UNRWA MISSION STATEMENT

1. The mission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) is to provide education, health, relief and social services as well as access to microcredit, microfinance and microenterprise opportunities for Palestine refugees living in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. The primary beneficiaries of UNRWA’s services are Palestine refugees, particularly the most vulnerable groups including children, women, the aged and the disabled although certain non-refugees are provided services under exceptional circumstances as mandated by the General Assembly.

UNRWA BACKGROUND

2. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established by General Assembly resolution 302 (IV) of 8 December 1949 as a separate entity within the United Nations system and it began operations on 1 May 1950. The General Assembly has repeatedly renewed UNRWA's mandate, most recently extending it until 30 June 2014.

3. UNRWA reports directly to the General Assembly to which the Commissioner-General submits an annual report. A general review of UNRWA programmes and activities is undertaken on an annual basis by the ten-member Advisory Commission, which includes representatives of the Agency’s donors and host authorities. The Advisory Commission has a working relationship with the Palestine Liberation Organisation.

AREA STAFF PROVIDENT FUND

4. The Provident Fund has been established by the Commissioner-General within the framework of Area Staff Regulations and Rules for the purpose of providing to eligible
area staff members upon their separation those benefits to which they may become entitled under the provisions of Area Staff Rule 109.10.

5. The Fund is administered and controlled by and at the discretion of the Commissioner-General, and in accordance with such instructions and procedures as he or she may prescribe. The expenses incurred in the administration of the Provident Fund shall be met by the Fund. The Commissioner-General has established the following three bodies to administer the Fund: The Provident Fund Secretariat, The Investment Advisory Committee and The Provident Fund Committee.

6. The Fund is held by the Agency in Trust for the Area Staff members, who shall be entitled to the Benefits under the Provident Fund and, conversely, to have their accounts charged with the payment of benefits. Notwithstanding the foregoing, the Area Staff members shall have no claim against the Fund assets as such and any assets remaining after the Agency has paid all benefits shall remain assets of the Agency. The Provident Fund has not been established as a separate legal entity.

THE PROVIDENT FUND ASSETS AND INVESTMENT

7. The assets of the Fund are derived from:

   a. Contributions of the Participants;
   
   b. Contribution of the Agency; and
   
   c. Net return of the investment of the Fund.

   The assets are the property of the Fund and are acquired and held in the name of the Fund, separately from the assets of the Agency, on behalf of the Participants of the Fund.

8. The investment objectives of the Fund are one of the key drivers for establishing an appropriate investment strategy. Objectives need to address, amongst other things, the risks that members face. The following are the main investment objectives of the Fund:
a. Provide good long-term real rates of return so that the value of Participants’ accumulated balances is maximised and the purchasing power is, at the minimum, maintained;
b. Provide protection for Participants’ accumulated assets against sudden and sustained reductions in capital values.
c. Ensure all members are treated equally;
d. Avoid unnecessary increases in the cost and complexity of the Fund in terms of administration and communication.

9. The assets of the Fund are managed through specialized reputable investment managers. They provide investment services based on the investment guidelines as advised by the Fund. Custody of the Fund assets is maintained by a global custodian.

THE PROVIDENT FUND HUMINATRIAN REPAYABLE WITHDRAWAL SCHEME

10. A Provident Fund humanitarian repayable withdrawals scheme has been established by the Commissioner-General in accordance with Area Staff Rules. Under this scheme a Participant in the Fund who meets the stated criteria and conditions may borrow for the specified humanitarian purposes against his/her Fund mandatory staff credits. The operation of this scheme shall always remain within the mandate of the Fund, and hence protect the integrity and tax-exempt status of the Fund.

FINANCIAL RESULTS

11. The attached financial statements of the Area Staff Provident Fund indicate that the investments of the fund increased to 1.252 billion USD from USD 1.154 billion during the year 2013.

12. The Fund’s investment income for the year was USD 97.24 million compared to income of USD 123.09 million for the previous year.
13. The profit to be credited to the fund participants as at 31 December 2013 amounted to USD 90.53 million compared to income credited to the fund participants USD 114.65 million for the previous year.

14. The Fund’s total administration expenses as at 31 December 2013 was USD 702,652 compared to USD 749,693 as at 31 December 2012.

PERFORMANCE

15. The Provident Fund has achieved the returns of custom benchmark since December 1987. These returns are higher than the 90 days Treasury Bills returns as shown in the chart below:
The Provident Fund reported a positive return of 8.00% over one year, against the benchmark of 7.22% over performing the benchmark by 0.78%. The performance of the fund over 5 years return had over performed the benchmark return as shown in the chart below: