

United Nations
GENERAL
ASSEMBLY

Forty-fourth session

Official Records



ADDENDUM

Supplement No. 13
(A/44/13)

17 October 1989

NEW YORK

**REPORT OF THE COMMISSIONER-GENERAL OF THE UNITED NATIONS RELIEF
AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST**

Addendum

1. The present addendum to the report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to the General Assembly contains information on the financial results for 1988, the financial achievements to date in 1989 and the Agency's budget for 1990. The 1990 budget will be further refined, finalized and approved as the operational budget of the Agency by the Commissioner-General for the appropriation of funds in 1990.

2. Direct assistance to the Palestine refugees is also provided by local Governments in the area of operations. Information on this assistance as provided by the Governments concerned is contained in annex I.

I. FINANCIAL RESULTS FOR 1988

3. The Agency's income to its General Fund and ongoing activities amounted to \$US 206.1 million, in 1988. To maintain the regular programmes at their planned levels, the Agency spent \$204.3 million, which was \$1.8 million less than received. The balance has enabled the Agency to replenish its much depleted working capital reserve. Currently this reserve amounts to \$29.3 million, which is considered inadequate when measured against the size of the Agency's operation and the manner in which it is funded. The Agency's financial position still needs strengthening in order to achieve a measure of financial security.

4. Expenditure on capital and special projects was planned at a level of \$14.9 million for 1988; \$6.8 million of this amount was funded by special donations and \$2.3 million from the General Fund.

II. FINANCIAL PERFORMANCE IN 1989

5. The Agency's consolidated budget estimates for 1989 as presented to the General Assembly were \$233.6 million. Of this amount, \$202.6 million was for the General Fund, \$16.4 million for funded ongoing activities and \$14.6 million for capital and special projects. This original budget was subsequently adjusted to account for the devaluation of the Jordanian dinar that took place late in 1988 and resulted in the 1989 budget being reduced to \$227.4 million. The operational budget at the revised level was authorized for expenditure by the Commissioner-General in December 1988.

6. At the time of preparation of the present report, the Agency is expecting total income to amount to \$179.3 million against the cash section of the General Fund budget, amounting to \$180.0 million. The ongoing activities section of the budget is fully funded, while income for the capital and special projects section falls short of planned expenditure by about \$11.4 million (see annex II for the total income actually pledged against the entire budget). The effect of the shortfall in income for capital and special projects is that much needed construction and renovation work on the Agency's education, health and relief facilities will have to be delayed until additional funds are made available. The effect on the education programme is that operating costs are higher than necessary because the Agency will have to continue using rented unsuitable premises as school buildings. In addition to the rental costs, staffing levels in rented premises are normally higher than in "standard" Agency schools because of inadequate class-rooms and the consequent size of the class formations.

7. The Agency's financial situation is very sensitive to changes in the exchange rates of a number of currencies that are of special importance to the Agency, affecting either its income or expenditure. The decreasing value of the Jordanian dinar has in 1989 resulted in significant initial savings, enabling the Agency to contain its expenditures in United States dollar terms, although it has had to increase substantially its area staff salaries as expressed in local currencies. Further increases that may become necessary might soon fully offset the exchange rate savings so far obtained by the Agency.

III. EMERGENCY OPERATIONS

8. Separate from the regular operations covered by the budget of UNRWA, the Agency is currently running two supplementary budgets to cover emergency operations in Lebanon, the West Bank and Gaza. Planned expenditure for these operations in 1989 amounts to \$18.7 million for Lebanon and \$25.1 million for the West Bank and Gaza. The 1990 budget for the operations has not yet been finalized; to the extent that the operations will continue in 1990, they will need to be funded separately over and above the funding required for the regular budget of the Agency. In addition, the Agency is also running a supplementary budget specifically aimed at improving the infrastructure in the refugee camps in the West Bank and Gaza. The Agency is aiming for total donations of \$65 million to cover this programme; to date, an amount of \$30.3 million has been pledged by various donors.

IV. MEDIUM-TERM PLAN

9. The Agency's fourth annual review of the medium-term plan sets out its programme plans, operational work-plans, and financial forecasts for the period 1990-1992, with the emphasis on its three substantial programmes: Education, Health and Relief services. This plan outlines long-term and specific short-term objectives, programme strategies, priorities, budgetary limitations and management directions to enable the Agency to carry out its mandate over the next few years. The projected expenditure in the medium-term plan has been held at a level to match the expected level of funding over the next three years. The medium-term plan has formed the basis for the policies that have been applied in the preparation of the 1990 budget.

10. Following the practice adopted in 1985, the proposed 1990 budget estimates of UNRWA are being submitted during the forty-fourth session of the General Assembly in the present addendum to the Commissioner-General's report. These estimates are subdivided into the following three sections: (a) General Fund, (b) Funded ongoing activities and (c) Capital and special projects.

V. BUDGET ESTIMATES FOR 1990

A. Background

11. The 1989 budget estimates as submitted to the General Assembly in October 1988 amounted to \$233.6 million, of which \$209.8 million represent cash and \$23.7 million in-kind, mainly in the form of donated food commodities. These estimates were largely based on calculations in local currencies converted into United States dollars at United Nations operational exchange rates of September 1988. However, throughout the latter half of 1988, the value of the Jordanian dinar - one of the principal currencies involved - declined sharply against the United States dollar, resulting in considerable initial budgetary savings for the Agency. In view of this development, the Commissioner-General decided by the end of 1988 to reduce the budget estimates as submitted to the General Assembly by about \$6 million. Thus, the Agency's operating budget for 1989 was established at the level of \$227.4 million, as reflected in table 1 below.

12. Although savings may occur for some time owing to exchange-rate changes, it cannot be assumed that the effects of such changes will remain indefinitely. This has to be taken into account and sufficient provisions built into the budget for the purpose of meeting such cost increases that may arise in 1990. This has brought the total budget estimate for 1990 to \$242.3 million. This amount is 6.5 per cent higher than the reduced operating budget for 1989 as approved by the Commissioner-General, but only 3.7 per cent over and above the 1989 budget as submitted to the General Assembly in October 1988. The corresponding percentage increases for the cash portion of the budget amounts to 2.2 per cent over the 1989 General Assembly budget, while it is proposed that the in-kind budget, representing about one ninth of the total budget, will increase by as much as 17.5 per cent. This considerable increase in the in-kind budget is to some extent caused by a need for more food commodities due to a larger number of Special Hardship Cases, who are by definition the most destitute of the Palestine refugees. However, the major part of the increase is caused by a significant rise in the world market prices for food commodities, and is, of course, completely beyond the Agency's control.

B. General Fund

13. The General Fund budget represents the minimum resources needed by the Agency to operate its major programmes and to maintain its facilities. These recurrent costs for the education, health and relief programmes of the Agency include costs for staff, consumable materials, transportation, contractual services, grants and subsidies. Each of these main programmes is described in greater detail in the sections that follow.

14. For 1990, the General Fund budget estimates amount to \$208.3 million, of which \$189.5 million represents cash expenditure and \$18.8 million expenditure on donated

food commodities and services. This is an increase of \$11.3 million or 5.7 per cent over the approved General Fund budget for 1989 (see table 1, sect. A).

C. Funded ongoing activities

15. The Agency's ongoing activities as shown in annex III are fully funded in 1989 by special contributions pledged by various donors. It is estimated that \$19.1 million will be required for these activities in 1990, an increase of \$3.5 million i.e., 22.6 per cent over 1989. This increase is mainly due to changes in the valuation of donated food commodities (see table 1, sect. B).

D. Capital and special projects

16. Owing to financial constraints in recent years, UNRWA has not been able to implement several needed construction projects. Resources are required in 1990 to construct schools, health clinics and other facilities to provide an acceptable standard of service to Palestine refugees. If fully implemented, this construction programme would enable the Agency to implement its programmes more efficiently and at lower cost in the future. In 1989, only part of the \$14.9 million requirement has been funded, therefore a number of these projects will be carried over into 1990 (see table 1, sect. C). If funds are not found to enable the Agency to build these much-needed facilities, additional buildings will have to be rented, which will increase the overall operating costs of the Agency.

Table 1. 1989 approved budget and 1990 proposed budget estimates

(Thousands of United States dollars)

	1989			1990		
	<u>Approved budget</u>			<u>Proposed estimates</u>		
	Cash	In kind	Total	Cash	In kind	Total
A. General Fund						
I. <u>Education services</u>						
Elementary education	54 210	21	54 231	57 188	16	57 204
Preparatory education	34 324	28	34 352	35 357	19	35 376
Vocational and professional training	6 962	883	7 845	6 837	805	7 642
Other activities	7 518	715	8 233	6 011	799	6 810
Total I	<u>103 014</u>	<u>1 647</u>	<u>104 661</u>	<u>105 393</u>	<u>1 639</u>	<u>107 032</u>
II. <u>Health services</u>						
Medical services	23 168	526	23 694	23 655	678	24 333
Environmental sanitation	6 413	455	6 868	6 858	351	7 209
Total II	<u>29 581</u>	<u>981</u>	<u>30 562</u>	<u>30 513</u>	<u>1 029</u>	<u>31 542</u>
III. <u>Relief services</u>						
Special hardship assistance	2 814	13 809	16 623	2 868	15 914	18 782
Relief and welfare services	4 456	1	4 457	4 872	1	4 873
Shelter	1 094	256	1 350	1 116	198	1 314
Total III	<u>8 364</u>	<u>14 066</u>	<u>22 430</u>	<u>8 856</u>	<u>16 113</u>	<u>24 969</u>
IV. <u>Operational services</u>						
Supply and transport services	8 486	338	8 824	10 091	29	10 120
Architectural and engineering services	4 378	0	4 378	4 735	0	4 735
Production and self-supporting units	0	0	0	123	0	123
Total IV	<u>12 864</u>	<u>338</u>	<u>13 202</u>	<u>14 949</u>	<u>29</u>	<u>14 978</u>
V. <u>Common services</u>						
General management	11 047	0	11 047	11 580	0	11 580
Administrative services	15 087	0	15 087	18 175	0	18 175
Total V	<u>26 134</u>	<u>0</u>	<u>26 134</u>	<u>29 755</u>	<u>0</u>	<u>29 755</u>
Total, General Fund	179 957	17 032	196 989	189 466	18 810	208 276

	1989			1990		
	Approved budget			Proposed estimates		
	Cash	In kind	Total	Cash	In kind	Total
<hr/>						
B. Funded ongoing activities						
Education services	3 971	92	4 063	4 406	100	4 506
Health services	4 712	6 567	11 279	5 294	8 985	14 279
Relief services	210	2	212	244	2	246
Operational services	0	0	0	14	0	14
Common services	0	0	0	22	0	22
<hr/>						
Total, Ongoing activities	8 893	6 561	15 554	9 980	9 087	19 067
<hr/>						
C. Capital and special projects						
Education services	10 903	0	10 903	8 846	0	8 846
Health services	3 439	0	3 439	2 534	0	2 534
Relief services	507	0	507	1 247	0	1 247
Operational services	0	0	0	556	0	556
Common services	55	0	55	1 788	0	1 788
<hr/>						
Total, Capital and special projects	14 904	0	14 904	14 971	0	14 971
<hr/>						
Grand total	203 754	23 693	227 447	214 417	27 897	242 314
<hr/>						

E. Staffing

17. Staff costs make up a large part of the operational budget of UNRWA, as shown in table 2, parts I and II. These costs are carefully controlled and monitored throughout the operational year. The planning assumptions for the 1990 budget were (a) to allow an increase in the education, health, and relief programmes to meet additional requirements due to the growth in population; (b) to increase staffing in the health and relief programmes aimed at slightly improving the level of services provided by these programmes to the refugee population; and (c) to allow a limited increase in staffing levels in operational and common services to cope with the increasing demands for programme support. Table 3 contains the staffing table of the Agency. It indicates the source of funding (regular budget and extrabudgetary funds) and shows the total number of staff employed. Efforts to improve the productivity of staff are continuing through the expansion of Agency-wide training programmes and the introduction of improved equipment and facilities.

18. At the time of the review of the 1990 budget, the total number of area staff posts in the Agency was 18,111. It is planned that this number will increase in 1990 by about 309 posts.

F. Non-staff costs

19. Expenditure in 1990 will increase for the maintenance of buildings, facilities, supplies, replacement of unserviceable equipment and for subsidized hospital services in all fields. Estimated expenditure in 1990 for goods and services is \$73.1 million, as compared to \$65.0 million in 1989. This increase is mainly due to increases in the cost of supplies.

Table 2. Summary of the regular and extrabudgetary estimates
classified by expenditure groups for the General
Fund and funded ongoing activities

(Thousands of United States dollars)

	1989 <u>Appropriations</u>	1990 <u>Estimates</u>
<u>Classification by expenditure group</u>		
I. <u>United Nations regular budget</u>		
Established posts, international	7 534	7 803
II. <u>UNRWA budget (staff costs)</u>		
Established posts		
International	1 161	1 369
Locally recruited	138 827	145 049
III. <u>UNRWA budget (other costs)</u>		
Services	16 710	17 899
Operational expenses	1 240	3 348
Supplies	12 978	14 999
Construction and equipment	5 076	5 453
Premises	2 823	2 725
Grants and subsidies	3 724	3 685
Reimbursements and transfers from production units	<u>(1 223)</u>	<u>(2 884)</u>
Subtotal	188 850	199 446
IV. <u>Supplies and services in kind</u>	<u>23 693</u>	<u>27 897</u>
Grand total	<u>212 543</u>	<u>227 343</u>

Table 3. Staff table a/

	Established posts		Established posts		Posts provided by UNESCO and WHO		Grand total	
	United Nations		UNRWA budget					
	1989	1990	1989	1990	1989	1990	1989	1990
Professional and above								
USG	1	1	-	-	-	-	1	1
ASG	1	1	-	-	-	-	1	1
D-2	1	1	-	-	1	1	2	2
D-1	10	10	-	-	1	1	11	11
P-5	16	16	5	5	5	5	26	26
P-4	36	36	8	9	14	14	58	59
P-3	15	15	-	-	-	-	15	15
P-2/1	2	2	5	5	-	-	7	7
Subtotal	<u>82</u>	<u>82</u>	<u>18</u>	<u>19</u>	<u>21</u>	<u>21</u>	<u>121</u>	<u>122</u>
General service								
All levels	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Subtotal	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Area staff								
G-18			14	14			14	14
17			11	13			11	13
16			81	84			81	84
15			117	123			117	123
14			211	221			211	221
13			66	65			66	65
12			326	358			326	358
11			219	221			219	221
10			2 597	2 607			2 597	2 607
9			2 090	2 095			2 090	2 095
8			4 834	4 891			4 834	4 891
7			1 481	1 512			1 481	1 512
6			1 132	1 210			1 132	1 210
5			948	1 005			948	1 005
4			392	393			392	393
3			186	192			186	192
2			459	451			459	451
1			2 947	2 965			2 947	2 965
Subtotal	<u>-</u>	<u>-</u>	<u>18 111</u>	<u>18 420</u>	<u>-</u>	<u>-</u>	<u>18 111</u>	<u>18 420</u>
Grand total	<u>92</u>	<u>92</u>	<u>18 129</u>	<u>18 439</u>	<u>21</u>	<u>21</u>	<u>18 242</u>	<u>18 552</u>

a/ Thirty-four international and 245 area staff short-term posts are not included in this listing in 1989 and are paid out of extrabudgetary resources raised to cover the continuing emergency in Lebanon, the West Bank and Gaza.

VI. PROGRAMMES

20. In 1990, the education programme accounts for about 49.7 per cent of the total budget, while health services represent 20.0 per cent, relief services 10.9 per cent, operational services 6.4 per cent, and common services 13.0 per cent. Each of these substantive operations are described below.

A. Education

21. The Agency's education programme consists of elementary and preparatory schooling and vocational and professional training in Agency-operated training centres. A small scholarship programme is operated to help young refugee students seeking higher education in or near the Agency's area of operation. Currently the general education programme for elementary and preparatory age group students provides schooling for 355,000 pupils, enrolled in 638 Agency schools, supported by a teaching staff of 10,459. In addition to those pupils in Agency schools, there are 9,635 refugee students subsidized by the Agency enrolled in government or private schools in Lebanon. Projections for the 1990/91 school year indicate an increase of about 4,250 pupils requiring about 115 additional teachers in the autumn of 1990.

22. The vocational and professional training programme operates out of eight training centres situated in the area of operations providing 5,046 training places for Palestine refugee students. The type and content of courses are continually updated by the Agency so that students are provided with the best opportunity to obtain employment and participate in the continuing development of the region. In the current academic year, UNRWA awarded 450 scholarships for students to attend universities.

23. The policy initiatives taken in the 1990 general education budget for implementation during the 1990/91 school year are as follows:

(a) To increase the number of elementary and preparatory teachers, head teachers and school supervisors necessary to cope with the natural increase in the school population;

(b) To expand the number of support posts in certain areas aimed at improving the effective use of existing resources in the education programme;

(c) To provide an enhanced vocational training programme by developing and introducing new courses and redeploying resources previously used in courses that are being stopped because they no longer provide students with the skills needed for employment.

24. Estimated costs for the education programme amount to \$120.4 million in 1990, an increase of 0.6 per cent. The increase in the budget for Headquarters in 1990 is due to the inclusion of a provision for increased staff costs Agency-wide. The spread of expenditure in the Agency's area of operations is shown in table 4.

Table 4. Education programme

	<u>Gaza</u>	<u>Lebanon</u>	<u>Syrian Arab Republic</u>	<u>Jordan</u>	<u>West Bank</u>	<u>Head- quarters</u>	<u>Total</u>
	(Thousands of United States dollars)						
1988 expenditure	30 919	5 498	11 668	43 340	18 136	2 820	112 381
1989 approved budget	32 893	8 520	13 136	43 075	18 866	3 137	119 627
1990 proposed budget	32 920	10 756	17 179	29 791	16 018	13 719 a/	120 383
Number of pupils:							
1989/90	94 002	34 396	55 365	135 630	40 686	-	360 079
1990/91	95 133	34 964	56 540	136 935	40 938	-	364 510
Number of area staff:							
1989	2 984	1 475	1 907	4 338	1 781	64	12 549
1990	3 022	1 495	1 945	4 385	1 793	64	12 704

a/ Includes Agency-wide staff costs reserve (see para. 24).

B. Health

25. Primary health care is provided through curative and preventive medical care services and maternal and child health programmes. These programmes are operated through a network of 100 health centres/health points, polyclinics, hospitals, laboratories and rehabilitation centres, which provide services to about 2.1 million Palestine refugees eligible for health care.

26. UNRWA provides basic community sanitation services in 61 camp locations, housing Palestine refugees and displaced persons. These services cover the provision of potable water, sanitary disposal of solid and liquid wastes, drainage of storm water and the control of disease-carrying insects and rodents.

27. The policy objectives incorporated into the 1990 budget estimates have been aimed at improving the effectiveness of the health care programme; establishing new programmes for the prevention and control of non-communicable diseases; expanding family planning and health education programmes. These major developments are supplemental to other enhancements to the ongoing maternity, preventive and curative medical programmes. Finally, a major reorientation of the supplementary feeding programme that was started in 1988 will be accelerated in 1990 with an increase in the number of health centres being converted to monitor and identify deficiencies in the development of children, and provide the necessary nutritional support to ensure their normal development.

28. Estimated costs for the health programme amount to \$48.4 million in 1990, which is an increase of about 6.8 per cent over 1989. This increase is due to the planned implementation of the developments outlined above and an increase in the cost of supplies. The increase in the budget for Headquarters in 1990 is specifically due to the inclusion of a provision for increased staff costs Agency-wide. The spread of expenditure in the Agency's area of operations is shown in table 5.

Table 5. Health programme

	<u>Gaza</u>	<u>Lebanon</u>	<u>Syrian Arab Republic</u>	<u>Jordan</u>	<u>West Bank</u>	<u>Head- quarters</u>	<u>Total</u>
	(Thousands of United States dollars)						
1988 expenditure	9 631	4 530	4 104	9 765	9 030	1 347	38 407
1989 approved budget	11 702	6 493	5 056	9 710	10 808	1 511	45 280
1990 proposed budget	11 428	7 517	6 453	9 068	10 300	3 589 a/	48 355
Number of beneficiaries:							
1989	393 090	235 625	225 261	750 560	286 312	-	1 890 848
1990	432 212	261 898	251 460	845 436	319 761	-	2 110 767
Number of area staff:							
1989	843	532	428	805	620	14	3 242
1990	865	556	433	827	643	14	3 338

a/ Includes Agency-wide staff costs reserve (see para. 28).

C. Relief

29. The major goal of the Agency's relief programme is to assist destitute refugee families through its special hardship case programme, which provides basic food needs, blankets, clothing and shelter. Currently, this programme services 146,800 beneficiaries. Limited cash grants are given to the special hardship cases and an adult training programme is operated aimed at improving the income earning ability of the family unit. Because of increased economic difficulties in the Agency's area of operations, the number of special hardship case applications is expected to increase by 10,420 in 1990. Food and clothing are distributed to the eligible refugees through a network of distribution centres and distribution points located throughout the camps, with food distribution being made either monthly or bimonthly, while clothing is distributed twice annually.

30. Expansion of the relief programme falls into two categories. First, the upgrading of current services provided to Palestine refugees. This is planned to be done by improving the quality of material benefits distributed to the most needy and by improving the quality of staff employed by the Agency who provide these services. Second, by expanding current specialized programmes for the disabled to cover all areas in which the Agency operates and expanding the current self-support/income-generating programmes aimed at helping the most needy improve their economic circumstances.

31. Estimated costs for the relief programme amount to \$26.5 million for 1990, an increase of about 14.3 per cent over 1989. This increase is due to an increase in the number of special hardship cases, an increase in the cost of supplies and the planned expansion of the programme as noted above. The increase in the budget for Headquarters in 1990 is specifically due to the

inclusion of a provision for increased staff costs Agency-wide. The spread of expenditure throughout the Agency's area of operations is shown in table 6:

Table 6. Relief programme

	Gaza	Lebanon	Syrian Arab Republic	Jordan	West Bank	Head- quarters	Total
	(Thousands of United States dollars)						
1988 expenditure	5 371	3 696	1 362	5 286	2 038	641	18 394
1989 approved budget	6 518	4 943	2 096	4 852	3 854	886	23 149
1990 proposed budget	6 956	5 983	2 808	5 132	4 347	1 236 a/	26 462
Number of beneficiaries:							
Regular category							
Refugees							
1989	319 863	241 632	231 493	772 630	290 299	-	1 855 917
1990	333 057	255 510	245 327	824 816	311 962	-	1 970 672
Special hardship cases							
1989	44 500	36 300	13 100	30 700	22 200	-	146 800
1990	48 060	39 200	13 750	32 230	23 980	-	157 220
Number of area staff:							
1989	163	77	65	119	114	10	548
1990	173	95	70	122	118	10	588

a/ Includes Agency-wide staff costs reserve (see para. 31).

D. Operational services

32. The three substantive programmes of the Agency are supported by a supply and transport operation and an architectural and civil engineering services group. The supply and transport operation provides procurement, warehousing, freight transport, and passenger transport services in all the areas of operation. In 1989, 51,750 tons of basic commodities and 6,000 tons of general cargo are being handled through a network of central and satellite warehouses for final distribution to the beneficiaries of the Agency's programmes. The Agency's fleet of vehicles is used to transport commodities and general stores, for garbage collection, water distribution, sewage clearance services and for the transport services required by the education, health and relief programmes. In total, the Agency has a fleet of 703 vehicles. All of these vehicles are maintained by the Agency's vehicle maintenance staff. The proposed budget for this operation in 1990 is \$10.6 million, an increase of 20.5 per cent over 1989. The increase in the budget provision is mainly due to the inclusion of a provision for the customs clearance and transport of supplies in the West Bank and Gaza, formerly funded by the Government of Israel, and the inclusion in the Headquarters budget of a provision for increased staff costs Agency-wide.

33. The architectural and civil engineering group is responsible for the design of all new Agency facilities and for the maintenance of existing Agency premises. In 1989 the staff are working on the design of buildings to the value of \$9.5 million, supervising construction worth about \$33.5 million and implementing a maintenance programme of about \$3.2 million. The budget estimate for architectural and civil engineering services in 1990 is \$4.8 million, an increase of 9.5 per cent over 1989. However, the increase in the support costs associated with the construction of new facilities are, in most cases, recovered as a direct charge to the construction funds.

34. The increase in the number of staff in operational services is only 1.3 per cent over the staffing level for 1989. The cost of providing this support to the substantive programmes in the Agency's area of operations is illustrated in table 7:

Table 7. Operational services

	Gaza	Lebanon	Syrian Arab Republic	Jordan	West Bank	Head- quarters	Total
	(Thousands of United States dollars)						
1988 expenditure	2 510	1 453	1 651	2 372	2 120	4 168	14 274
1989 approved budget	2 231	1 213	1 485	2 093	2 196	3 984	13 202
1990 proposed budget	2 581	1 572	1 902	1 738	3 087	4 668 a/	15 548
Number of area staff:							
1989	234	178	127	110	148	40	837
1990	236	181	129	111	151	40	848

a/ Includes Agency-wide staff costs reserve (see para. 32).

E. Common services

35. Common services support all programmes run by the Agency and cover two distinct areas: general management and administrative services. General management consists of the Commissioner-General and Deputy Commissioner-General, the offices reporting directly to them (Executive Office, Office of the Co-ordinator of Operations, External Relations, Public Information, Internal Audit and Programme Planning and Evaluation Office), the Department of Legal Affairs and the Office of the Director in each field. Administrative services include financial, personnel, and data-processing functions.

36. The proposed budget for common services in 1990 is \$31.6 million, an increase of 20.5 per cent over 1989. The increase in the budget provision is mainly due to the inclusion of Agency-wide reserves, such as price inflation reserves and staff costs reserves in the Headquarters budget. The increase in the number of posts is only 0.7 per cent over the staffing level for 1989. The costs of providing these services to the substantive programmes in the Agency's area of operations is shown in table 8.

Table 8. Common services

	<u>Gaza</u>	<u>Lebanon</u>	<u>Syrian Arab Republic</u>	<u>Jordan</u>	<u>West Bank</u>	<u>Head- quarters</u>	<u>Total</u>
	(Thousands of United States dollars)						
1988 expenditure	2 166	1 727	2 246	2 343	2 526	14 918	25 926
1989 approved budget	2 075	1 677	1 545	2 713	2 532	15 647	26 189
1990 proposed budget	2 261	1 935	1 860	2 213	2 476	20 821 a/	31 566
Number of area staff:							
1989	158	162	105	147	212	151	935
1990	159	162	105	147	214	155	942

a/ Includes Agency-wide staff costs reserve (see para. 36).

37. The consolidated budget as allocated among the Agency's area of operations is shown in table 9.

Table 9. All services

	<u>Gaza</u>	<u>Lebanon</u>	<u>Syrian Arab Republic</u>	<u>Jordan</u>	<u>West Bank</u>	<u>Head- quarters</u>	<u>Total</u>
	(Thousands of United States dollars)						
1988 expenditure	50 597	16 904	21 031	63 106	33 850	23 894	209 382
1989 approved budget	55 419	22 846	23 318	62 443	38 256	25 165	227 447
1990 proposed budget	56 146	27 763	30 202	47 942	36 228	44 033	242 314
Number of area staff:							
1989	4 382	2 424	2 632	5 519	2 875	279	18 111
1990	4 455	2 489	2 682	5 592	2 919	283	18 420

VII. FINANCING THE 1990 BUDGET

38. The cash and in-kind income required to finance the 1990 budget is shown in the following table.

	<u>Cash</u>	<u>In-kind</u>	<u>Total</u>
	(Millions of United States dollars)		
A. General Fund	189.4	18.8	208.2
B. Funded ongoing activities	10.0	9.1	19.1
C. Capital and special projects	<u>15.0</u>	<u>-</u>	<u>15.0</u>
Total:	<u>214.4</u>	<u>27.9</u>	<u>242.3</u>

39. Apart from its limited working capital, UNRWA has no other financial reserves on which to draw to finance the 1990 budget. Funding of the Agency's programmes in 1990 will depend on the contributions received from donors. These contributions are normally made to the Agency in two forms: cash and in-kind, the latter in most cases being donations of basic commodities and services.

A. Cash requirements

40. In order to continue its education, health and relief programmes in 1990, UNRWA will need \$189.4 million in cash for its General Fund. This compares with an estimated income in 1989 of \$179.3 million. Continuing support of about \$10.0 million is anticipated for the especially funded ongoing activities, which is about \$1.1 million more than in 1989. In addition to the above cash resources, a further \$15.0 million will be needed for capital and special projects in 1990. Special donations will be sought for these projects.

B. In-kind requirements

41. The in-kind requirements for 1990 are estimated to be \$27.9 million, representing an increase of \$4.2 million over 1989. This increase is largely due to increases in the market prices of basic commodities over 1989. It has been customary for some donors to make in-kind contributions of basic commodities and services to UNRWA in the past and it is anticipated that these contributions will be adequate in 1990 with the possible exception of flour supplies.

Notes

1/ See Official Records of the General Assembly, Forty-fourth Session, Supplement No. 13 (A/44/13).

ANNEX I

Direct government assistance to Palestine refugees a/

(1 July 1988 to 30 June 1989)

Note. All data in the table below are shown as reported by the Governments concerned and are expressed in United States dollars computed by applying United Nations operational rates of exchange.

	Egypt b/	Israel c/	Jordan	Lebanon c/	Syrian Arab Republic
Education services	118 000 000		74 359 531		23 724 889
Social welfare) services)			3 874 294		1 208 341
)	5 000 000				
Medical) services)			19 503 908		962 868
Housing and) public) services)			7 071 212		3 696 429
)					
Security) services)	255 000 000 d/		5 590 534		2 560 446
)					
)					
Administrative) and other) services)			12 223 187		25 102 410
Total	<u>378 000 000</u>		<u>122 622 666</u>		<u>57 255 383</u>

a/ This assistance was rendered directly to the refugees, in addition to contributions to UNRWA (see annex II).

b/ Figures for the period from 1 July 1987 to 30 June 1988.

c/ Figures not received.

d/ Figure includes housing and public services, security, administrative and other services.

ANNEX II

Contributions pledged for the 1989 regular budget
(General Fund, funded ongoing activities and
projects) as at 30 September 1989

(United States dollars)

Contributor	Cash	In kind	Total
I. Contributions from Governments			
Australia	2 176 514	-	2 176 514
Austria	145 000	-	145 000
Bahamas	1 000	-	1 000
Bahrain	15 000	-	15 000
Barbados	1 000	-	1 000
Belgium	439 024	-	439 024
Brazil	10 000	-	10 000
Brunei Darussalam	10 000	-	10 000
Burma	1 000	-	1 000
Canada	8 143 000	-	8 143 000
Chile	5 000	-	5 000
China	50 000	-	50 000
Colombia	2 095	-	2 095
Cyprus	2 165	-	2 165
Denmark	4 640 039	-	4 640 039
Finland	3 051 601	-	3 051 601
France	1 463 000	3 000	1 466 000
Germany, Federal Republic of	5 487 850	-	5 487 850
Greece	75 000	-	75 000
Holy See	20 000	-	20 000
Iceland	9 500	-	9 500
India	14 000	-	14 000
Indonesia	8 000	-	8 000
Iran (Islamic Republic of)	30 000	-	30 000
Ireland	103 000	-	103 000
Israel	-	459 000	459 000
Italy	11 017 000	-	11 017 000
Japan	53 864	6 106 000	6 159 864
Jordan	-	532 000	532 000
Kuwait	1 000 000	-	1 000 000
Lebanon	-	455	455
Libyan Arab Jamahiriya	1 000 000	-	1 000 000
Luxembourg	10 000	-	10 000
Malaysia	10 000	-	10 000
Maldives	1 000	-	1 000
Mauritius	1 148	-	1 148
Monaco	3 180	-	3 180
Netherlands	2 770 602	-	2 770 602
New Zealand	70 000	-	70 000

Contributor	Cash	In kind	Total
Norway	9 214 578	-	9 214 578
Pakistan	18 215	-	18 215
Philippines	2 000	-	2 000
Portugal	25 000	-	25 000
Qatar	200 000	-	200 000
Republic of Korea	10 000	-	10 000
Saudi Arabia	1 200 000	-	1 200 000
Senegal	2 000	-	2 000
Spain	1 709 511	-	1 709 511
Sri Lanka		2 000	2 000
Sweden	14 025 558	-	14 025 558
Switzerland	2 121 212	3 727 000	5 848 212
Syrian Arab Republic	-	69 875	69 875
Thailand	14 038	-	14 038
Tunisia	9 000	-	9 000
Turkey	35 000	-	35 000
United Kingdom of Great Britain and Northern Ireland	9 122 000	2 000	9 124 000
United States of America	61 300 000	-	61 300 000
Venezuela	10 000	-	10 000
Subtotal	140 857 694	10 901 330	151 759 024
II. Contributions from intergovernmental organizations			
European Community	26 395 000	16 083 000	42 478 000
AGFUND	749 000	-	749 000
Subtotal	27 144 000	16 083 000	43 227 000
III. Contributions from United Nations and United Nations agencies			
United Nations (from regular budget)	7 843 000	-	7 843 000
UNESCO	-	1 059 600	1 059 600
UNDP	49 750	-	49 750
WHO	-	363 030	363 030
Subtotal	7 892 750	1 422 630	9 315 380

Contributor	Cash	In kind	Total
IV. Income from non-governmental sources and others			
Arabian American Oil Company (ARAMCO) - Saudi Arabia	220 000	-	220 000
Australian Care for Refugees (Austcare)	12 314	-	12 314
Cairo-Amman Bank, Jordan	16 729	-	16 729
Co-operation for Development, United Kingdom	59 480	-	59 480
Danish Refugee Council	135 000	-	135 000
Deutsche Stiftung für UNO Flüchtlinge	7 612	-	7 612
Gaza authorities	-	71 666	71 666
Grindlays Bank, Jordan	33 510	-	33 510
Joint Jordanian Palestinian Fund	8 539	-	8 539
National Federation of UNESCO Association, Japan	10 044	-	10 044
Near East Council of Churches	32 520	-	32 520
Norwegian Refugee Council	107 305	-	107 305
OXFAM - United Kingdom	38 886	-	38 886
Palestine Liberation Organization	1 500 000	-	1 500 000
Pontifical Mission for Palestine	60 000	-	60 000
Qalqilia Charitable Fund	15 000	-	15 000
Save the Children Fund (United Kingdom)	6 745	-	6 745
Swedish Save the Children Fund (Rädda Barnen)	73 748	-	73 748
Sundry contributors	7 539	130 636	138 175
Subtotal	2 344 971	202 302	2 547 273
Total	178 239 415	28 609 262	206 848 677

ANNEX III

Ongoing projects, fully funded by donors in 1990

Title	<u>Thousands of United States dollars</u>
1. Supplementary Feeding Programme funded by EC	14 182
2. Mobile health team, Gaza funded by Rädda Barnen, Sweden	214
3. Gaza Centre for the Blind funded by the Pontifical Mission and other donors	247
4. University scholarships, funded by ARAMCO	68
5. Ramallah Men's and Women's training centres, funded by the Government of Denmark	2 482
6. Mobile dental unit, Jordan funded by NECC	14
7. Dental unit Amman Polyclinic, Jordan funded by NECC	12
8. Gaza vocational training centre funded by the Government of Italy	1 832
9. Qalqilia Hospital, West Bank funded by an anonymous donor	<u>16</u>
	<u>19 067</u>