthened for increased livelihood opportunities**Project List**

(USD'000s)

	2018 Estimate	2019 Estimate
Enhancing the quality of Technical and Vocational Education in the Arab region with a specific focus on UNRWA VTC's	2,773	2,000
Improved Employment Opportunities for Palestine Youth	461	400
Level 1 maintenance - Gaza Khan Younis Training Centre	78	-
Level 1 maintenance - Gaza Training Centre	26	-
Level 1 maintenance - Jordan ATC	46	-
Level 1 maintenance - Jordan FESA	12	-
Level 1 maintenance - Jordan WSTC	69	-
Level 1 maintenance - Lebanon North Lebanon Training Centre	12	-
Level 1 maintenance - Lebanon Sibliin Training Centre	115	-
Level 1 maintenance - Syria Damascus Training Centre	113	-
Level 1 maintenance - West Bank KTC	123	-
Level 1 maintenance - West Bank RMTC	63	-
Level 1 maintenance - West Bank RWTC	103	-
Microfinance Gaza and West Bank proposal	1,500	1,500
Scholarships	1,300	1,300
Strengthening of relevance and quality of TVET Programme in Jordan Field Office: Improving employment prospects for Palestine refugee youth in Jordan	2,640	3,000
Support to Employment Service Centers	200	400
Technical and vocational training: expand the outreach of the Programme and the volume of courses offered in line with regular job market assessments	750	1,500
Total Projects Budget	10,384	10,100

SUB-PROGRAMME 5: PALESTINE REFUGEES ARE ABLE TO MEET THEIR BASIC HUMAN NEEDS OF FOOD, SHELTER AND ENVIRONMENTAL HEALTH

CURRENT OPERATIONS

- 6.1 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.
- 6.2 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.
- 6.3 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 Programme and SSNP. In 2016, UNRWA provided assistance to 255,000 poor refugees under SSNP. Under Emergency Programme, the Agency distributed food basket to over 921,000 abject and absolute poor refugees in oPt and provided cash and food assistance to more than 458,000 Palestine refugees affected by the crisis in Syria. While UNRWA maintains its previous status-based Special Hardship caseload in Syria, under the current crisis conditions these persons benefit from the Emergency Programme's universal food and cash assistance.
- 6.4 In April 2016, UNRWA transitioned to a cash-based transfer approach in Jordan, West Bank and Lebanon. Regarded as a more effective way to extend basic assistance, this new distribution modality provides recipients with greater freedom of choice and access to a wider range of healthy food options while reducing administrative and distribution costs associated with the delivery of in-kind food assistance. Currently, e-card assistance serves a caseload of over 156,000 SSNP recipients across the three Fields. In Gaza, 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, both the SSNP and Emergency Programme remain severely underfunded and locked into a food distribution programme. In Syria, the Emergency Programme offers a combination of food and cash assistance, providing critical, adaptive and immediate support to conflict-affected Palestine refugees. Cash assistance allows UNRWA to reach multiple locations in

Syria through a network of banks and financial institutions, while in-kind food assistance remains a priority operation in the context of dysfunctional and sometimes hard-to-reach markets.

- 6.5 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, and means of food storage, refuse disposal and emergency services. 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.
- 6.6 In shelter rehabilitation projects, UNRWA assesses and prioritizes substandard shelters that are structurally unsafe, built with temporary material like asbestos and zinc, overcrowded and lack gender separation. Since 2007, UNRWA has rehabilitated over 7000 shelters across all five Fields. In addition, over 100,000 shelters were either constructed or repaired or provided cash assistance in response to emergencies in Gaza and Lebanon. Most of these shelters were rehabilitated individually on the basis of grants, using different implementation models (self-help or contractual construction) and intervention methods (reconstruction or repair).
- 6.7 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 mobilizes 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 neighborhoods/camps and appeal to other actors and stakeholders to assist and lead in the reconstruction process.
- 6.8 Access to potable water and basic sanitation is essential for preserving human dignity and provides the foundations for securing the rights to water, health and adequate standard of living, adequate housing and education, among others.
- 6.9 Through its Infrastructure and Camp Improvement Programme, UNRWA is responsible for ensuring that refugees have access to potable water and basic sanitation as essentials for preserving human dignity and providing the foundation for securing fundamental rights to water, health, a decent standard of living, adequate housing and education.

- 6.10 UNRWA has made progress over the past years in providing suitable infrastructure and environmental health services in the refugee camps and taken responsibility for planning, designing, and constructing infrastructure projects (sewerage, drainage, and water supply networks). In this context, UNRWA has intervened effectively to improve the environmental conditions in camps, as well as rehabilitating storm-water drainage.
- 6.11 These efforts have mitigated environmental risks and improved the environmental conditions for refugees. Storm-water flooding in camps and inside UNRWA premises, and the mixing of sewage with storm water, has been reduced. UNRWA has contributed to the mitigation of seepage from percolation pits by constructing sewerage systems and replacing the majority of open channels with underground systems, hence reducing pollution and the risk of the outbreak of parasitic and infectious diseases, as well as improving the general condition of roads and streets.
- 6.12 Over 99 per cent of shelters in all camps are connected to water supply networks that are operated by UNRWA, municipal water sources or others. Over 86 per cent of all shelters in all camps are connected to sewerage networks.
- 6.13 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

- 6.14 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.
- 6.15 Poverty amongst Palestine refugees remains high, and are growing and deepening. At the same time, the assistance provided by UNRWA is far from sufficient and poor 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. The value of assistance differs by Field. Across all Fields, it is far below the recommended value of 20 to 49 per cent of the absolute poverty line. As of 2016, the transfer value varied from 13.2 per cent of abject poverty line in Lebanon to 19.9 per cent in West Bank. Further, in the Fields providing cash-based transfers; the transfer value is not indexed to inflation and does not account for variations in the Consumer Price Inflation (CPI). This means that the risk of loss in purchasing power of the transfer value as basic commodity prices increase is real delimiting the effectiveness to close the “hunger gap” in household income that people cannot bridge out of their own needs.
- 6.16 Many poor Palestine Refugees supplement the insufficient UNRWA social transfers by registering for national assistance programmes and seeking support from other charitable organizations. Palestine Refugees are exceptionally vulnerable in situations where they are excluded from accessing host assistance schemes – such as Palestine Refugees in Lebanon and Ex-Gazans in Jordan – and where UNRWA is unable to be an equal opportunity service provider. The

programme's intake ceiling has been frozen since April 2013, severely limiting the introduction of new cases.

- 6.17 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 urbanization. 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.
- 6.18 The needs of refugees living in substandard shelters are growing, estimated to be approximately 202,000 persons, equivalent to approximately 46,000 shelters¹³ in 2014. 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.
- 6.19 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.
- 6.20 Access to safe water and sanitation remains problematic in Palestine refugee camps. Although most shelters in the official camps are now connected to public networks, the quantity of water and the quality of the networks and hence the service provided, especially regarding the supply of clean water, remains a challenge. Sanitation-related communicable diseases pose risks to refugees, as the provision of potable water and sanitation services is increasingly under pressure from increased demands in terms of quality and quantity across UNRWA's Fields of operations. Sanitation related communicable diseases remain a problem in some Palestine refugee camps – particularly in contexts affected by conflict.
- 6.21 The water supply service is generally inadequate in terms of both quality and quantity of water, and pressure and continuity. This has several reasons, such as increasing over-crowdedness with demands exceeding the capacity of infrastructure systems; aging networks, which leads to possible cross-connections between water supply and sewerage networks; the application of informal technical measures (private pumps and additional connections); and a lack of available water resources. As a result, refugees in many camps rely on private vendors for drinking water and it poses the risk of contamination. Moreover, it presents a financial cost that is difficult for the most impoverished refugees to afford.

¹³ Jordan: 12,000; Gaza: 20,000; Lebanon: 6,000; West Bank: 8,000.

- 6.22 The situation with regard to waste water is problematic due to insufficient networks (capacities and physical condition); lack of planning and design of some existing networks; lack of treatment of wastewater (discharge into bodies of open water or environs); standing wastewater near camps providing breeding grounds for mosquitoes, threatening the safety of children and the health of the whole community both in refugee camps and the surrounding communities.
- 6.23 Solid waste is at times inappropriately collected and disposed of at dumping sites outside the camps. The frequency of collection is often insufficient due to lack of staff and appropriate equipment. Failure to deliver services efficiently becomes the source of both public anger and hygiene and security risks.
- 6.24 In addition to the general problems regarding environmental health, infrastructure systems have been affected by emergencies and disasters. The repeated wars and conflicts in Gaza, the West Bank, Lebanon and Syria have led to camp infrastructure being damaged or destroyed. Furthermore, camps and their infrastructure have at times been affected by natural disasters such as flooding.
- 6.25 The infrastructural inadequacies in camps are creating physical and public health hazards, as well as environmental pollution, leaving refugees in camps at risk of water-related and other communicable diseases and damage to property.

EXPECTED ACCOMPLISHMENTS

- 6.26 Basic needs of food and shelter: In the provision of food assistance, UNRWA will aim to mobilise sufficient resources to ensure that direct assistance to the poor and vulnerable enrolled in the SSNP is equivalent to at least 20 per cent of the abject poverty line in the Lebanon and Jordan Fields. UNRWA also seeks to expand the programme to include refugees that do not have access to national assistance programmes by increasing the caseload in Lebanon to cover 50 per cent of the estimated poor (i.e. an estimated 85,000 persons) and by increasing coverage among the Ex-Gazans in Jordan. Additionally, to ensure sufficient programmatic impact for eligible refugees, UNRWA proposes to analyze and adjust transfer values to account for inflation and variations in the consumer price indices at least every two years. These proposed reforms will require USD 14.6 million more per annum than spent on the current caseload and will still exclude the majority of the absolute/churning poor from any direct assistance. The cost of providing the above reforms at a more meaningful social transfer value level of covering 40 per cent of the abject poverty line would require an additional USD 37.2 million per annum.¹⁴
- 6.27 During the MTS period (2016-21), the Agency objective is to reduce the number of shelters in need of rehabilitation by around 20 per cent or more of the original number of shelters in need of rehabilitation in 2014. Only a small percentage of this target was achieved in 2016 due to insufficient funding for shelter rehabilitation projects. The Agency will seek to raise funds to

¹⁴ These budget figures do not account for the proposed adjustments according to changes in exchange rates, inflation rates/consumer price indices.

rehabilitate 3250 shelters¹⁵ along with preparation of one CIP in each Field over an 18 month period.

- 6.28 The aspect of self-help will play a significant role in UNRWA's shelter rehabilitation. This will encourage beneficiaries' contributions to shelter rehabilitation, empower them to shape their own shelters, and strengthen their sense of ownership towards the newly-rehabilitated shelter. At the same time, UNRWA will provide support for those who cannot build their own shelter and might be exposed to abuse (female- and child-headed households, people with disabilities, and the elderly).
- 6.29 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.
- 6.30 UNRWA seeks to improve the built environment by developing solutions in partnership with refugees and relevant actors to provide sound infrastructure, including environmental health services and infrastructure projects in the area of water supply, sewerage systems, drainage systems and solid waste collection, as well as disposal.
- 6.31 UNRWA seeks to ensure basic needs of environmental health and environmental infrastructure, including safe, equitable and sufficient quantity and quality of water and adequate sewerage, storm-water drainage, and solid waste collection systems in conditions that meet the minimum acceptable standards for safe environmental health. This includes assessing and prioritizing water supplies, sewerage and storm water drainage networks to rehabilitate, upgrade, extend or reconstruct them; exploring opportunities for greening, such as rainwater harvesting systems and water reuse; and continuing to monitor the quality and quantity of the water provided to ensure the refugees' basic needs are met.
- 6.32 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 consider 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.
- 6.33 UNRWA will seek partnerships to consolidate its efforts in helping Palestine refugees meet their basic human needs of food, shelter and environmental health.

¹⁵ Jordan: 750; Lebanon: 450; Gaza: 1,400; West Bank: 650.

- 6.34 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, mechanize the collection and disposal of solid waste, and seek innovative ways to engage the local community in managing environmental health.
- 6.35 The Strategic Framework reflects the following expected accomplishments:
- (a) Abject poor refugees are better able to meet their food needs.
 - (b) Improved living conditions for poor refugees.
 - (c) Environmental health standards are met.

FINANCIAL RESOURCES

Objective of the Organization: Palestine refugee health is protected and the disease burden is reduced				
Expected Accomplishment	Indicators of achievement	Performance measures		
			2018 - 2019	2016 - 2017
(a) Abject poor refugees are better able to meet their food needs	Percentage of abject poverty gap bridged through UNRWA social transfer	Target	20%	
		Estimate		
		Actual		
(b) Improve living conditions for poor refugees	(i) Number of families benefiting from improved shelter conditions (non-emergency)	Target	5 400	5 300
		Estimate		
		Actual		
	(ii) Percentage of rehabilitated shelters meeting UNRWA shelter rehabilitation protection standards	Target	80%	80%
		Estimate		
		Actual		
(c) Environmental health standards are met	(i) Percentage of shelters in camps connected to adequate water supply services	Target	100%	100%
		Estimate		
		Actual		
	(ii) Percentage of shelters connected to adequate sewerage networks	Target	97%	96%
		Estimate		
		Actual		

Table 6-1: Palestine refugees are able to meet their basic human needs of food, shelter and environmental health
Resource Requirements by Objective
(Cash and In-kind, USD'000s)

	2018 Estimate	2019 Estimate
A. Abject poor refugees are better able to meet their food needs	36,127	36,235
B. Improve living conditions for poor refugees	308	319
C. Environmental health standards are met	20,508	20,917
Total Regular Budget	56,943	57,471
Project Budget	259,994	235,809
Grand Total	316,937	293,280

A. Abject poor refugees are better able to meet their food needs

Output	2018	2019
Individuals under the Social Safety Net Programme assessed (those receiving assistance or on the waiting list)	36,127	36,235
Total	36,127	36,235

B. Improve living conditions for poor refugees

Output	2018	2019
Families benefitting from improved shelter conditions (non-emergency)	308	319
Total	308	319

C. Environmental health standards are met

Output	2018	2019
Palestine refugee camps provided with improved water resources, supply and networks, sewerage networks and water drainage in camps	2,557	2,627
Palestine refugee camps provided with solid waste services, in accordance with the solid waste management plan developed for each camp	17,951	18,290
Total	20,508	20,917

**Table 6-2: Palestine refugees are able to meet their basic human needs of food, shelter and environmental health
Resource Requirements by Category of Expenditure**
(Cash and In-kind, USD'000s)

	2016 Expenditure	2017 Budget	2018 Estimate	2019 Estimate
Staff Costs				
Area Staff	15,775	17,370	25,285	25,811
Limited Duration Contract (LDC)	24	19	-	-
Temporary Staff	782	398	491	491
Sub-total Staff Cost	16,581	17,787	25,776	26,302
Operational Costs				
Supplies	9,669	38,808	10,640	10,642
Utilities	450	186	171	171
Maintenance of Premises	261	308	343	343
Equipment and Construction	323	225	26	26
Training	12	43	49	49
Travel	8	25	12	12
Admin Support Services	10	52	15	15
Consultancy Services		53	-	-
Miscellaneous Services	2,034	2,280	1,583	1,583
Subsidies to Hardship Cases	16,331	8,529	19,300	19,300
Cost Recovery	(1,099)	-	(972)	(972)
Sub-total Operational Cost	27,999	50,509	31,167	31,169
Total Staff and Operational Cost	44,580	68,296	56,943	57,471
Projects	88,222	530,253	259,994	235,809
Grand Total	132,802	598,549	316,937	293,280

Table 6-3: Palestine refugees are able to meet their basic human needs of food, shelter and environmental health
Project List
(USD'000s)

	2018 Estimate	2019 Estimate
Construction of Sewerage Networks in Ein Sultan Camp	1,437	1,300
Gaza Refugee Housing construction/ rehabilitation	163,642	163,642
Improvement of Living Conditions in Palestine Refugee Camps (Gaza component)	17,388	7,452
Improvement of Living Conditions in Palestine Refugee Camps (Jordan component)	9,380	4,020
Improvement of Living Conditions in Palestine Refugee Camps (Lebanon component)	5,684	2,436
Improvement of Living Conditions in Palestine Refugee Camps (West Bank component)	8,148	3,492
Level 1 maintenance - Gaza Relief Offices	9	-
Level 1 maintenance - Gaza Sanitation Points	21	-
Level 1 maintenance - Jordan Relief Offices	69	-
Level 1 maintenance - Jordan sanitation points	-	-
Level 1 maintenance - Lebanon Relief Offices	41	-
Level 1 maintenance - Lebanon Sanitation Points	23	-
Level 1 maintenance - Syria Relief Offices	32	-
Level 1 maintenance - Syria Sanitation Points	7	-
Level 1 maintenance - West Bank Relief Offices	3	-
Level 1 maintenance - West Bank Sanitation Points	-	-
Nahr el Bared Camp Reconstruction	52,800	52,800
Solid Waste Management Systems	755	-
Upgrading of solid waste management operations and replacement of SWM equipment	555	667
Total Projects Budget	259,994	235,809

SUB-PROGRAMME 6: EFFECTIVE AND EFFICIENT GOVERNANCE AND SUPPORT

MANAGEMENT SERVICES GOAL

- 7.1 The Sub-programme of “effective and efficient governance and support” is to promote and sustain the best possible standards of management, enhance stakeholders’ relationships, and enable the delivery of quality programmes that help achieve the sustainable development of Palestine Refugees. Also, to ensure the systems, structures and procedures are in place to achieve the above objectives and effectively manage and mitigate risks that will confront the Agency.
- 7.2 This objective is achieved by the following HQ Departments, and the corresponding units in Field Offices:
- i) Commissioner-General’s Office
 - ii) Department of Administrative Support
 - iii) Department of Human Resources
 - iv) Finance Department
 - v) Legal Affairs
 - vi) Department of Internal Oversight
 - vii) External Relations
 - viii) Coordinator Programme Support
 - ix) UNRWA Dispute Tribunal
 - x) Information Management Department
 - xi) Department of Security and Risk Management
- 7.3 It also includes the “Management” elements of the Agency’s core programmes – namely the functions that provide strategic leadership, policy development, quality assurance and monitoring.
- 7.4 UNRWA has identified three principal strategic enterprise risks. Firstly, is the risk that the Agency will have insufficient resources to enable addressing the outcomes. Secondly, is the risk of the dramatic and unforeseen changes in the operating environment that change refugee needs or the Agency’s ability to operate. Thirdly, is the risk associated with such changes and developments.

- 7.5 UNRWA, through the “framework of risk management”, will assess the above risks in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. Identifying the risks and opportunities, the Agency will be able to protect and create value for their stakeholders including: employees, Palestine Refugees society, host authority, and donors.
- 7.6 As part of the response strategy, 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.

BUILDING AN AMBITIOUS RELATIONSHIP AND FUNDRAISING APPROACH

- 7.7 UNRWA has had a number of successes in its Resource Mobilization Strategy 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 private sector. Overall, resource mobilization 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.
- 7.8 Despite some resource mobilization 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.
- 7.9 Please refer to chapter (i) reflecting on the efforts made by the Agency in year 2017 to implement recommendations of the Secretary-General to bring about more sustained, sufficient and predictable funding for the Agency.

STRENGTHENING MANAGEMENT SYSTEMS

- 7.10 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.
- 7.11 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.
- 7.12 Being the largest driver of costs – UNRWA’s service delivery and the staff required for that – is also UNRWA’s biggest asset. 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).

UNRWA will continue current efforts to reduce the number of administrative and clerical staff offsetting some of the increase required in education staff in Gaza Field.

- 7.13 UNRWA will continue to rigorously adhere to the Agency's Pay Policy which is founded on an objective to optimize 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 endeavor 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 labor market developments.
- 7.14 To strengthen its accountability in meeting its targets on gender equality and women's empowerment, UNRWA participates in the UN-System Wide Action Plan on Gender (UN-SWAP), the systems-wide gender mainstreaming accountability framework. The exceptional results of UNRWA in 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. Despite its 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.
- 7.15 UNRWA adheres 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 marginalization and how UNRWA's programmes and partners can provide a more effective response.
- 7.16 In recent years UNRWA has been able to respond efficiently and effectively to the emergency situation in Gaza and Syria. Further work will be carried out in the biennium to strengthen the Agency's 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, 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.
- 7.17 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. 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. Despite having strong risk management and oversight systems, traditional donors continue to impress upon UNRWA the need to further strengthen its structures, systems, procedures and capacities – particularly, but not exclusively in relation to investigation of allegations of misconduct. UNRWA has built into its Programme Budget additional resources in relation to investigations.

FOSTERING A CULTURE OF PARTNERSHIP WITH REFUGEES AND STAFF

- 7.18 UNRWA remains committed to building stronger and more empowering relationships with refugees and staff.
- 7.19 UNRWA will continue to implement its Framework of Accountability to Refugees. UNRWA will focus on engaging with and involve refugees at different stages in the planning cycle, and on improving communications and clarity to refugees about their entitlements and mechanisms to hear and respond to petitions and complaints.
- 7.20 UNRWA will consolidate the improvements made in 2015–2017 on strengthening its transparency, open communication, and dialogue with staff and their representatives. UNRWA will continue to maintain its own internal administration of justice systems and structures.
- 7.21 UNRWA will make further efforts in 2018–2019 to address the mental health and psychosocial needs of its workforce – particularly (though not exclusively) in Syria and Gaza. Its resources in this area are woefully inadequate and efforts will be made to partner with other organizations that have more robust systems in place.
- 7.22 Carrying out humanitarian and human development activities in places of armed conflict or internal violence continues to be a dangerous undertaking. UNRWA recognizes that the risks to the refugee community are not distinguishable from the risks to its local staff that live amongst and serve the community. UNRWA will continue with the work commenced in 2016–2017 to strengthen security risk management systems, structures and capacities. 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.

FINANCIAL RESOURCES

**Table 7-1: Effective and efficient governance and support
Resource Requirements by Objective**
(Cash and In-kind, USD'000s)

	2018 Estimate	2019 Estimate
A. Provision of effective leadership and direction for achieving strategic objectives	91,877	106,510
B. Develop and sustain UNRWA	100,020	100,677
Total Regular Budget	191,897	207,187
Project Budget	9,640	5,351
Grand Total	201,537	212,538

A. Provision of effective leadership and direction for achieving strategic objectives

Output	2018	2019
Agency capacity to mobilize resources and manage donor relations developed	8,301	8,293
Effective leadership and direction provided for achieving all goals	13,700	13,823
Effective relationships fostered with donor governments and the UN System	2,268	2,273
Independent and objective assurance conducted of UNRWA's risk management, controls and governance processes	4,287	4,296
Independent, impartial and judicious decisions issued in a fair and timely manner to applicants appealing administrative decisions of the Agency	1,008	1,010
Security risk management systems in place	12,215	12,347
Strengthened governance and conformity with the Agency's regulatory framework, UN Jurisprudence and international law	3,537	3,549
Results based management and enterprise risk management systems in place	46,561	60,919
Total	91,877	106,510

B. Develop and sustain UNRWA

Output	2018	2019
Administrative support provided to operations	9,584	9,658
Appropriate goods, commodities and services are available to UNRWA beneficiaries in a timely and cost-effective manner	30,472	30,756
Financial services provided (management information and advice, financial transaction processing, accounting and reporting)	8,532	8,612
Human resources management strategies aligned to the Agency's vision and mission and clearly communicated to staff	11,219	11,305
Management information systems in place in support of effective decision-making	13,521	13,622
Staff provided with legal advice concerning their terms of employment	256	257
The built environment of the Agency's installations is safe and accessible to beneficiaries	26,426	26,452
Staff provident fund maintained and administered	10	15
Total	100,020	100,677

**Table 7-2: Effective and efficient governance and support
Resource Requirements by Category of Expenditure**
(Cash and In-kind, USD '000s)

	2016 Expenditure	2017 Budget	2018 Estimate	2019 Estimate
Staff Costs				
International Staff	28,090	32,028	36,274	36,274
Area Staff	80,256	72,636	62,332	63,828
Limited Duration Contract (LDC)	885	1,713	961	961
Temporary Staff	1,962	5,441	4,961	4,961
Sub-total Staff Cost	111,193	111,818	104,528	106,024
Operational Costs				
Supplies	5,909	8,253	8,850	8,850
Utilities	3,779	3,872	4,106	4,106
Maintenance of Premises	3,281	3,430	26,358	26,365
Equipment and Construction	3,250	7,002	5,461	5,461
Training	407	1,228	764	764
Travel	1,640	2,128	1,676	1,676
Admin Support Services	5,764	5,885	5,066	5,066
Consultancy Services	2,841	2,197	2,335	2,335
Hospital Services	-	693	-	-
Miscellaneous Services	7,791	9,125	9,230	9,230
Subsidies to Hardship Cases	201	29	23,775	37,562
Third Parties Subsidies	716	19	2,612	2,612
Other Subsidies	51	170	57	57
Cost Recovery	(2,640)	(1,928)	(2,921)	(2,921)
Sub-total Operational Cost	32,990	42,103	87,369	101,163
Total Staff and Operational Cost	144,183	153,921	191,897	207,187
Projects	15,996	3,282	9,640	5,351
Grand Total	160,179	157,203	201,537	212,538

**Table 7-3: Effective and efficient governance and support
Project List
(USD'000s)**

	2018 Estimate	2019 Estimate
Building a Strategic Roadmap for the Internal Audit Function in UNRWA	170	-
Communications with refugees and staff	1,000	1,000
Evaluation of the Medium Term Strategy	170	-
Institutional strengthening of ICIP in furtherance of ICIP Strategy	300	300
Institutional strengthening of planning, project management and emergency management	-	1,000
Institutionalizing Security Risk Management into how UNRWA does Business (by meeting ECHO verification report recommendations).	2,138	-
Invest in equipment, servers, back-up in addition to training to ensure the level of preparedness and business continuity, and mitigate risks of major destructions of assets at SFO	242	-
Knowledge building for ICIP strategy implementation	600	-
Lebanon OSO	1,333	-
Level 1 maintenance - Gaza Administrative Offices	23	-
Level 1 maintenance - Gaza warehousing and distribution	23	-
Level 1 maintenance - Jordan administrative offices	46	-
Level 1 maintenance - Jordan warehousing and distribution	29	-
Level 1 maintenance - Lebanon Administrative offices	115	-
Level 1 maintenance - Lebanon warehousing and distribution	81	-
Level 1 maintenance - Syria Administrative offices	44	-
Level 1 maintenance - Syria warehousing and distribution	37	-
Level 1 maintenance - West Bank Administrative Offices	127	-
Level 1 maintenance - West Bank warehousing and distribution	12	-
Mainstreaming MHPSS	700	700
Operations Support Project 2016-21	1,350	1,351
Post implementation audit of the Enterprise Planning Resources (ERP) system	100	-
Resource Mobilization Support	1,000	1,000
Total Projects Budget	9,640	5,351

CHAPTER VIII

UNITED NATIONS BOARD OF AUDITORS RECOMMENDATIONS - IMPLEMENTATION STATUS

Table 11 below illustrates the current status of 112 recommendations in the United Nations Board of Auditors (UNBOA) report for 2015. As of 31 July 2017, 37 recommendations were implemented; 72 under implementation; one had not been implemented and 2 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 2017.

Table 11: Implementation Status of the UNBOA Recommendations for 2016

Department	Number of Recommendations Total	Implementation Status			
		Implemented	Under Implementation	Not Implemented	Overtaken by Event
External Relations and Communication Department	1	-	1	-	-
Finance Department	10	1	8	1	-
Department of Administrative Support	24	12	12	-	-
Department of Human Resources	15	2	13	-	-
Department of Oversight Services	6	2	4	-	-
Executive Management	1	-	1	-	-
Programme Coordination and Support	22	6	14	-	2
<i>HD</i>	6	2	4	-	-
<i>ICID</i>	5	-	4	-	1
<i>RSSD</i>	7	2	4	-	1
<i>ED (Education)</i>	4	2	2	-	-
Information Management Department	15	8	7	-	-
Department of Legal Affairs	2	1	1	-	-
Micro Finance Department	5	1	4	-	-
Department of Planning	10	4	6	-	-
DSRM	1	-	1	-	-
Total	112	37	72	1	2

CHAPTER IX

WORKLOAD INDICATORS AND STATISTICS

Key workload indicators and statistics for each Strategic Outcome 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

Strategic Outcome 1	2014	2015	2016
Registered Refugees (RR)	5,149,742	5,266,603	5,340,443
Strategic Outcome 2	2014	2015	2016
Primary Health Care Facilities (PHCF)	137	143	143
Annual patient visits	9,457,155	9,191,921	8,852,252
Number of hospitalized patients	93,810	110,948	101,990
Number of NCD cases under care	231,127	245,682	2,567,665
Number of women in Anti-Natal Care	88,615	91,245	93,747
Number of women in Post-Natal Care	75,947	78,444	80,650
Strategic Outcome 3	2014-2015	2015-2016	2016 - 2017
Number of UNRWA schools	685	692	702
Total Pupil Enrollment	493,500	500,698	515,260
Strategic Outcome 4	2014-2015	2015-2016	2016 - 2017
Vocational training center trainees	7,234	6,855	7,082
Students in Education Science Faculties(ESF)	1,957	1,868	1,856
Number of Microfinance (MMD) branches	24	22	22
Total number of MMD loans	34,967	38,193	39,161
Total value of MMD loans (USD)	34,376,230	37,898,797	39,780,417
# of MMD loans awarded to refugees	12,536	13,189	14,124
# of MMD loans to women	13,003	14,859	15,926
# of MMD loans to youth,18-30	9,718	11,190	11,337
Number of MMD Loans Awarded (cumulative)	359,961	398,154	437,310
Strategic Outcome 5	2014	2015	2016
Special Hardship /Social Safety Net Cases (SHCs/SSN)	294,152	290,896	255,024
Total number of EA served (cash or food)	842,782	1,419,000	1,461,961
Number of official camps	58	58	58
Number of unofficial camps	6	6	6
Number of shelters rehabilitated by emergency	39,657	35,093	6,007
Total number of substandard SSN shelters	44,654	43,108	41,561
Total number of substandard SSN shelters rehabilitated/constructed (excl. Emergency)	1,075	1,026	449
Shelters connected to water network per cent	100	100	100
Shelters connected to sewerage network per cent	90	87	92

Management	2014	2015	2016
Number of area staff, Female(including HQA)	15,564	15,461	15,738
Number of area staff, Male (including HQA)	15,154	14,996	14,675
Number of area refugee staff, Female	14,291	13,266	14,239
Number of area refugee staff, Male	14,115	13,146	13,580
Number of area non-refugee staff, Female	1,116	2,043	1,499
Number of area non-refugee staff, Male	853	1,676	1,095
Number of international staff, Female (including HQA)	73	74	80
Number of international staff, Male (including HQA)	109	96	98
Procurement value (USD)	278,747,701	323,956,209	288,560,864
Procurement value of construction contract (USD)	44,731,273	86,974,282	84,679,910
Procurement value of purchase orders contracts (USD)	187,619,758	167,992,284	143,236,519
Procurement value of services contract (USD)	46,396,669	68,989,643	60,644,435
Procurement value, Regular fund (USD)	82,792,550	80,003,174	76,313,921
Procurement value, External grants (Projects, Emergency) (USD)	195,955,151	243,953,035	212,246,944

ACCRUAL BUDGETING – FROM ACCRUAL BUDGET TO MODIFIED CASH BASIS BUDGET

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

Using accrual concepts, budgeting under Accrual Budget 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 10-1 to 10-5 reflect the following main changes when budgeting under Accrual Budget as compared to Modified Cash Basis:
 - a) **Capital Expenditure (CAPEX):** Under modified cash basis, capital requirements are treated as expenditure whereas under accrual budget, treated as an Asset and therefore included under the Capital Budget.

- b) **Severance / Early Voluntary Retirement (EVR) cash payout:** Under modified cash basis includes estimates reflecting the cash payout required for staff retiring of USD 40.0 million and USD 45.6 million in 2018 and 2019 respectively.
- c) **Severance Provision:** Reflects net movement in non-cash provision for Severance / EVR accrued for more than 30,000 staff on board (explained below in c), estimated at USD 77.2 million and USD 78.6 million in 2018 and 2019, respectively.
- d) **Depreciation and Amortization:** Under accrual budget, this item reflects the non-cash depreciation and amortization expense accrued for tangible and intangible assets owned by the Agency estimated at USD 32.3 million per annum. Being a non-cash expense, it is not part of the modified cash basis budget.
- e) **Annual Leave:** Under accrual budget, this item reflect the non-cash leave provision of more than 30,000 Area staff accrued during the year estimated at USD 2.0 million per annum, and therefore is only reflected under accrual budget.

5. **Tables presented below include:**

Table 10-1: Summary of 2018-2019 Budget by Sub-programme

Table 10-2: Summary of 2018-2019 Budget by Programme

Table 10-3: Summary of 2018 Budget per Field per HQ Department

Table 10-4: Summary of 2019 Budget per Field per HQ Department

Table 10-5: Summary of 2018-2019 Budget by Resources

TABLE 10-1 Biennium Budget 2018-2019
Summary of 2018-2019 Agency Wide Total Budget by Sub-programme
(USD'000s)

Sub-programme	2018 Fiscal Year					2019 Fiscal Year					2018-2019 Biennium				
	Programme Budget			Project Budget	Total	Programme Budget			Project Budget	Total	Programme Budget			Project Budget	Total
	Cash	In Kind	Total			Cash	In Kind	Total			Cash	In Kind	Total		
Palestine refugee rights under international law are protected and promoted	7,741	6	7,747	5,042	12,789	7,810	6	7,816	5,669	13,485	15,551	11	15,562	10,711	26,274
Palestine refugee health is protected and disease burden is reduced	123,743	3,776	127,519	29,524	157,043	125,498	3,784	129,282	12,562	141,844	249,241	7,560	256,801	42,086	298,887
School-age children complete quality, equitable and inclusive basic education	452,161	539	452,700	36,838	489,538	462,782	549	463,331	24,650	487,981	914,943	1,088	916,031	61,488	977,519
Palestine refugee capabilities are strengthened for increased livelihood opportunities	32,450	800	33,250	10,384	43,634	32,919	819	33,738	10,100	43,838	65,370	1,619	66,988	20,484	87,473
Palestine refugees are able to meet their basic human needs of food, shelter and environmental health	59,592	207	59,799	259,994	319,792	60,183	209	60,392	235,808	296,200	119,775	416	120,191	495,802	615,993
Effective and efficient governance and support	200,324	1,352	201,676	9,640	211,316	215,649	1,359	217,008	5,351	222,358	415,973	2,712	418,684	14,990	433,675
Total Goal Requirements	876,011	6,679	882,691	351,422	1,234,113	904,840	6,726	911,566	294,140	1,205,707	1,780,852	13,405	1,794,257	645,562	2,439,819
Contingency Reserve	9,025		9,025		9,025	9,025		9,025		9,025	18,050	-	18,050	-	18,050
Total Other Requirements	9,025	-	9,025	-	9,025	9,025	-	9,025	-	9,025	18,050	-	18,050	-	18,050
Total Resource Requirements - Accrual Budget view	885,036	6,679	891,716	351,422	1,243,138	913,865	6,726	920,591	294,140	1,214,732	1,798,902	13,405	1,812,307	645,562	2,457,869
+ CAPEX	5,200	306	5,506		5,506	5,200	315	5,515		5,515	10,400	621	11,021	-	11,021
+ Severance / EVR	39,992		39,992		39,992	45,556		45,556		45,556	85,548	-	85,548	-	85,548
- Depreciation & Amortization	32,306		32,306		32,306	32,306		32,306		32,306	64,612	-	64,612	-	64,612
- Severance Provision	77,249		77,249		77,249	78,641		78,641		78,641	155,891	-	155,891	-	155,891
- Annual Leave	2,000		2,000		2,000	2,000		2,000		2,000	4,000	-	4,000	-	4,000
Total Resource Requirements - Modified Cash Basis view	818,673	6,985	825,659	351,422	1,177,081	851,674	7,041	858,715	294,140	1,152,855	1,670,347	14,026	1,684,373	645,562	2,329,935

TABLE 10-2 Biennium Budget 2018-2019
Summary of 2018-2019 Agency Wide Total Budget by Programme
(USD'000s)

Programme	2018 Fiscal Year					2019 Fiscal Year					2018-2019 Biennium				
	Programme Budget			Project Budget	Total	Programme Budget			Project Budget	Total	Programme Budget			Project Budget	Total
	Cash	In Kind	Total			Cash	In Kind	Total			Cash ¹	In Kind	Total		
Education Programme	484,394	1,858	486,251	45,722	531,973	495,708	1,887	497,595	33,250	530,845	980,101	3,745	983,846	78,972	1,062,818
Health Programme	127,349	4,342	131,691	29,524	161,215	129,170	4,351	133,521	12,563	146,084	256,519	8,693	265,212	42,087	307,299
Relief & Social Services Programme	74,141	225	74,365	1,955	76,321	88,291	228	88,519	1,700	90,219	162,432	452	162,884	3,655	166,539
Infrastructure and Camp Improvement Programme	56,743	4	56,747	260,739	317,486	57,347	4	57,351	236,108	293,459	114,090	8	114,097	496,847	610,944
Protection Programme	4,946		4,946	5,824	10,771	4,950		4,950	5,051	10,000	9,896	-	9,896	10,875	20,771
Executive Direction	36,073	231	36,304	2,916	39,220	36,239	237	36,476	-	36,477	72,312	468	72,780	2,916	75,696
Support Departments	92,366	20	92,386	4,742	97,128	93,136	20	93,156	5,468	98,624	185,502	40	185,542	10,210	195,752
Total Programme Requirements	876,011	6,679	882,690	351,422	1,234,112	904,840	6,726	911,567	294,140	1,205,708	1,780,852	13,406	1,794,257	645,562	2,439,820
Contingency Reserve	9,025	-	9,025	-	9,025	9,025	-	9,025	-	9,025	18,050	-	18,050	-	18,050
Total Other Requirements	9,025	-	9,025	-	9,025	9,025	-	9,025	-	9,025	18,050	-	18,050	-	18,050
Total Resource Requirements - Accrual Budget view	885,036	6,679	891,715	351,422	1,243,137	913,865	6,726	920,592	294,140	1,214,733	1,798,902	13,406	1,812,307	645,562	2,457,870
+ CAPEX	5,200	306	5,506		5,506	5,200	315	5,515		5,515	10,400	621	11,021	-	11,021
+ Severance / EVR	39,992		39,992		39,992	45,556		45,556		45,556	85,548	-	85,548	-	85,548
- Depreciation & Amortization	32,306		32,306		32,306	32,306		32,306		32,306	64,612	-	64,612	-	64,612
- Severance Provision	77,249		77,249		77,249	78,641		78,641		78,641	155,891	-	155,891	-	155,891
- Annual Leave	2,000		2,000		2,000	2,000		2,000		2,000	4,000	-	4,000	-	4,000
Total Resource Requirements - Modified Cash Basis view	818,673	6,985	825,658	351,422	1,177,080	851,674	7,041	858,715	294,140	1,152,856	1,670,347	14,027	1,684,373	645,562	2,329,936

TABLE 10-3: Programme Budget Requirements By Field Office And HQ Department
Year 2018
(Cash and In-kind, USD'000s)

Field/HQ	Gaza Strip	Lebanon	Syrian	Jordan	West Bank	Education	Health	Relief	ICIP	Protection Programme	Executive Direction	Support Departments	Total
	322,100	138,165	54,391	164,038	134,737	3,034	1,333	1,419	1,717	4,952	21,549	35,256	882,690
Accrual Budget	322,100	138,165	54,391	164,038	134,737	3,034	1,333	1,419	1,717	4,952	21,549	35,256	882,690
Reserves													
Contingency Reserve												9,025	9,025
Total Reserves												9,025	9,025
Total Accrual Budget	322,100	138,165	54,391	164,038	134,737	3,034	1,333	1,419	1,717	4,952	21,549	44,281	891,715
Add:													
CAPEX	751	426	652	784	1,000							1,893	5,506
Severance / EVR												39,992	39,992
Deduct:													
Depreciation	13,058	3,104	1,593	2,512	4,489	5	24		2		4	7,515	32,306
Severance Provision	33,749	8,647	5,455	14,945	13,131	169	54	31	76	2	186	804	77,249
Annual Leave												2,000	2,000
Modified Cash Basis Budget	276,044	126,840	47,995	147,364	118,117	2,860	1,255	1,388	1,639	4,950	21,358	75,847	825,658

TABLE 10-4: Programme Budget Requirements By Field Office And HQ Department
Year 2019
(Cash and In-kind, USD'000s)

Field/HQ	Gaza Strip	Lebanon	Syrian	Jordan	West Bank	Education	Health	Relief	ICIP	Protection Programme	Executive Direction	Support Departments	Total
	330,912	138,868	55,060	180,230	136,966	3,067	1,349	1,422	1,732	4,953	21,563	35,445	911,568
Accrual Budget	330,912	138,868	55,060	180,230	136,966	3,067	1,349	1,422	1,732	4,953	21,563	35,445	911,568
Reserves													
Contingency Reserve												9,025	9,025
Total Reserves												9,025	9,025
Total Accrual Budget	330,912	138,868	55,060	180,230	136,966	3,067	1,349	1,422	1,732	4,953	21,563	44,470	920,593
Add:													
CAPEX	757	426	652	784	1,004							1,892	5,515
Severance / EVR												45,556	45,556
Deduct:													
Depreciation	13,058	3,104	1,593	2,512	4,489	5	24		2		4	7,516	32,307
Severance Provision	34,536	8,652	5,505	15,205	13,404	171	55	29	72	2	187	823	78,641
Annual Leave												2,000	2,000
Modified Cash Basis Budget	284,074	127,539	48,614	163,297	120,077	2,891	1,270	1,393	1,658	4,951	21,373	81,578	858,716

TABLE 10-5: Programme Budget Requirements By Resources 2018-2019

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

Category of Expenditure	2018 Estimate	2019 Estimate
Staff Costs		
International Staff	40,046	40,046
Area Staff	616,324	631,366
Limited Duration Contract (LDC)	1,205	1,205
Temporary Staff	7,665	7,665
Sub-total Staff Cost	665,239	680,282
Operational Costs		
Supplies	52,101	52,112
Utilities	6,168	6,168
Maintenance of Premises	30,560	30,596
Equipment and Construction	405	405
Training	1,476	1,476
Travel	1,881	1,881
Admin Support Services	5,347	5,347
Consultancy Services	2,695	2,695
Hospital Services	29,269	29,269
Miscellaneous Services	13,086	13,086
Subsidies to Hardship Cases	43,670	57,457
Third Parties Subsidies	2,612	2,612
Other Subsidies	235	235
Cost Recovery	(4,359)	(4,360)
Depreciation & Amortization	32,306	32,306
Sub-total Operational Cost	217,452	231,285
Total Staff and Operational Cost	882,691	911,567
Contingency Reserve	9,025	9,025
Sub-total	9,025	9,025
Total Resource Requirements - Accrual Budget view	891,716	920,592
+ CAPEX	5,506	5,515
+ Severance / EVR	39,992	45,556
- Depreciation	32,306	32,307
- Severance Provision	77,249	78,641
- Annual Leave	2,000	2,000
Total Resource Requirements - Modified Cash Basis view	825,659	858,715