



United Nations

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

1 July 2000-30 June 2001

**General Assembly
Official Records
Fifty-sixth Session
Supplement No. 13 (A/56/13)**

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Note

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

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Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
CBO	Community-based organization
CRC	Community rehabilitation centre
EC	European Community
NGO	non-governmental organization
PIP	Peace Implementation Programme
PLO	Palestine Liberation Organization
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSCO	Office of the United Nations Special Coordinator in the Occupied Territories
UNTSO	United Nations Truce Supervision Organization
WHO	World Health Organization

Letter of transmittal

25 September 2001

I have the honour to submit to the General Assembly my annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the period 1 July 2000 to 30 June 2001, in compliance with the request contained in paragraph 21 of resolution 302 (IV) of 8 December 1949 and with paragraph 8 of resolution 1315 (XIII) of 12 December 1958.

During the period covered by my report, UNRWA continued to deliver a wide range of basic services to some 4 million Palestine refugees registered in its five fields of operation. The Agency's ability to assist the refugees, however, continued to be threatened by funding shortfalls.

In the introduction in chapter I, an overview of the funding situation that UNRWA is facing and of events and developments in the region is provided, with reference to its five fields of operations in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and Gaza Strip.

Chapter II covers general developments in the main UNRWA programmes in education; health; relief and social services; microfinance and microenterprise; donor-funded projects; projects funded under the Lebanon Appeal; and the Agency's programme of emergency humanitarian assistance.

Chapter III covers financial matters, with reference to the structure of the various funds; budget, income and expenditure; extrabudgetary activities; and the Agency's current financial situation.

Chapter IV deals with legal matters, in particular those relating to Agency staff, services and premises, as well as constraints affecting Agency operations in the West Bank and Gaza Strip.

Chapter V provides information on UNRWA operations and its main programmes in Jordan, while chapter VI deals with Lebanon, chapter VII with the Syrian Arab Republic, chapter VIII with the West Bank, and chapter IX with the Gaza Strip.

Annex I provides statistical and financial information; annex II refers to pertinent records of the General Assembly and other United Nations bodies.

President of the General Assembly
United Nations
New York

Following established practice, the annual report in draft form was distributed in advance to 10 members of the Advisory Commission, whose relevant comments and observations were given careful consideration. The draft report was discussed with the Commission at a meeting held at Amman on 25 September 2001. The views of the Commission are contained in a letter addressed to me from the Chairperson of the Advisory Commission. A copy of the letter follows.

I have maintained the practice of showing my report in draft form to representatives of the Government of Israel and giving due consideration to their comments, both in the context of the situation prevailing in the West Bank and Gaza Strip since 1967 and subsequent developments. In connection with the General Assembly's decision in 1993 that the Advisory Commission establish a working relationship with the Palestine Liberation Organization (PLO), a representative of the PLO attended the meeting of the Commission on 25 September 2001 and a copy of the draft report was also shared with him.

(Signed) Peter **Hansen**
Commissioner-General
United Nations Relief and Works Agency
for Palestine Refugees in the Near East

Letter dated 25 September 2001 from the Chairperson of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency

At its regular session, on 25 September 2001, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East considered your draft annual report on the Agency's activities and operations during the period 1 July 2000 to 30 June 2001, which is to be submitted to the General Assembly at its fifty-sixth session.

The Commission noted with concern the deteriorating political, social and economic situation in the region during the reporting period, affecting in particular the Palestinian refugees in the occupied Palestinian territory. These developments have in turn led to deteriorating living conditions for the refugees in Gaza and the West Bank. These conditions, which have persisted for a full year, causing losses and hardships to civilians, posed a number of serious challenges and raised a number of obstacles to the Agency's efforts to deliver urgently needed services and assistance to the refugees. Closures and other measures imposed by Israeli authorities in the occupied Palestinian territories have often prevented or delayed the movement of Agency staff and delivery of emergency relief including the repair and rebuilding of destroyed shelters in refugee camps. The Commission commended the Agency's management and staff under your leadership for responding to the crisis resolutely and effectively.

The Commission expressed its concern at the difficulties faced by UNRWA resulting from a whole range of restrictions, among which are closures between the West Bank, Jerusalem and Gaza and within these areas, in addition to the tight security measures at checkpoints imposed by Israeli forces on the occupied Palestinian territory. Restrictions on movement of staff and goods had continued and become more severe in many respects during the reporting period, leading to delays and non-delivery of urgently needed humanitarian assistance to refugees. The Commission called for urgent measures to remove the restrictions placed on the movement of Agency staff and goods in keeping with agreements between UNRWA and the Government of Israel and with international law.

The Commission noted that the Agency had, after consultations with United Nations Headquarters, especially the Office for the Coordination of Humanitarian Affairs, as well as United Nations agencies and programmes, issued emergency appeals for assistance to the refugees affected by the severe decline in economic conditions in the West Bank and the Gaza Strip since October 2000. The Commission noted that the Agency had issued a flash appeal for \$4.83 million on 4 October 2000, a first appeal for \$39.1 million to cover the three-month period from December 2000 to February 2001, a second appeal for \$37.1 million to cover the period from March to May 2001, and a third appeal for \$76.8 million to cover the period from June to December 2001. The Commission welcomed the generous and prompt response by donors to the flash and first appeal at the level of \$46.1 million (105 per cent). The response to the second appeal fell short of the target by \$14.1 million. Contributions for the third appeal have been slower, and pledges amounted to \$38.1 million on 20 September 2001. The Commission appeals to the

international community to do its utmost to meet the target for the third appeal as soon as possible.

The Commission expressed its appreciation for the manner in which the Agency had conducted a very effective programme of delivery of emergency assistance to the affected refugees, taking advantage of its widespread infrastructure and trained staff in the affected areas. Furthermore, the Commission noted that the Agency's system of periodic reporting to donors on the emergency program had kept them well-informed of its implementation. The Commission urged the Agency to make every effort to ensure continuing close coordination with other organizations and to detail those efforts in its periodic reports. In the early days of the emergency, such reporting was most helpful and the Commission urges the continuation of this pattern of reporting.

The Commission stressed that, while welcoming the encouraging response of donors to the emergency appeals, it wished to underscore the crucial importance of adequate contributions to the Agency's regular budget on as wide a donor base as possible, so as to enable it to implement effectively its programmes in all five fields of operations and at a level adequate to the increasing needs of the Palestine refugees. It noted that pledges for the current year so far amounted to \$280 million against the budget of \$311 million approved by the General Assembly. The Commission felt that, as a first priority, there was a need for immediate measures to cover the remaining gap of \$31 million to enable the Agency to maintain the essential services for the refugees. The Commission recognized the need over time to raise donor contributions to the budget sufficiently so as to enable the Agency to rebuild its depleted reserves to meet operational needs and urgently needed salary increases for its area staff. The Commission noted that, of the pledged income, \$85 million remained unpaid. It noted with concern that, unless a minimum of \$40 million of the uncollected amount was received immediately, the Agency would not be able to meet its September/October payroll.

The Commission received the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the Agency's proposed 2002-2003 budget, in accordance with regulation 9.1 of the Financial Regulations of UNRWA. The Commission noted with appreciation that ACABQ had recommended approval by the General Assembly of the Agency's budget estimates for 2002-2003. It noted further that ACABQ had stated that, since your report is considered annually by the General Assembly, it affords you an added opportunity to report revised requirements through ACABQ, if necessary.

The Commission noted with respect to the five additional international posts requested in the 2002-2003 budget, the reference made by ACABQ in its report on the proposed budget of UNRWA for the biennium 2000-2001, which referred to General Assembly resolution 3331 B (XXIX) of 17 December 1974, whereby "the expenses for salaries of international staff in the service of the United Nations Relief and Works Agency for Palestine Refugees in the Near East which would otherwise be a charge on voluntary contributions should with effect from 1 January 1975 be financed by the regular budget of the United Nations for the duration of the Agency's mandate". The Commission welcomed the recommendation of ACABQ that the Commission might wish to request the Commissioner-General to enter into discussions with the Secretary-General with a view to making specific proposals to the General Assembly on the matter. The Commission noted further that ACABQ

had requested “the Commissioner-General to inform it about the action taken in that regard”. The Commission therefore requests the Commissioner-General to act accordingly.

The Commission noted that the Agency was submitting its budget for the 2002-2003 biennium at the level of \$674.8 million, and that the format and structure of the budget had undergone further improvements to focus on programmes and results. The Commission commended the Agency on the presentation and content of the budget, and recommended its adoption by the General Assembly. The Commission welcomed the Agency’s report to donors on the impact of management reform efforts and programme results and requested periodic updates.

The Commission noted with concern the growing debt on account of non-reimbursement of value-added tax (VAT) payments and port charges amounting to \$19.93 million and \$6.1 million respectively. The Commission noted that the Agency was seeking a participatory way to finance the debt on account of VAT. The Agency had also approached the Government of Israel with respect to reimbursement of port and related charges. The Commission urged the Agency to exercise every effort with the Palestinian Authority and the Government of Israel to eliminate that debt before the start of the 2002-2003 biennium.

The Commission also noted that the sum of \$5.1 million was still outstanding with respect to the expenses incurred by the Agency on the shifting of its headquarters to Gaza, in accordance with instructions received from United Nations Headquarters. The amount in question should be paid to the Agency by the United Nations as soon as possible.

The Commission expressed appreciation for the various measures undertaken by the management of the Agency to introduce and carry forward its management reforms. The Commission noted the progress that was being made in the introduction and implementation of a new financial system and a new payroll system. The Commission also welcomed the positive impact of those and other reforms on the efficiency and effectiveness of the Agency’s programmes.

The Commission noted with appreciation that the Agency had started to make use of its Policy Analysis Unit following its recommendation to that effect in 2000. It also urged UNRWA to circulate reports produced by the Unit to host and donor countries, as appropriate.

The Commission noted the severe impact on working conditions for the Agency’s staff in the West Bank and the Gaza Strip since October 2000. The Commission expressed appreciation for the manner in which the Agency’s staff has continued to work with fortitude and dedication despite the often dangerous conditions in which they have to carry out their humanitarian tasks. The Commission noted that the well-trained staff of the Agency had greatly facilitated the effective and speedy delivery of humanitarian assistance to the refugees affected by the political and economic crises.

The Commission recognized the vital role the Agency plays in providing the refugees with essential services and in contributing to regional stability. It also underlined the need for donor countries to continue to enhance their contributions to the UNRWA budget at the current critical stage so that UNRWA can continue to fulfil its mandate until a just settlement to the refugee issue has been implemented, in accordance with relevant United Nations resolutions, and recommended that the

mandate of the Agency be extended for a further period of three years from 1 July 2002.

The Advisory Commission expressed great appreciation to the host Governments for the continuing support and services provided for Palestine refugees and also recognized the important contribution made by the Palestine Liberation Organization and the services it provides for the Palestine refugees.

The Commission expressed its warm appreciation for your personal commitment to the service of the refugees and the effective leadership you are providing to the Agency at a particularly difficult period in its history.

(Signed) Mohamed **Higazy**
Chairperson of the Advisory Commission

Chapter I Introduction

1. The United Nations Relief and Works Agency (UNRWA) was established pursuant to General Assembly resolution 302 (IV) of 8 December 1949. The Agency became operational on 1 May 1950 with its headquarters in Beirut, and began responding to immediate humanitarian needs of about 880,000 Palestine refugees. Over the past five decades, the Agency has grown into the largest United Nations programme in the region, employing some 22,000 staff members, including teachers, health workers, social workers and other service providers. The Agency operates some 900 facilities providing education, health, relief and social services as well as a microfinance and microenterprise programme, for a growing population of refugees who now number about 4 million. The refugees are registered with UNRWA in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. The Agency's services are, for the most part, rendered directly to the beneficiaries, along with services provided by the public sector of the host authorities. While the Agency's services are funded directly from its budget, where appropriate and possible, refugees contribute to the cost of the services through co-payments, self-help schemes, voluntary efforts, participation fees and voluntary contributions.

2. The Agency's services for the refugees include the following broad categories: elementary and preparatory education; vocational and technical training; comprehensive primary health care, including family health; assistance towards hospitalization; environmental health services in refugee camps; relief assistance to needy households; and developmental social services for women, youth and persons with disabilities. The Agency has developed a highly successful microfinance and microenterprise programme which assists in developing the income-generating capacity of the refugees. In addition to its regular programme, the Agency undertakes a range of infrastructure projects to improve the living conditions of the refugees.

3. Since the beginning of the conditions of strife in the occupied Palestinian territory in September 2000, known as the "intifada", the Agency has had to develop an emergency programme of humanitarian assistance for the refugees affected by the severe economic decline in the Gaza Strip and the West Bank, brought

about by closures and other restrictive measures applied by the Israeli authorities.

4. Since October 2000, entry to or exit from the Gaza Strip and the West Bank has been severely restricted for Palestinians most of the time. Internally, Gaza has been bisected or trisected from time to time and, in the West Bank, severe restrictions on the use of primary and other roads by Palestinians and their vehicles have been imposed more than half of the time, leaving most Palestinian urban centres and villages cut off from each other, and from the Gaza Strip.

5. The economic impact of the closures has rendered unemployed large numbers of Palestinians who worked in Israel. In the first half of 2000, about 125,000 Palestinians were employed in Israel, Israeli settlements and industrial zones, earning an average of \$27.50 per day, adding up to about \$3.4 million each day. With the almost total cessation of labour flows (excluding an estimated 2,100 Gaza residents who have been able to work from time to time at the Erez industrial zone) the net effect on the economy amounts to some \$3 million a day of household income. Some 58 per cent of those day labourers rendered unemployed are refugees. Altogether, as a result of the closures and restrictions on movements, the Palestinian unemployment rates in Gaza and the West Bank went up from about 11 per cent to 35-40 per cent. The World Bank has estimated that the poverty in Gaza and the West Bank (i.e. less than \$2.10 per capita per day for consumption) will rise to 43.7 per cent by December 2001 from the level of 21 per cent in November 2000.

6. To meet immediate needs arising from the severe deterioration in economic conditions, the Agency launched a flash appeal on 4 October 2000 for \$4.83 million. That was followed after consultations with the Office for the Coordination of Humanitarian Affairs and other United Nations programmes and agencies, by the first emergency appeal covering the period from December 2000 to February 2001 for \$39.1 million and a second appeal for \$37.1 million to cover the period from March to May 2001. A third appeal for \$76.8 million was launched on 22 May to cover the period from June to December 2001.

7. The response to the flash appeal and the first two appeals by the international community has been prompt and generous. The flash and first appeals received \$46.1 million against a total appeal of \$44 million. The second appeal received \$23 million. By

the end of June 2001, the third appeal had received pledges amounting to about \$38.1 million. The Agency is making efforts to ensure that contributions to the latest emergency appeal continue at a high rate.

8. The response of the international community to the emergency appeals has been very encouraging for the Agency, and underscores confidence in the Agency's ability and capacity to deliver the humanitarian assistance effectively. The Agency has developed a system of periodic reporting to the major donor countries, whereby they are kept fully informed of the implementation of the emergency programme, and in turn are able to provide advice, where appropriate.

9. While the response of the international community to the emergency appeals represents a clear appreciation of the need to continue support for UNRWA services for Palestine refugees, the level of support for the Agency's regular budget so far does not convey a message of adequate recognition of the seriousness of the threat to the Agency's services the funding shortfalls pose. In 2001, the level of pledges for the regular budget of the Agency amounted to \$280 million by the end of June, as against the budget for \$310.4 million approved by the General Assembly last year. The cash situation by end June was such that, without an additional infusion of \$66 million, the Agency would run out of cash for essential budgeted items of expenditure.

10. The Agency's vigorous efforts to mobilize additional pledges from donor countries and to broaden the base of its donors continued. Notably, the Commissioner-General addressed the Arab Council of Foreign Ministers in March 2001, in Cairo. He informed the Ministers about the Agency's serious financial situation and the need for Arab States to do their utmost to enhance their contributions to the Agency's regular budget. He recalled an earlier decision of the Council to raise the level of the contributions of the Arab States to the UNRWA budget to about 8 per cent from the current level of 1.9 per cent. In July 2001, the Commissioner-General met with the Foreign Ministers of the European Union countries and stressed the political and humanitarian need to bring the Agency onto a sound financial footing. In addition to immediate relief to cover the current deficit, he will thus remind them of the urgent need for a concerted effort to eliminate the structural deficit. Currently, the Agency is in a position where it has to

“scrape by” with the minimum necessary to meet immediate obligations, without any reserves to deal with contingencies or with the need to maintain reasonable salary levels for its large area staff, which are lagging far behind other United Nations agencies in the area and, in some cases, even behind local Government scales. The Agency will submit its estimates for its budget for the 2002-2003 biennium to the General Assembly at its fifty-sixth session. The budget is estimated to be at the level of \$674.82 million, including working capital reserves of \$14 million and a salary reserve of \$15 million. While these estimates represent a nominal increase in expenditures, it represents a negative rate of growth per annum when inflation in the Agency's fields of operation is taken into account.

11. A large majority of the Agency's major donors have been increasing their annual contributions to the regular budget at a steady rate. However, when the rate of growth in the refugee population and inflation are taken into account, the growth in contributions falls short of the minimum needs. The Agency has continuously sought to improve the efficiency of its operations to minimize costs and to keep expenditures within the limits imposed by the financial stringency. A number of measures that could be described as improving efficiency in the sense that they reduce immediate costs, have been adopted. However, those measures have undoubtedly affected the quality of the Agency's services. A case in point has been the introduction of double shifts in schools to accommodate the growing school population and save on building costs. This situation has reached a critical point in Jordan, where the largest population of refugees resides, and where 93 per cent of UNRWA schools run double shifts, whereas in the host country's government schools the situation is the reverse. Overall, in the five fields of operations, 74 per cent of UNRWA schools operate on double shifts, and classroom occupancy rates now average 43.5 per class, including some fields with over 50 per class. Moreover, teacher's salaries are not keeping pace with inflation and the Agency is experiencing increasing difficulties in recruiting and retaining the best-qualified and talented staff. The Agency is compelled to plan its expenditures on the basis of double-shifts in schools and the emphasis is on preventing a resort to triple-shifts, which will have a very adverse effect on the quality of education, by reducing teaching time, eliminating extracurricular activities and, at the same

time, raising maintenance costs. Similarly, in the field of health, increasing pressures are being felt as the health staff has to cope with increasing patient populations. On average, medical consultations in the Agency's health centres exceed 100 per day per doctor. In the Gaza Strip, the rate is 109 per day per doctor. An increasing refugee population also means increasing numbers of hardship cases requiring relief. The Agency's relief and social services staff have had to deal with 217,388 special hardship cases in the reporting period, compared with 207,150 cases in the preceding year.

12. Despite the aforementioned strains on the institutional capacity of the Agency to deliver its main services owing to financial constraints, the Agency still has a record of a very effective performance in various fields in which it provides services for the refugees. Thus, in the field of education, the Agency's schools continue to lead in annual examinations set by the host authorities in its five fields of operations. The Agency's school system enjoys gender parity, and in some fields, the numbers of girl students exceed those for boys. The graduates of the Agency's vocational and training centres are in demand in the market. The Agency's surveys indicate 79.3 per cent of such graduates found employment by the year 2000. The health standards of Palestine refugees are among the highest in the region and the epidemiological profile of the refugees today resembles that of populations in transition from a developing to a developed stage.

13. In addition to its traditional services, the Agency introduced over the years an income generation programme at two levels. One was in the overall context of its relief and social services, and the other was as a commercial, self-sustaining and market-oriented microfinance service, which has been renamed the microfinance and microenterprise programme. In the current reporting period, the programme provided 10,086 loans worth \$9.9 million to Palestinian-owned enterprises. Women entrepreneurs received 36 per cent of the loans. This award-winning programme of the Agency has come under great strain since the severe decline in economic conditions in Gaza and the West Bank since October 2000. The programme's self-sufficiency is at risk in the deteriorating business environment in Gaza and the West Bank, and monthly growth in lending could not be sustained after September 2000 and disbursement of loans dropped from 1,304 loans amounting to \$1.46 million in September

2000 to a mere 831 loans valued at \$668,260 in June 2001. At the same time, monthly average on time repayment rate dropped from 69.43 per cent to a mere 20 per cent.

14. The Agency is thus confronted with major challenges with respect to the maintenance and quality of the institutions that it has developed for the services it provides for the refugees. The financial situation requires concerted steps by donor countries to establish reliable foundations for the Agency's needs, whereby the structural deficits in its budget can be eliminated, and a sound basis found for its future financial viability. These steps would bring an end to the end-of-financial-year crises that the Agency has had to cope with over recent years. The preservation and further strengthening of the Agency's recognized capacity to deal with humanitarian emergencies is essential for the provision of adequate services for the refugees. This capacity will wither away in the absence of the required financial resources.

15. The external environment in which the Agency has had to carry out its operations during the reporting period underwent unexpected and drastic changes with serious implications for the Agency's current and future activities. Whereas the expectations from developments in the preceding year and in the period coming up to September 2000 centred on developments in the peace process, the months that have followed witnessed an abrupt end to the hopes that had arisen. Instead of focusing on the implications of the results of possible success in the peace process in the context of the refugee issue for the future of the Agency, there emerged an immediate need to marshal all the Agency's resources to respond to the humanitarian emergency that arose after September. The violence, the closures and the imposition of restraints on movements by the Israeli authorities within Gaza and the West Bank created a number of obstacles that impaired the ability of the Agency to run its humanitarian operations smoothly and without interference. Agency staff, especially area staff, were frequently delayed or prevented from arriving at their workplaces because of delays at Israeli checkpoints. The movement of UNRWA trucks between the West Bank and Gaza carrying essential humanitarian cargoes has had to be suspended because of search procedures imposed by Israeli authorities that are inconsistent with the 1946 Convention on the Privileges and Immunities of the United Nations and the 1967 bilateral Comay-

Michelmores Agreement between the Agency and the Government of Israel as also the international norms on the issue of humanitarian access (see chapter IV). As part of the programme developed by the Agency to deal with the current emergency, the Agency introduced an operational support officers programme that is designed to assist, to the extent possible, in alleviating the adverse effects the restrictions were having on the provision of humanitarian services. This programme has been particularly effective in the West Bank in facilitating access of Agency personnel, vehicles and commodities.

16. While the Agency's financial constraints have tended to necessitate attention to short-term priorities, the Agency has nevertheless persisted with its long-term reform programme. Since its inception, UNRWA has continuously adapted to the rapidly changing political environment in the region as it catered to the needs of Palestine refugees. As part of its organizational and operational evolution, the Agency shifted gears from the early works activities to relief operations, and now to the more comprehensive human resource development programme. The current phase of the reform process may be traced back to 1996. It focuses on improvement in the efficiency and effectiveness of the management of the Agency's resources, the development of an open management culture, the strengthening of its strategic planning capabilities, expansion and improvement in the Agency's relations with donor countries, host countries and the agencies and programmes of the United Nations system, and increased responsiveness, effectiveness and efficiency of the Agency's operations in providing services for the refugees against the background of changing socio-political conditions.

17. To improve external outreach, greater emphasis has been placed on expanding donor country relations, and in this context a new UNRWA liaison office has been established in Geneva, with extrabudgetary funds provided by the Government of Switzerland. The new office will help enhance the Agency's access to its European donor countries, as well as the United Nations agencies and programmes and diplomatic missions based in Geneva.

18. In the context of the current emergency, UNRWA has further strengthened its cooperation with other United Nations agencies and programmes as well as with NGOs, including the International Committee of the Red Cross, working in the region. UNRWA also

participates in the sectoral working groups that have been established to improve coordination in Gaza and the West Bank.

19. Closer cooperation with the Governments of the host countries, that is, Jordan, Lebanon and the Syrian Arab Republic, and with the Palestinian Authority are an essential feature of UNRWA efforts to improve effectiveness and efficiency. This includes coordination and exchange of views by the Commissioner-General on a continuous basis with the leadership in the host countries and of the PLO and the Palestinian Authority. At the same time, liaison is maintained with Israeli authorities, particularly the Israeli Ministry of Foreign Affairs, on issues such as humanitarian access, movement of Agency goods, personnel and vehicles.

20. The Agency has also been making additional efforts within existing resources to strengthen its public information and communications activities. To start with, there is an enhanced emphasis on information sharing between field and headquarters information offices, encouragement of public information officers to act as local spokespersons in the fields, and keeping a close watch on media reports to ensure a quick response from the Agency to inaccurate reports about the Agency's operations. Media visits to UNRWA installations in the Gaza Strip and the West Bank have been encouraged and interviews with the Commissioner-General have received coverage in the major international broadcasting networks such as CNN, BBC and Al Jazeera. The UNRWA web site has been greatly improved and an Arabic web site, a news section, audio-visual material and an online bilingual staff letter have been introduced. Accesses have increased significantly from 66,000 in June 2000 to 146,000 in May 2001. Plans are in hand to develop closer cooperation with the United Nations Department of Public Information, especially with the radio programme and in video production. The Agency's communications targets are the refugee population, the host countries and the broader international audience, especially the major donor countries. Not least among the audience is the Agency's large staff, whose members are important re-disseminators of information in the refugee community. An important medium for this is a staff newsletter that is published in Arabic as its original language.

21. The Agency's internal management reforms have focused on improvements in efficiency and effectiveness of its resource management. An

important project is the introduction of a new finance, payroll and human resources system. This has been made possible by donor funded extrabudgetary assistance. The new financial system is expected to improve financial control and help attain a higher level of accountability and transparency across all field operations. The new payroll system will minimize manual payroll processing (reducing paperwork, time spent and personnel costs), increase on-time accessibility of information through an electronic database and remove payroll anomalies by simplifying the system. It is expected that, after the testing phase is completed, the Vienna payroll office may be closed by the end of 2001, further reducing costs. The new system will also integrate human resource-focused reforms, such as training, career development planning and an employee database.

22. The Agency's reforms with respect to the presentation and format of its budget were initiated when the 2000-2001 budget was presented to the General Assembly. The new format was programme-based and results-oriented and specified the objectives, targets and accomplishments of each substantive Agency programme. UNRWA has sought to continue the process of improvement in the formulation of its budget for the 2002-2003 biennium. Thus, a mid-term review has revealed the need for further training on performance evaluation to produce an analysis going beyond expenditures. Furthermore, key performance indicators have been introduced to enable all departments to monitor their programmes and to undertake a substantial review of budget goals.

23. The Agency enhanced the role of its Audit Office by converting the office into the Audit and Inspection Department in the reporting period. The Director of the new department was appointed Secretary of the Audit Committee chaired by the Deputy Commissioner-General. The new department will implement, among other things, a new policy on treatment of allegations and complaints and will recruit additional audit staff, and help increase awareness of and responsiveness to audit recommendations.

24. Administration and human resources reforms will include efforts to shorten the lengthy procedures for recruitment, and in the current critical situation, greater use of short-term contracts to speed recruitment and save administrative and personnel costs. Streamlining of allowances is a project that is expected to be completed by the end of 2001. It should ease the task

of administration of allowances and thereby reduce processing time and costs.

25. The Agency also established a new Department of Operational and Technical Services through the restructuring and redeployment of existing units. The new department, which merges three divisions, is expected to bring related activities to a one-stop service centre, improving efficiency and consultation within the department and thereby reducing administrative costs. A new satellite-wide area network (SWAN) has been introduced under the management of the new department. This new satellite-based system was officially launched on 14 February 2001. The system is expected to increase the efficiency, security and reliability of communications, provide international access outside local servers, improve headquarters — field phone, fax and email communications, and enhance dissemination of information through intranet and Internet communications. Furthermore, an existing procurement system introduced in 1993 has proved to be weak in logistics and inventory. A number of options to improve or replace the system are under consideration.

26. The reform process in major UNRWA programmes is centred around a number of initiatives. In the field of education, a five-year development plan has been initiated. It has been developed with the assistance of consultancies funded with donor country assistance. A computer information technology initiative, encompassing new facilities, courses and staff training in technology, managerial skills and teaching methods at UNRWA schools and training centres has helped upgrade technical training and management practices at the eight vocational training centres. A donor-funded project on tolerance, conflict resolution and basic human rights was started in June 2000, and an education management information system involving a database to assist planners and decision makers to use and analyse statistical information from the education programme has been introduced.

27. In the health programme, the focus is on improving quality of care and increasing productivity by developing technical guidelines and standard management protocols, and promotion of in-service training to improve staff performance. In addition, steps have been taken to enhance institutional capacity-building in epidemiology and reproductive health, adoption of a total quality management approach and

utilization of appropriate information technology. These activities have been undertaken in collaboration with the Centers for Disease Control and Prevention in Atlanta, Georgia, United States of America. Assistance is also being sought from the World Health Organization, especially in the area of surveillance and management of non-communicable diseases, whose incidence is on the rise owing to changes in lifestyle and increases in life expectancy. Two health educational programmes on the prevention of tobacco use, and prevention of HIV/AIDS introduced in earlier years were developed into self-learning material and implemented as multidisciplinary activities targeting adolescents and school children.

28. In the relief and social services programme, the stress is on a community development approach. To this end, relief service instructions have been revised and staff members have been trained in their use and a software package for a "field social study" system to track and computerize the records of special hardship cases has been developed. A paymaster system in all fields to ensure simultaneous receipt of food and cash assistance has been finalized. Moreover, almost all community-based organizations have been handed over to local communities to promote self-help.

29. The microfinance and microenterprise programme has been introduced to the West Bank after its success in Gaza. It is expected that, in due course, if external factors permit, the programme could reach a level of 20,000 business loans amounting to an investment of \$20 million annually. Further expansion is planned into Jordan and the Syrian Arab Republic on the basis of positive results obtained in an assessment study.

30. The Agency has sought to improve planning and analysis capacity at headquarters by strengthening its Policy Analysis Unit. Stress is being laid on responsive analyses of the developing political situation affecting the refugees and the Agency, particularly in the current difficult circumstances. This involves data collection and generation, long-term strategic planning, analytical reporting and daily assessments of the situation. These socio-economic and political analyses have gained in quality as the in-house regional and linguistic capacity of the Unit's staff has been improved. A number of internal analytical papers on issues that have a direct impact on the refugees and the Agency have been of great assistance in policy formulation. The Unit has been encouraged to further develop its analytical grasp

of all the issues involved in the complex environment in which the Agency operates, in order to enable management to respond quickly and effectively to changing needs and demands as the situation evolves.

31. The Agency's operations have been sustained over the past five decades with the generous assistance of its major donor countries, as well as its host countries. Over the reporting period, the Agency has continued to receive the strong support of the Governments of Jordan, Lebanon and the Syrian Arab Republic, and continues to enjoy the warm hospitality of their citizens. The Agency has also received strong support from the Palestinian Authority in conducting its operations. Chapters V to IX of the present report provide detailed information on how the Agency has been carrying out its mandate in its five fields.

32. The living conditions of the refugees in Gaza and the West Bank have been severely affected by the violence and by the Israeli closures and other restrictive measures against the Palestinian population. The impact of these measures and the Agency's response have been described in previous paragraphs and are also described in chapters II and IV.

33. The largest number of Palestine refugees reside in Jordan. The majority of them enjoy full Jordanian citizenship and are able to serve in government services and have access to government institutions and developmental and other assistance. The Government has reported expenditures amounting to \$392.1 million on behalf of Palestine refugees and displaced persons during the reporting period. This covers services such as education, rent and utilities, subsidies and rations, camp services, health care, public security and social services. The Agency's regular budget allocation for 2001 for the Jordan field is \$71.6 million; it was \$70.7 million in 2000.

34. Palestine refugees in Lebanon are among the most disadvantaged in any field. They have only limited access to government services and have to depend almost entirely on the Agency for basic education, health and relief and social services. Lebanese authorities continued to prohibit construction in certain refugee camps, and in others entry of construction materials continued to be subject to military approval, which was not always granted. Palestine refugees in Lebanon suffer from poor living and housing conditions, restrictions on mobility and high rates of unemployment. The UNRWA regular

budget allocation for the Lebanon field was \$41.2 million in 2001 and \$46.6 million in 2000.

35. Palestine refugees in the Syrian Arab Republic continued to have full access to government services. These included education, health and other services. The Government reported expenditures on behalf of the refugees at the level of \$68.4 million during the reporting period. These covered education, health, housing, utilities, security, supply costs and social services. The Agency's 2001 budget allocation for the Syrian field was \$21.9 million; it was \$21.7 million in 2000.

36. UNRWA maintained close cooperation with a number of United Nations agencies, including the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), and the World Health Organization (WHO). The Agency also cooperated with local and international non-governmental organizations in its five fields of operation. In order to fulfil the responsibilities of the United Nations Designated Official for the overall security and protection of United Nations staff and family members in Israel, the West Bank and the Gaza Strip, UNRWA maintained contacts with the United Nations Truce Supervision Organization (UNTSO). UNRWA also continued to participate in the multilateral aid coordination structures for the West Bank and the Gaza Strip, facilitated by the Office of the United Nations Special Coordinator for the Middle East Peace Process and the Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority.

37. UNRWA entered the fifty-first year of its operations in 2001. Its current mandate expires on 30 June 2002. The Agency has, over the decades, come to represent the symbol of the international community's commitment to the well-being of the Palestine refugees until a just settlement of the refugee problem is achieved. The maintenance of the quality and extent of the services of the Agency to the refugees is essential in the interest of the international community's humanitarian commitment and its interest in regional stability.

Chapter II General developments in Agency programmes

A. Education

38. *Objectives.* The Agency's education programme has aimed to equip Palestine refugees with the requisite basic knowledge and skills needed to become productive members of their community, in accordance with their identity and cultural heritage. It has sought to foster awareness among Palestine refugees of the need for interdependence and tolerance towards differences among individuals and groups, and to prepare them to encounter and adjust efficiently to the multifaceted challenges and uncertainties of the rapidly changing world as also to compete successfully at higher levels of education and in the job market. The Department of Education fulfilled this mission through its four main subprogrammes: general education; teacher education; vocational and technical education, and education planning and management.

39. *Elementary and preparatory schooling.* The UNRWA basic education programme consisted of a six-year elementary cycle and a three-year or four-year preparatory cycle, depending on the education systems of the host authorities. A total of 474,742 pupils in the 2000/01 school year were accommodated in 634 UNRWA schools in the five fields of operation (see annex I, table 4). Total enrolment increased by 1.67 per cent, or 7,787 pupils, over the 1999/00 school year. This growth, however, was not evenly distributed; Gaza continued to have rapid growth (4.8 per cent), the West Bank had moderate growth (3.5 per cent), Lebanon had no increase, the Syrian Arab Republic registered marginal growth (0.4 per cent) and Jordan registered a negative growth (-1.7 per cent). The principal reason for the increase in enrolment is the natural growth in the refugee population, though other factors were also at work, including the movement of Palestinian families within the areas of operation, particularly from Jordan to Gaza and the West Bank; the transfer of refugee pupils from Agency schools to government schools (Jordan); and the transfer of refugee pupils from tuition-based private schools to Agency schools (Lebanon). The Jordan and Gaza fields each accounted for approximately one third of total Agency pupil enrolment, while the other three fields together accounted for the remaining third. The

UNRWA school system continued to maintain full gender equity with 50 per cent of pupils being female. Under existing exchange agreements between UNRWA and the host authorities to provide schooling for pupils in remote areas, 191,602 refugee pupils were reportedly enrolled at government and private schools at the elementary and preparatory levels. A total of 39,437 non-refugee pupils attended UNRWA schools at the elementary and preparatory levels.

40. *Secondary schooling.* UNRWA offered secondary-level education on a limited scale in the Lebanon field only in order to address the low access of Palestine refugees to government schools, and the prohibitively high cost of private schools. The five secondary schools in the Burj El-Barajneh, Ein El-Hilweh, Rashidieh, Baddawi and Wavel camps accommodated a total of 2,474 pupils during 2000/01 school year. According to Agency estimates, around 54,947 refugee students in all fields were studying at government and private secondary schools.

41. *Education infrastructure.* The increasing enrolment and the need to accommodate new school entrants coupled with the drive towards improving the learning environment has placed continuous demands on maintaining and upgrading the UNRWA education infrastructure. Despite significant results accomplished during the reporting period, enrolment growth exceeded the capacity of Agency schools. Between the 1993/94 and 2000/01 school years, the number of school buildings increased by 0.5 per cent while the number of schools decreased by 0.16 per cent, whereas the total enrolment increased by 19.7 per cent. Overcrowding within the Agency's education system continued, with the average classroom occupancy remaining at 44 pupils in the 2000/01 school year. Occupancy was highest in Gaza at 50 and lowest in the West Bank at 39. Since many UNRWA schools were constructed in the 1960s, they have become dilapidated beyond repair, a problem exacerbated by the lack of sufficient maintenance funds, particularly in the Gaza field. The Agency sought to address the shortcomings by obtaining project funding for the improvement and expansion of its education infrastructure. The number of UNRWA schools dropped from 640 in 1999/00 to 639 in 2000/01 through building larger schools. Newly constructed schools were provided with adequate classroom sizes, science laboratories, libraries, computer laboratories and playgrounds. The newly constructed schools helped to reduce running costs and

helped to provide a better educational environment for Palestine refugee children. During the reporting period, the Agency completed the construction of two school buildings, 20 additional classrooms (to avoid triple shifting and to replace unsafe/dilapidated classrooms), three rooms equipped for specialized activities, five toilet blocks and three water tanks. Still under construction are 12 school buildings, 39 classrooms and 8 specialized rooms.

42. *Double shifting.* As enrolment exceeded the existing school infrastructure and new construction could not keep pace with new school entrants due to the Agency's financial constraints, UNRWA had to resort to operating schools on a double shift basis — that is, housing two separately administered schools in a single building. UNRWA had hoped to reduce the number of schools operating on a double shift basis but despite the expanded programme of school construction under the Peace Implementation Programme (PIP) since 1993, there was no significant improvement in the rate of double shifting between the 1992/93 school year (75 per cent) and the 2000/01 school year (74.96 per cent). UNRWA is continuing the policy of considering double shifting as a major planning assumption for budgetary purposes so as to avoid triple shifting. The latter would reduce teaching time, exclude extracurricular activities and increase maintenance costs.

43. *Rented schools.* The Agency has in the past rented premises to house some of its schools, mostly outside refugee camps. Such rented buildings generally lacked adequate classroom space, proper lighting and ventilation and space for other curricular and extracurricular facilities. The situation resulted in cramped conditions for pupils and staff and increased costs by limiting the number of pupils that could be accommodated in each classroom. In the 2000/01 school year, the classroom occupancy at rented schools averaged 32, compared with 45 at Agency-built schools. UNRWA had aimed to replace all rented school premises with Agency-built schools, subject to the availability of project funding and appropriate plots of land. Through project funding, the Agency managed to reduce the number of rented premises from 94 in the 1993/94 school year to 78 in 2000/01. Those 78 rented premises housed 109 schools, with the Lebanon and Jordan fields having the largest numbers of such schools.

44. *Education reform by host authorities.* The Agency's education programme continued to adhere to the education systems of the host authorities, necessitating the introduction of changes to UNRWA school curricula when such changes were effected in the schools of the host authorities. The extension of the basic education cycle in the West Bank and Gaza Strip from 9 to 10 years was the most significant of such changes, which the Agency could not carry out owing to financial constraints; however, the Palestinian Authority accommodated the tenth grade students in its schools. A new Palestinian curriculum was introduced in 2000/01, for first and sixth grades, to replace the Jordanian curriculum in the West Bank and the Egyptian curriculum in the Gaza Strip. In the Syrian Arab Republic, a new study plan and new curricula and textbooks for the elementary and preparatory cycles were gradually introduced. In Lebanon, a new education system and new curricula and textbooks for elementary, preparatory and secondary cycles were introduced in 1998/99. Agency schools were provided with all new textbooks, and teachers were trained in the curricular changes. In Jordan, computer science was introduced in the preparatory cycle in the eighth, ninth and tenth grades. UNRWA introduced computer science only in the tenth grade, owing to budget constraints. In addition, English language instruction was introduced in Jordan for the first and second grades in the 2000/01 school year, and the new curricula were implemented in all first and second grades in Agency schools.

45. *Remedial and special education.* The Agency's remedial and special education services are geared for maintaining achievement levels and enabling slow-learning students and pupils with learning difficulties to benefit fully from the Agency's basic education services. Such measures for pupils included remedial classes, voluntary extra class periods, audio-visual programmes, curriculum enrichment materials and self-learning kits. In the 2000/01 school year, those activities benefited 650 slow learners, 3,253 pupils classified as remedial cases, six blind children, 76 deaf children and one mute child. In the absence of sustained project funding for special education, the Agency explored ways to provide assistance for all children with learning difficulties at no additional cost by utilizing the Agency's available resources and expertise.

46. *School councils.* School councils were in operation at all Agency schools, with each council consisting of 10 members: the head teacher (chairperson), three teachers, three members selected from the local community and three students. The councils maintained cooperation between the schools and the local community, promoted the role of the school within the local environment, and made optimal use of the resources of both the school and the local community.

47. *Vocational and technical training.* Total enrolment in the eight UNRWA vocational and technical training centres in the five fields of operation was 4,700 in the 2000/01 school year, a marginal decrease over the previous year. At the post-preparatory level and at the post-secondary level, 22 two-year vocational training courses were offered, and 29 two-year technical/semi-professional courses were offered to trainees in a variety of technical, paramedical and commercial skills. Women accounted for 65.2 per cent of all trainees enrolled in technical/semi-professional courses in 2000/01. Courses varied from centre to centre, according to the needs of local labour markets and the availability of training opportunities at other institutions. Owing to financial constraints, the Agency was unable to introduce new courses or expand the capacity of the existing ones except through deleting old courses. Besides the two-year training courses, Agency training centres in Jordan, the West Bank and Gaza offered short-term training courses of up to 16 weeks' duration, organized on an ad hoc basis in cooperation with non-governmental organizations or the Palestinian Authority. During the 2000/01 school year, 527 trainees were enrolled in 23 such courses offering training in a wide variety of disciplines. The Agency's surveys indicated that 79.3 per cent of the 1999 graduates of its training centres were employed by 2000. The establishment of computer centres at all training centres was completed with project funding.

48. *Training courses.* The eight UNRWA training centres offered 22 trade courses and 29 technical/semi-professional courses. To make the technical and vocational education and training subprogrammes more relevant and responsive to labour market demands and to strengthen links with industry and employing agencies, the UNRWA advisory team at the headquarters level and consultative committees and field service units at the field level developed and

updated the technical and vocational education and training department programmes according to the latest technological developments.

49. *Education sciences faculties.* The three branches of the educational science faculties in Jordan and the West Bank continued to provide pre-service and in-service teacher training leading to a first-level university degree, as part of a process of upgrading the qualifications of Agency teaching staff to meet the revised standards set by Jordan and the Palestinian Authority. The four-year pre-service programme that granted university-level degrees was offered to 977 secondary school graduates, including 730 women. The three-year in-service programme was offered at the Amman training centre to 203 UNRWA teachers holding two-year teacher-training diplomas, of whom 139 were women, with the objective of helping them upgrade their qualifications to a first-university degree level in accordance with the requirements of the Government of Jordan. During the reporting period, 191 students graduated from the pre-service programme and 196 from the in-service programme. Of the 194 pre-service graduates in 1998/99, 151 were recruited by the Agency in 1999/00.

50. *Institute of education.* UNRWA provided in-service training through the UNRWA/UNESCO Institute of Education to promote and improve the professional competencies of Agency teachers, head teachers and school supervisors. The training was implemented in cooperation with the five education development centres. In 2000/01, the total number of teachers, head teachers and school supervisors enrolled in in-service training in the five fields was 938, of whom 538 were undergoing courses from one to two years' duration, while the remaining 400 trainees were new teachers appointed according to UNRWA area staff rules or converted from contract teachers. Activities related to in-service training included planning, organizing and preparing training programmes and instructional materials.

51. *University scholarships.* Budgetary constraints forced the Agency to discontinue its contribution from the general budget to the scholarship subprogramme since 1997/98. However, the Agency continued with project funding to support some scholars until they graduated. In 1999/00, 224 scholars graduated and 18 failed their studies; the number of continuing scholars was 431, of whom 189 were women. Scholars were studying in 31 universities in 11 countries in the

Middle East. The main areas of study pursued by scholarship recipients were engineering (30 per cent), medicine (37 per cent), pharmacy (18 per cent) and dentistry (10 per cent), with other specializations accounting for the remaining 5 per cent. The scholarship awards ranged in value from \$200 to \$1,000 per year, depending on university tuition rates.

52. *Placement and career guidance.* The Agency offered placement and career guidance services to Palestine refugee graduates of Agency training centres and other educational institutions to facilitate their employment. Such counselling services were offered to pupils in the Agency's preparatory schools and government secondary schools, to acquaint them with the training courses available at the Agency's training centres. The Agency continued to follow up on the employability of its graduates and their career performance after the initial period of employment. Of the 2,120 graduates from UNRWA vocational training centres in 1998/99, 1,682 or 79.3 per cent were employed in 2000. The Agency's placement and career guidance office facilitated the work of employers' recruiting teams, helped match candidates with vacancies, and made candidates aware of available job opportunities. UNRWA also carried out periodic surveys of market demand to achieve a better match between training courses and job requirements.

53. *Programme budget and administration.* The education programme remained the largest single area of activity in the Agency, with 16,246 education staff members (including teachers, head teachers, school supervisors and administrative staff), representing 72 per cent of all Agency staff, while the programme budget of \$161,721,000 for 2000 amounted to 53.7 per cent of the total Agency budget. Actual expenditure for 2000 was \$163,434,000 representing 58.2 per cent of total Agency expenditure. In all fields except Gaza, nominal contributions at prescribed rates were collected from pupils and trainees on a voluntary basis to improve facilities and equipment in schools and training centres. Overall contributions collected in 2000/01 amounted to \$1,328,568. Other forms of community support for the education programme included donations of equipment, furniture, photocopiers, tape recorders, videos, overhead projectors, personal computers, printers and other equipment and supplies.

54. *Special projects.* The computer information technology initiative for vocational training centres

continued successfully and resulted in the upgrading of the technical training and management practices at the eight UNRWA vocational training centres. During the reporting year, activities focused on expanding computer-training opportunities at all training centres.

55. *Teaching tolerance and conflict resolution.* In December 1999, the Agency began a project with donor funding aimed at further strengthening and supporting UNRWA efforts to promote concepts and principles of basic human rights, to raise awareness of the importance of tolerance and to train Palestine refugee children and youth in non-violent means of conflict resolution, including the promotion of peer mediation techniques (in the West Bank and Gaza fields). An action implementation plan was prepared for the purpose that entailed analysis of prescribed curricula and in view of such analysis, supplementary and enrichment materials were prepared for use in actual classroom situations. Three children's stories addressing human rights issues were published and distributed in the Agency schools. Illustrated reference materials for head teachers and teachers on human rights issues were also prepared. The training of concerned West Bank and Gaza Strip staff members on the utilization of such materials has been disrupted owing to the current conditions.

56. *Impact of funding shortfalls.* Funding shortfalls have most directly impacted on the programme's ability to expand at a rate commensurate with growth in the beneficiary population, resulting in reduced teacher/pupil interaction, higher workloads for teaching and supervisory staff, and difficulties in hiring qualified teachers at the new salary scales. Financial constraints also limited the Agency's attempt to keep up with educational reforms introduced by host authorities, which would widen the gap between the education systems of UNRWA and the host authorities and undermine ongoing harmonization efforts. Other funding shortfalls affecting the education programme included a reduction in maintenance allocations and cuts in allocations for vocational training equipment and supplies.

57. *Cooperation with the host authorities.* The basic UNRWA education programme continued to follow the host authorities' education systems. Senior Agency education staff members in all fields continued to participate in major educational development activities of host authorities.

58. *Cooperation with UNESCO, UNICEF, JICA and the League of Arab States.* The UNRWA education programme was run in cooperation with UNESCO, which has funded seven senior managerial and technical posts at UNRWA, including Director of Education. Three of the managers held international posts funded by UNESCO on a non-reimbursable loan basis, and four occupied area posts whose costs were covered by UNESCO. Upon the request of UNICEF, the UNRWA Department of Education organized and conducted a four-week in-service training course for elementary school supervisors in Erbil, northern Iraq, in October 2000. In 2000, the Japanese International Cooperation Agency (JICA) awarded 12 fellowships for UNRWA technical and vocational staff. The 10th annual joint meeting of UNRWA and the League of Arab States' Council on Education for the Children of Palestine was held in Cairo in January 2001. The Council welcomed the Agency's efforts in providing education services for Palestine refugee children and youth, despite financial constraints.

B. Health

59. *Objectives.* The mission of the UNRWA health programme is to protect, preserve and promote the health status of Palestine refugees and meet their basic health needs, consistent with basic WHO principles and concepts and with the standards of the public sector health services in the region. The Agency's strategic approach to health focuses on preserving the sustainable investment achieved in primary health care, improving the quality of essential health services provided for Palestine refugees within the financial means available, and streamlining health policies and service standards with those of host Governments and the Palestinian Authority. Programme priorities during the biennium 2000-2001 will continue to be focused on sustaining and improving primary health care services, with special emphasis on maternal and child health and disease surveillance and control; achieving further progress in implementing cost-efficiency measures through the use of appropriate technology, such as mechanization of refuse collection and disposal equipment to reduce recurrent staff costs; enhancing the process of institutional capacity-building in order to improve staff performance up to defined standards and make optimal use of the limited financial and human resources available to the programme; and improving environmental health infrastructure in refugee camps in

the sub-sectors of water, sewerage and drainage, and solid waste management through project funding.

60. *Health status.* The demographic and epidemiological profile of Palestine refugees today resembles that of many populations whose health status is in transition from a developing to a developed stage. As such, it has much in common with both. While vaccine-preventable diseases were well under control, the prevalence of vehicle-borne and vector-borne infections is still high and morbidity and mortality from chronic non-communicable diseases, such as diabetes mellitus and hypertension, is on the increase. Fatal diseases, such as malaria, syphilis and neonatal tetanus, were eliminated long ago and no cases of poliomyelitis has been reported among refugees since 1993. In addition, UNRWA operates in an area of very low prevalence of HIV/AIDS. Women of reproductive age and children below 15 years of age constitute approximately 58 per cent of the population. Crude birth rates are as high as 36 per 1,000 population in the Gaza Strip, 34 in the West Bank and approximately 33 in other fields. The total fertility rate is estimated at 3.5, with the highest rate of 4.4 in the Gaza Strip. The mean marital age is 19.7 years Agency-wide with more than 36 per cent of refugee girls in the Gaza Strip married at or before 18 years of age. Birth intervals are generally short, with 22 per cent of women in the West Bank having birth intervals of less than 18 months. Infant mortality rates are far below the WHO target of 50 deaths 1,000 live births for developing countries by the year 2000, two thirds of which fall within the neonatal period. Approximately 50 per cent of children below three years of age and one third of women of reproductive age still suffer from moderate to mild levels of iron-deficiency anaemia and more than 10 per cent of women receiving antenatal care at UNRWA clinics are classified in the high risk category.

61. *Primary care.* The UNRWA health care programme remained focused on comprehensive primary health care, including a full range of maternal and child health and family planning services; school health services, health education and promotion activities; outpatient medical care services; prevention and control of communicable diseases and of non-communicable diseases, and specialist care with emphasis on gynaecology and obstetrics, paediatrics and cardiology. These services were complemented by dental and basic support services, such as radiology and laboratory facilities (see annex I, table 6). During

the reporting period, Agency outpatient facilities handled 6.1 million medical and 500,000 dental visits, as well as 1.1 million visits for nursing services such as dressings and injections. Essential medical supplies and rehabilitation of physical disabilities were also provided within the framework of the primary health care programme. The workload at UNRWA general clinics continued to be high with an average of 100 medical consultations per doctor per day Agency-wide and as high as 109 in the Gaza Strip.

62. *Family health.* Family health continued to be emphasized as an integral part of the UNRWA regular health programme. During the reporting period, UNRWA primary health care facilities cared for 213,289 children below the age of three years, representing approximately 6 per cent of the registered refugee population, and some 74,028 pregnant women, who accounted for approximately 54 per cent of expected pregnancies among refugee women of reproductive age on the basis of current crude birth rates. Over 19,745 family planning acceptors were registered during the reporting period, bringing the total number of women using the Agency's family planning services to more than 82,393. The highest coverage rates of family health services were obtained in the Gaza Strip owing to the ease of access of refugees to UNRWA facilities. The family health programme continued to emphasize cost-effective investments in the development of human resources to improve the quality of care. The Agency continued to implement its system of maternal death surveillance to help reduce maternal mortality from preventable causes. Performance indicators were developed and applied to measure progress in the coverage and quality of antenatal, post-natal and family planning services. In addition, the Agency provided intra-partum care through six maternity units integrated within its largest health centres in the Gaza Strip as well as by supporting hospital deliveries of high-risk pregnancies in all fields. Overall, 97 per cent of reported deliveries were attended by trained personnel and 98 per cent of pregnant women served by UNRWA were immunized against tetanus. As part of research to assess the effectiveness of its family planning services, the Agency conducted studies to assess the current contraceptive practices among women of reproductive age using UNRWA primary health care facilities. At national, regional and international meetings sponsored by WHO and other health organizations, the Agency's field experience in reproductive and family health

continued to be acknowledged as a major asset in developing appropriate intervention strategies to improve standards of care throughout the region. UNRWA provided consultancy services for the integration of reproductive health into the primary health care services in the occupied Palestinian territory. Funded by UNFPA and implemented in collaboration with the Emergency Humanitarian Aid Division, WHO, outputs of the consultancy comprised training of a core group of trainers from the Ministry of Health, UNRWA and NGOs and preparation of a manual on reproductive health counselling.

63. *Disease prevention and control.* UNRWA has made special efforts to maintain and further develop an effective programme of disease prevention and control. Activities included the control of vaccine-preventable diseases, the prevention of vector and vehicle-borne infections, the prevention of newly emerging infectious diseases, such as HIV/AIDS; the control of re-emerging infectious diseases, such as tuberculosis; and the prevention and control of non-communicable diseases associated with lifestyles, such as diabetes mellitus and hypertension (see annex I, table 7). To that end, the Agency maintained optimal immunization coverage against the vaccine-preventable diseases, participating in two rounds of national immunization campaigns for the eradication of poliomyelitis implemented during the reporting period in Jordan, Lebanon and the Syrian Arab Republic, in the context of a WHO regional strategy in coordination with local health authorities. UNRWA immunized a total of 115,102 refugee children under five during the two rounds. The Agency took steps to reinforce its system of surveillance of communicable diseases, including vaccine-preventable diseases. Special emphasis was placed on strengthening tuberculosis surveillance and control measures, and coordinating them with those of public health authorities throughout the area of operations, based on the directly observed short-course treatment strategy. Special care, comprising management of diabetes mellitus and hypertension, was provided through all Agency health centres, benefiting 88,267 patients during the reporting period. The technical guidelines and standard management protocols were revised consistent with recent WHO strategies and approaches. Special attention continued to be paid to the early detection and management of micro-nutrient disorders, especially iron-deficiency anaemia, which was still highly prevalent among pre-school children and women of reproductive age.

64. *Health education.* UNRWA continued to implement a wide range of health education activities aimed at promoting healthy lifestyles and raising public awareness within the refugee community. Counselling sessions and audio-visual programmes were offered on a continuing basis for health centre attendees. School children were targeted through planned activities organized by a health tutor in each Agency school, and community health education campaigns were organized on an occasional basis, mainly in camps. In addition, all international health days, such as World Health Day, World No Tobacco Day and World AIDS Day, were marked by activities organized at Agency installations inside and outside camps and at the community level. Meanwhile, the two health educational programmes on prevention of tobacco use and prevention of HIV/AIDS, which had been introduced in previous years, were developed into self-learning material and implemented as multidisciplinary activities targeting adolescents and school children. In addition, "pilot healthy camp" projects were carried out in Jordan, the West Bank and the Syrian Arab Republic to achieve the widest possible community mobilization to advocate water conservation, mass clean-up campaigns and other environmental protection measures.

65. *Secondary care.* UNRWA provided assistance towards secondary care for Palestine refugees through the partial reimbursement of costs incurred for treatment at government or NGO hospitals and/or through contractual agreements with NGO or private hospitals, depending on the field of operation. Secondary care was also provided directly by the Agency at one facility in the West Bank, the 43-bed Qalqilia hospital. During the reporting period, 50,078 patients benefited from UNRWA assistance and utilized 135,396 hospital days. Funding shortfalls continued to threaten the sustainability of hospitalization services, making the effective management of scarce resources a top priority. The stricter referral criteria and standard 25 per cent co-payment rate introduced in previous years were accordingly maintained. Hospitalization services in Lebanon could only be maintained at the current level through extrabudgetary contributions, as well as by redeployment of funds from other programmes/fields. Given the severe strain under which the hospitalization programme was functioning, several measures were taken to achieve cost-efficiency gains which helped to sustain essential services by

redeployment of beds from private to non-profit NGO hospitals.

66. *Capacity-building.* The Agency continued to emphasize the development of human resources for health through basic, in-service and postgraduate training as a key element to improving programme efficiency and the quality of care. Continuing in-service training was directed at upgrading staff skills to defined standards. Such training focused on implementation of approved health strategies and standard management protocols in family health, reproductive health counselling, disease prevention and control, laboratory techniques, management information systems and total quality management. Postgraduate training in public health continued to be encouraged at local universities. The Agency continued to seek all possible means to maintain essential services within the scarce human and financial resources available. To that end, the Agency pursued a capacity-building programme funded by the United States for enhancing the skills and capabilities of health personnel at all levels developed and implemented in collaboration with the WHO Collaborating Centre at the Centers for Disease Control and Prevention in Atlanta. For the fourth year running, programme managers from the five UNRWA fields of operation participated in training workshops on epidemiology and total quality management organized in collaboration with the Centers for Disease Control and Prevention. The programme also focused on the development of research projects in maternal health, non-communicable diseases and quality improvements designed by field teams; enhancing computer skills for epidemiological applications; and upgrading the managerial skills of staff members and developing appropriate training material for the staff at the service delivery level. The ultimate objectives of that comprehensive programme were to establish a core team of trainer-of-trainers who could ensure the sustainability of the programme by transferring the acquired knowledge and skills to other staff members; assess the appropriateness and relevance of the various programme components and introduce adjustments to increase the efficiency and cost-effectiveness of the Agency's health care system. These activities were complemented by a comprehensive review of the health information system currently ongoing in collaboration with the Centers for Disease Control and Prevention with the aim of improving the process of monitoring and evaluating programme activities and the selection

of appropriate interventions based on identified needs and priorities.

67. *Health infrastructure.* The UNRWA primary health care services were provided through a network of 122 facilities located in and outside the refugee camps. With special funding received mainly from project funds, UNRWA continued to rehabilitate or replace health facilities that had deteriorated beyond the point of economical repair owing to lack of funds for preventive maintenance in previous years. The Agency sought additional contributions to cover the cost of replacing several health facilities in unsatisfactory premises and to rehabilitate others. Construction, upgrading and equipping primary health care facilities helped to improve service standards and patient flow, with marked impact on the quality of care, partially offsetting the negative effects of funding shortfall under the regular budget. During the reporting period, works were completed/under way for replacement, expansion or renovation of 12 primary health care facilities throughout the Agency's area of operations through project funding.

68. *Environmental health.* Approximately 1.2 million Palestine refugees in 59 official camps in the five fields of operation, representing 32 per cent of the total registered population, benefited from environmental health services provided by UNRWA in cooperation with local municipalities. Services included sewage disposal, the management of storm water run-off, the provision of safe drinking water, the collection and disposal of refuse and the control of insect and rodent infestation. The Agency continued to play an active role, particularly in the Gaza Strip, in the planning and implementation of large-scale projects for the construction of sewerage, drainage and water networks in camps and in the expansion of its solid waste collection and disposal capacity. After the establishment of its special environmental health programme in Gaza in 1993, the Agency carried out detailed feasibility studies and implemented developmental projects in the sub-sectors of sewerage, storm water drainage and solid waste management in and outside the camps. In Lebanon, where feasibility studies and detailed designs were completed for the rehabilitation and construction of the water and waste water infrastructure in camps, the Agency could not begin construction pending renewal of the funding agreement with the European Commission. Capital projects were complemented by self-help camp

improvement activities, such as paving pathways, to which the Agency contributed construction material and the community provided volunteer labour.

69. *Budgetary and human resources.* The proposed health budget for the biennium 2000-2001 was established at \$108 million under the regular programme, representing 18.6 per cent of the Agency's total operating budget in addition to \$29.3 million in developmental projects. Owing to funding constraints, average health expenditure per refugee during the reporting period was maintained at \$13.50 per year, a fraction of the current level of expenditure by other health care providers in the Agency's area of operations. The largest share of the health budget, approximately 70 per cent, was allocated to medical care services comprising treatment and support services, family health, disease prevention and control activities, dental care, laboratory services, physical rehabilitation and hospitalization. The remaining budget was allocated for sustaining basic sanitation services in camps and the supplementary feeding to vulnerable groups. Within the medical care services budget, the largest share, approximately 76 per cent, was allocated towards maintaining primary health care, with the remaining 24 per cent allocated towards sustaining essential hospital services. There were, however, significant variations in the patterns of expenditure from one field to another owing to local circumstances, including ease of access to Agency and/or public health services. Approximately 63 per cent of cash allocations to the health programme were devoted to the costs of 3,500 locally recruited health staff members Agency-wide, who implemented all core programme activities. As a result of a recruitment freeze, numbers of available staff continued to fall below those required to meet increasing needs, so that workloads in Agency primary health care facilities remained heavy. In order to ameliorate the adverse effects of such workloads on the quality of care, standard management protocols were developed, staff members were trained to defined competency levels and an appointment system was implemented in mother and child health care clinics and for special care for non-communicable diseases, specialist care services and laboratory and dental services. This approach markedly improved patient flow, reduced clients, waiting time and increased staff/client contact time.

70. *Programme management.* The Agency's strategic approach towards improved management of the health

programme continued to be focused on enhancing the process of institutional capacity-building in order to improve performance and make optimal use of scarce human and financial resources, achieving cost-efficiency gains by use of appropriate technology to reduce recurrent costs as well as reinforcing health services research as a means to assess the appropriateness, relevance, effectiveness and efficiency of the basic programme components. During the reporting period, several research projects were carried out to assess the quality of care based on measurable indicators as well as to assess the cost-benefit of various services. These research initiatives comprised studies to assess the quality of maternal and child health care, laboratory workloads and productivity targets, progress in implementation of the directly observed short course strategy for treatment of tuberculosis as well as to assess the current contraceptive practices among women of reproductive age. The results of those studies were largely used for reorientation of the intervention strategies and development of appropriate training programmes to address identified needs and priorities. In addition, the rapid assessment technique was used to assess certain aspects of health status, such as the prevalence of high-risk pregnancies or to measure service coverage such as coverage, of the Agency's expanded programme on immunization. The Agency revised and updated its technical and administrative guidelines to redefine the strategic approaches and streamline the procedures with respect to the various components of the health programme and issued a new edition of its drug formulary.

71. *Cooperation with host authorities.* In the framework of the Agency's commitment to building, within available means, a sustainable health care system in the Palestinian self-rule areas, UNRWA continued to cooperate closely with the Palestinian Authority in the health sector and provided assistance to enhance the health infrastructure. Senior UNRWA health staff members participated in all Palestinian Authority technical committees on practical aspects of health policy, and in all health-related meetings, conferences and studies organized by the Palestinian Authority in cooperation with WHO, UNICEF and donors. The Ministry of Health of the Palestinian Authority provided UNRWA with all the vaccines required for the expanded programme on immunization as an in-kind contribution. The Agency also maintained close cooperation with health ministries in Jordan, Lebanon and the Syrian Arab Republic, including

through the exchange of information, coordination of disease control measures, and participation in national conferences and immunization campaigns. The Governments of Jordan and the Syrian Arab Republic provided the Agency's annual requirements of the hepatitis B vaccine.

72. *Cooperation with WHO and other United Nations agencies.* Technical supervision of UNRWA's health care programme continued to be provided by WHO through the provision of senior programme staff and sustained technical support. Under long-standing arrangements, the Eastern Mediterranean Regional Office of WHO provided UNRWA, on a non-reimbursable loan basis, with the services of the Agency's Director of Health, covered the cost of the three local posts of headquarters division chiefs, and provided the Agency with technical literature and scientific publications. UNRWA participated in WHO international and interregional meetings, and observed all international health days. In the framework of long-standing cooperation with UNICEF the latter provided in-kind donation of the Agency's requirements of supplies for immunization against the six vaccine-preventable diseases, namely, poliomyelitis, diphtheria, pertussis, tetanus, measles and tuberculosis for the Jordan, Syrian Arab Republic and Lebanon fields. In addition, UNICEF supported a programme for deworming of school children and provision of medical equipment for Jordan.

C. Relief and social services

73. *Objectives.* The mission of the relief and social services programme is to provide humanitarian assistance for Palestine refugees who suffer from acute socio-economic hardship, and to promote self-reliance among less advantaged members of the refugee community, in particular women, youth and the physically and mentally challenged. In addition, the programme serves as a custodian for historical refugee records and updates and maintains them in order to determine eligibility for all Agency services.

74. *Refugee registration.* There were 3,874,738 Palestine refugees registered with UNRWA on 30 June 2001, an increase of 3.5 per cent over the 30 June 2000 figure of 3.7 million (see annex I, table 1). As in the previous reporting period, the rate of increase reflected the rate of natural population growth, with updates of refugee records accounted for by new births, marriages

and deaths. As before, the largest proportion of refugees was registered in Jordan, with 42.3 per cent of the Agency-wide total, followed by the Gaza Strip, 22.0 per cent, the West Bank, 15.7 per cent, the Syrian Arab Republic, 10.1 per cent, and Lebanon, 9.9 per cent. Of the registered population, 36.51 per cent were 15 years of age or under, 53.82 per cent were between 16 and 59 years of age, and 9.67 per cent were 60 years of age or above. The Agency has witnessed an increase in the number of refugees updating their registration records with UNRWA, in particular in Jordan and the West Bank. Around a third of the total registered refugee population resided in the 59 refugee camps in the areas of operation, while a majority of registered refugees lived in towns and villages (see annex I, table 2). On an operational level, field and headquarters senior managers finalized an updated set of eligibility and registration instructions, providing clearer guidelines to field staff on implementation of these activities. In addition, the Programme continued to consolidate all the data pertaining to registered refugees in the family files, which form the historical archives of the registered refugees over the 51 years that UNRWA has been operating, through the amalgamation of ex-codes within the family files. Ex-codes integrate the records of an original 1948 refugee family with all other documents related to the nuclear families that descended from it. At the end of the reporting period, 50.7 per cent of index cards, which were used to carry out registration until the computerized field registration system was introduced in 1996, were amalgamated in the respective 338,806 family files.

75. *Unified registration system.* Further strides were made to improve the performance of the field registration system, pending its redesign. The Unified Registration System Unit completed installation of a new version of the field registration system in all field and area offices and conducted training for all users. In addition, a new system module to consolidate field social study data on special hardship case families was installed in all fields. That eliminated the need to gather and send field social study data monthly to headquarters in Amman for consolidation and return to field offices. Enhancements to the new version of the field social study system were made and the version was tested and will be installed in the fields later in the calendar year. Development of the NGO database, to support programme-related networking and fund-raising efforts in the fields, was finalized. Pilot

installation and testing of the database were completed in Lebanon. Two major projects, the “redesign of the refugee registration information system” (integrating the unified registration system, the field registration system and the field social study system) and the “family files archiving project” will be combined into one fundraising effort. A team of experts from Denmark are assisting the Agency in the development of a proposal for the archiving project, which will involve the electronic scanning of an estimated 25 million documents that have been collected and stored in files over the past 51 years. Those documents cover historical data pertaining to 796,650 families.

76. *Special hardship programme.* UNRWA continued to assist refugee families who were unable to meet basic needs for food, shelter and other essentials. The principal means of assistance to special hardship case families were food support, shelter rehabilitation, selective cash assistance, hospitalization subsidies and preferential access to UNRWA training centres. The number of refugees in households which met the stringent eligibility criteria — no male adult medically fit to earn an income and no other identifiable means of financial support above a defined threshold — increased by 4.7 per cent, from 207,150 in June 2000 to 217,388 on 30 June 2001 (see annex I, table 3). The proportion of special hardship cases within the total registered refugee population increased slightly, from 5.54 per cent to 5.61 per cent. The percentage of refugees enrolled in the programme continued to be highest in Lebanon, at 11.08 per cent, and the Gaza Strip, at 8.60 per cent, and the lowest in Jordan, at 2.58 per cent. Taking into consideration the recommendations of the internal working group that was formed during the previous reporting period to examine and improve the eligibility criteria applied in the special hardship programme, a revised relief services instruction was issued in October 2000. That revision included several improvements in the criteria as well as in the procedures and management of the special hardship case programme. As a result, training sessions for social workers and other relief services staff members were conducted in the five fields of operation. The aim of the training sessions was to highlight the main changes and amendments in the relief services instruction as well as to better define the role of social workers and area relief and social services officers in the overall management of the special hardship case programme.

77. *Food support.* Assistance provided under the special hardship programme included five basic food commodities for each special hardship case beneficiary on a quarterly basis (flour, rice, sugar, milk and oil), in addition to a cash subsidy equivalent to \$40 per person per year. Special hardship cases in Lebanon received lentils in addition to the commodity/cash subsidy package. Delays in receiving the cash and some food items on time during the reporting period necessitated adjustment in the food support schedule and caused disruption in assistance to the refugees. Moreover, the losses due to the weak Euro exchange rate reduced the \$40 cash subsidy to \$38 per refugee. The food support provided by UNRWA for 55,499 special hardship case families serves as a crucial safety net for the poor in areas with high rates of unemployment, high national poverty rates and political uncertainty.

78. *Selective cash assistance.* The modest allocation of \$500,000 for selective cash assistance, which was partially reinstated in January 2000 following the budget freeze in August 1997, was maintained in 2001. Since then, small grants, at an average of \$138.50, have been provided on a case-by-case basis to special hardship case families facing emergency situations, such as the loss of goods or income due to fire, flooding, death or incapacity of heads of households or primary income earners. It is estimated that some 11,100 special hardship case families, representing 20 per cent of the Agency-wide total, are in need of selective cash assistance. However, the allocation of \$500,000 for this purpose will only enable the Agency to respond to acute crises in the refugee community. During the reporting period, 3,609 families were assisted.

79. *Shelter rehabilitation.* With special contributions from earmarked project funding, UNRWA rehabilitated a total of 358 shelters of special hardship case families this reporting period at an estimated cost of \$2,142,101, as compared with 217 in the previous reporting period. Shelter rehabilitation was carried out either on a self-help basis, with the Agency providing financial and technical assistance and beneficiary families arranging volunteer labour, or by small camp-based contractors, with the aim of creating employment within the refugee community. Available resources continued to fall far short of identified needs. It was estimated that 13,875 special hardship case families, representing 25 per cent of the Agency-wide total and comprising 54,347 persons, still live in housing that

does not meet minimally acceptable standards for structural soundness, hygiene, ventilation and space relative to family size. An estimated \$12,119,750 is needed to repair or reconstruct the 2,509 shelters that have been identified as requiring immediate intervention.

80. *Poverty alleviation programme.* This programme persevered in its goal of addressing poverty at the micro level and at promoting the income-generating capacity of poor refugees through skills training, apprenticeships, awareness-raising sessions at community centres on the causes of poverty, “start your own business” training, and/or provision of credit. While the latter often benefited clients from special hardship families, it increasingly included loans to both individuals and groups (via the group guaranteed lending scheme). Loans ranged in size from \$500 to \$10,000. Some restructuring of the credit programme has been initiated in certain fields (Lebanon), while in other fields (Syrian Arab Republic) an advisory board has been established to set new guidelines and policies to govern the credit programme. This restructuring should lead to further progress in the efficiency and self-sustainability of the credit operations. During the reporting period, 136 families moved off the Agency’s ration rolls owing to successful micro-enterprise development, 325 new individuals have benefited from the group guaranteed lending scheme during the reporting period and 1,327 have enjoyed apprenticeships and training in marketable skills and active involvement in camp-based production units. A total of 1,986 persons directly benefited from the poverty alleviation programme during the reporting period. Indirect beneficiaries, including families of loan recipients and beneficiaries of community-based organizations that were extended credit, were far higher in number.

81. *Social development programmes.* The number of community-based organizations or Agency-sponsored centres within the camps increased from 131 in June 2000 to 134 in June 2001, with a total of 71 women’s programme centres, 27 youth activity centres and 36 community rehabilitation centres for the physically and mentally challenged. Largely community-managed and with significant input from volunteers in both administration and programme implementation, during the reporting period the community-based organizations offered a diverse range of activities integral to the social development of the refugee

communities they served. Training and credit opportunities for refugees were expanded in order to help facilitate economic and social self-reliance, and awareness-raising campaigns were organized on topics of community relevance, including the right of return for refugees, juvenile delinquency, rehabilitation for those with special needs, environmental protection, participation and grass-roots development, and recreational activities. Women’s programme centres provided skills training for women and disabled persons, technical assistance for refugee-owned and/or operated income-generation enterprises, and public awareness drives on social issues, such as early marriage, drug addiction, smoking and domestic violence. Support services for women, such as counselling, legal advice and kindergartens, were also offered. Special efforts were made during the period to expand childcare by increasing the number of kindergartens in refugee communities and thus accommodating the childcare needs of a greater number of women who would otherwise be unable to fully participate in women’s programme centres activities and courses. Recreational and cultural activities were also organized at women’s programme centres. Youth groups organized a wide range of community service, recreational and educational activities, such as repair of camp roads, public library services, sporting events, film screenings, plays and lectures on a wide range of community issues. In addition, the youth groups were active in dispute resolution among community and/or family members during the reporting period. They also provided support to families bereaved as a result of the intifada. The community rehabilitation centres have increasingly adopted a community rehabilitation approach to disability issues. This approach foregoes direct service provision in favour of increased family and community involvement in the provision of assistance and support for mentally and physically challenged individuals. Home-based outreach, training for families and community-based rehabilitation units, awareness-raising and campaigning initiatives as well as joint activities between the disabled and the able-bodied all form part of the support services offered as part of this approach. Twenty five out of 36 community rehabilitation centres used the community-based rehabilitation approach during the reporting period, and this number is expected to increase during the coming years when staff gain increasing awareness of this approach and when new pilot projects are initiated and

adapted. During the reporting period, the establishment of diagnostic units, referral to specialized institutions, procurement and maintenance of prosthetic devices, and provision of classes for disabled children were maintained at the community rehabilitation centres. In the West Bank and Gaza, the community-based organizations adjusted and developed their activities to address the urgent needs arising from the strife in the region, particularly with regard to the current socio-economic situation of the refugee community. In addition to in-kind assistance, community-based organizations activities included first aid courses, therapeutic workshops for traumatized children, supplementary classes for pupils, special assistance to the disabled, and support for the victims of the intifada and their families. The total number of 70,060 beneficiaries in the community-based organizations programmes last year testifies to the fact that the community centres continued to play an important role in the life of the refugee community. In some locations, the community-based organizations are the only venues in the camps providing services and activities for certain target groups in the refugee community.

82. *Progress towards self-sustainability.* The relief and social services programme continued to promote participation, self-reliance, organizational network building, revenue generation and project development skills. In accordance with previously established goals, the Agency pursued its commitment to strengthening the organizational capacities of community-based organizations to enable them to manage and sustain their programmes autonomously. To that end, relief and social services staff continued to provide a considerable amount of support for community-based organizations and their local managing committees throughout the reporting period. This included technical assistance in programme planning, implementation and evaluation; management training for committee members; networking to raise funds and/or forge partnerships with external resources (such as local and international NGOs); and partial subsidies to cover the running costs of the centres until financial independence could be achieved. The development and expansion of revenue-generating skills courses and services at community-based organizations continued, and the establishment of viable income generation projects was encouraged and supported. As a result, the community-based organizations raised a considerable amount of income for use towards community activities and thus succeeded in attaining increased

financial independence from UNRWA. The estimated value of revenue raised through non-General Fund contributions during the reporting period amounted to \$562,648, and 7 per cent of all community-based organizations can now be said to have achieved financial sustainability. In the light of the adverse economic conditions in most camps and host countries, however, most community-based organizations still relied on a mixture of UNRWA subsidies, project funding and income generated from fees or production units to cover their annual operating expenses. It should be noted that community-based organizations in the West Bank and Gaza experienced substantial financial setbacks as a result of the intifada. For example, clients are no longer able to pay fees for services or share in costs as in the past owing to falling incomes. This has negatively affected the ability of community-based organizations to cover their operating costs. Significant progress, however, continued to be made by community-based organizations in working towards self-management. At the close of the reporting period, some 59 per cent of all community-based organizations have now gained full self-management capacities; over half of all community-based organizations in Jordan, 6 out of 10 women's programme centres in Lebanon, all of the 7 community rehabilitation centres and 8 youth activity centres in Gaza, and 44 out of West Bank's 46 community-based organizations were able to function without managerial support from UNRWA. In the West Bank and Gaza, 61 per cent of community-based organizations have registered with the Palestinian Authority as independent legal entities thanks to their growing self-management and networking capacities. To augment this trend, a memorandum of understanding was implemented to regulate the UNRWA relationship with the community-based organizations operating from UNRWA-owned premises. The procedures for establishing the post of community development social worker have been continued in 2001, faithful to the relief and social services programme's five-year plan for engendering the sustainability and community management of social service programmes. About 93.5 per cent of the conversion process has been accomplished and a total of 43 community development social worker posts have been established Agency-wide through savings made by deleting the post of sewing instructress and that of women's activities supervisor.

83. *Programme budget and administration.* The regular budget for the relief and social services programme for biennium 2001/2002 was \$62.4 million, representing 10 per cent of the overall Agency budget. The actual expenditure for 2000 was \$28.0 million against the year 2000 budget of \$31.1 million. Five hundred and ninety four staff members were tasked with facilitation of programme activities. The largest share of the budget (82 per cent) was allocated to assist special hardship families, the poorest segment of the refugee population. Provision of this support was carried out by 237 social workers, who represented the single largest segment of the relief and social services programme staff. The average caseload of social workers, at about 316 cases per year, was in excess of the recommended norm of 250 cases per year. A series of three training workshops for the social workers and for key relief and social services staff in all fields was conducted in response to the social worker situation analysis and training needs assessment conducted by the relief and social services programme. These training workshops covered topics such as basic counselling skills, sustainable community development and capacity-building, while also serving the goal of establishing a core group of trainers who will assume increased responsibility for training in the fields. These activities marked the reactivation of the Social Services Division training role, which had been dormant for more than three years owing to lack of staff.

84. *Cooperation with host authorities and NGOs.* Close ties were maintained between UNRWA programmes and concerned departments/ministries of host authorities, the non-governmental sector and United Nations agencies. Cooperation primarily involved sponsorship of recreational activities, such as the summer and winter camps for disabled and able-bodied children, short-term training opportunities for staff and/or volunteer members of community-based organizations management committees, and participation in newly established unions or networks of NGOs to boost coordination among members, promote public dialogue on key community issues and to avoid unnecessary duplication of efforts, through cooperation with platforms, such as the NGO Forum for Disability in Lebanon, and joint activities on longer-term projects, such as the Parental Guidance project in Jordan involving UNRWA, UNICEF and the ministries of youth and education, respectively. Close coordination with the Palestinian Authority and other local and international NGOs continued in the West

Bank and Gaza. Partnerships with relevant Palestinian Authority bodies were established during the implementation of emergency appeal measures in order to target relief more effectively. Consultations are under way, for example, with the Ministry of Housing to explore the possibility of the Palestinian Authority donating tracts of land on which UNRWA can build shelters for those families who have lost their housing in Gaza because of shelling or other intifada-related violence. UNRWA also enjoyed full cooperation with Syrian authorities in planning the proposed Neirab rehabilitation project, which involves the reconstruction of dilapidated barracks from the Second World War era in Neirab Camp.

D. Microfinance and microenterprise programme

85. *Objectives.* During the reporting period, the Agency formally changed the name of its income generation programme in the West Bank and Gaza Strip to the microfinance and microenterprise programme. This was done to draw a clear distinction between the commercial, self-sustaining and market-oriented microfinance services being delivered through it and the various income-generating activities being undertaken through the relief and social services programme. The microfinance and microenterprise programme continued to orient its operations, management and finance systems to the best practices of the newly emerging microfinance industry and conducted its mission by supporting the development of the microenterprise and small-scale business sector within the refugee community through the provision of working capital and capital investment loans. Those products strengthened business activity, created jobs, generated income for participants, helped alleviate poverty and encouraged women's economic participation. During the current reporting period, the programme provided 10,083 loans worth \$9.92 million for Palestinian-owned enterprises. Women entrepreneurs received 37.43 per cent of those loans. Since the programme began, a total of 42,695 loans valued at \$54.36 million were disbursed in the West Bank and the Gaza Strip.

86. *Institutional reform.* As part of its institutional reform process, the Agency established a microfinance and microenterprise programme advisory board to provide the Commissioner-General with policy

guidance and recommendations. The board, which was composed of four Agency directors, three senior programme managers, an international microfinance expert and a local economics expert, held the first of its biannual meetings during the reporting period. The accounts of the microfinance and microenterprise programme were separated from the UNRWA general accounts and are subject to an annual external audit.

87. *Impact of closures and other restrictive measures.* The credit operations of the microfinance and microenterprise programme were severely hampered owing to the disastrous economic consequences of the closures and other measures restricting the movement of labour and goods imposed by the Israeli authorities. UNSCO has estimated that, in the period from 1 October 2000 to 31 January 2001, internal direct losses in income-earning opportunities stood at \$907.3 million and the core unemployment rate increased to 38 per cent. The World Bank has estimated that the poverty rate dramatically increased from 21 per cent in September 2000 to around 32 per cent by end-2000 and will rise to approximately 44 per cent by end-2001. The continuation of the conflict, including the closures and other restrictive measures, placed the programme's self-sufficiency at risk amidst the deteriorating business environment and could compel the programme to use up its capital base to survive the crisis. The incremental monthly growth in lending during the period from July to September 2000 could not be sustained thereafter and disbursement of loans dropped from 1,304 loans worth \$1.46 million in September 2000 to a mere 831 loans valued at \$670,000 in June 2001. During this period, the average monthly on-time repayment rate dropped from 69.43 per cent to a mere 20 per cent.

Gaza field

88. *Overall trend.* The Agency's microfinance programme activities concentrated in the Gaza Strip have made it the largest financial intermediary to small business and the microenterprise sector. This high level of market penetration was indicative of the peaking of the programme's outreach with its current range of credit products. Future growth and development would be dependent on developing additional credit products. In 2000, the programme funded its overhead and investment costs of \$1.25 million from programme revenues of \$1.77 million. Despite banks and other credit institutions ceasing their lending activities

during the current confrontations, the microfinance and microenterprise programme continued lending to clients, notwithstanding the higher risk, to help them to survive the crisis. Credit was provided for such enterprises through simple collateral and guarantee mechanisms, including feasibility study-based lending, and individual, group and cheque-guarantee methods. The number of loans disbursed decreased from 8,135, valued at \$10.20 million, during the previous reporting period to 7,170, valued \$6.79 million, during the current reporting period.

89. *Microenterprise credit programme.* The Gaza microfinance and microenterprise programme was composed of four subprogrammes. Three provided credit for various target groups, and the fourth provided business training services. The microenterprise credit, the largest of the four subprogrammes, focused on working capital loans on an individual basis to microenterprises that included formal and informal businesses that employed the bulk of Gaza's labour force. Loans were provided by a graduated lending methodology, whereby after an initial loan of less than \$1,000, a client could increase his or her next loan by up to twice the amount of the previous loan, provided there was no delay in repayment. During the reporting period, the programme provided 3,528 loans valued at \$3.72 million. The annual repayment rate for the last financial year dropped to 89 per cent as a result of the confrontations and mobility restrictions. Since its inception in 1996, the programme has provided 16,971 loans valued at \$18.26 million for 7,211 enterprise owners.

90. *Solidarity Group Lending subprogramme.* The solidarity group lending subprogramme also provided working capital loans targeted at women microenterprise owners and such loans were provided for women without collateral. A group guarantee methodology secured the loan, whereby women organized into groups from local or market areas insured each other's loans. Group members gained access to new loans only if every member met her repayment schedule. The subprogramme remained one of the most successful for women in the Middle East and its repayment performance remained higher than other programmes run by the Agency. Despite the economic impact of the confrontations and mobility restrictions, the subprogramme's annual repayment rate for 2000 was 92.5 per cent. It remained self-sufficient and covered its investment and overhead costs from the

3,889 loans, amounting to \$2.98 million, which it had disbursed. By the end of June 2001, it had disbursed a total of 17,599 loans valued at \$12.54 million.

91. *Small-scale enterprise subprogramme.* The small-scale enterprise subprogramme provided larger loans ranging from \$3,000 to \$70,000 for capital investment and working capital, to manufacturing and service businesses. Small-scale enterprise loans had longer payment terms than microenterprise credit loans and had a higher level of risk, especially under the prevailing adverse economic conditions. In order to reduce this risk, the small-scale enterprise subprogramme reduced its lending during most of the reporting period and staff efforts were concentrated on follow-up of defaulters. Most businesses in the small-scale enterprise subprogramme were largely dependent on regional and international markets for supplies and sales, and were severely affected by the mobility restrictions. The consequences included reduced output in the face of falling demand, laying off staff and even closure of the business. During the reporting period, the subprogramme provided 51 loans valued at \$861,550. Since its establishment in 1991, the programme has provided 868 loans valued at \$13.44 million.

92. *Small and microenterprise training.* The small and microenterprise training subprogramme supported business training and entrepreneurship development. During 2000, the subprogramme was subsidized by the credit programmes owing to lack of donor funding. However, at the beginning of 2001, the programme was rescued by an AGFUND grant that allowed the programme to maintain its services to the business community for the coming year. Despite the difficulties in funding, the programme covered 100 per cent of the direct costs of running programmes through participation fees. During the reporting period, it offered 35 training courses with 863 participants.

West Bank field

93. *Microenterprise credit.* The Agency's microfinance lending in the West Bank was concentrated in the northern region. Its microenterprise credit subprogramme in the West Bank was the fastest growing of its credit subprogrammes. The West Bank office continued to meet its costs from programme income and in 2000 it funded its investment and overhead costs of \$395,000 from interest income of \$501,000. During the reporting period, a contract was

signed for a new branch office in Hebron and its key staff were recruited. That extended the existing branch office network of offices in Nablus, Jenin and Tulkarm. Further expansion to a full national branch office network for the West Bank would be dependent on the stabilization of the economic situation. During the reporting period, the subprogramme provided 2,913 loans valued at \$3.13 million. That brought the number of loans provided since the establishment of the subprogramme in 1998 in the West Bank, to 7,006 worth \$6.96 million. The small-scale enterprise subprogramme in the West Bank experienced problems similar to those faced in the Gaza Strip. Faced with economic uncertainty, rising default and reduced demand, the vacant posts of this subprogramme were not filled. During the reporting period, the small-scale enterprise subprogramme provided 26 loans valued at \$334,100. The subprogramme has provided 251 loans worth \$3.16 million since its establishment in 1996.

E. Peace Implementation Programme

94. *Objectives.* The Peace Implementation Programme (PIP) was launched by the Agency following the signing of the Declaration of Principles on Interim Self-Government Arrangements between the Palestine Liberation Organization and Israel. From October 1993 until December 1999, it was the foremost channel for extrabudgetary project funding for activities carried out within the framework of Agency programmes in education, health, relief and social services, and income-generation and contributed in a very practical and tangible way to the improvement of the refugees' overall living conditions and to creating employment opportunities and developing infrastructure. Following the adoption of the 2000-2001 programme-based biennium budget that divided the Agency's budget into regular budget and projects budget, all new non-core contributions were credited to the projects budget. A new "projects 2000-2001" programme was introduced in January 2000 to track all contributions to the biennium projects budget.

95. *Implementation.* During the reporting period, PIP funds enabled UNRWA to complete the construction of five schools, 20 additional classrooms, one school laboratory, one library, one home economic unit, two health centres, a public health laboratory and the establishment of one community rehabilitation centre and one women's programme centre. PIP made it

possible to complete the rehabilitation of 37 shelters of special hardship case families Agency-wide. In environmental health, a feasibility study was completed, for improving water supply in camps and construction of sewage system in the Syrian Arab Republic. Another major project for construction of sewer and water networks in camps in Lebanon was still ongoing. Infrastructure improvements in the Shu'fat camp in the West Bank were completed. Other projects completed during the reporting period included: purchase of educational materials, library reference books and furniture, provision of school desks, integration of visually impaired children, care for destitute aged, provision of hospitalization services, promotion of tolerance, conflict resolution and basic human rights in UNRWA schools and development of human resources for health staff. PIP also helped to sustain regular Agency programmes through the continued funding of university scholarships for refugee students and the procurement of medical supplies. Further funding went into the upgrading of facilities and courses at several of the Agency's vocational training centres. Cash expenditure under PIP amounted to \$7.6 million during the reporting period.

96. *Status of funding.* No new funding was received specifically towards PIP during the report period. The small amount remaining was merged into the Agency's project budget. As at 30 June 2001, the outstanding amount from the donors related to ongoing PIP projects was \$13.8 million.

F. Projects

97. *Objectives.* In recognition of the increasing importance of project funding and to establish a more targeted fund-raising approach, UNRWA established Agency-wide project priorities that form the basis for the projects section of the 2000-2001 biennium budget. The projects budget was included in the biennium budget to provide a complete picture of the financial requirements of the Agency and to link the project-funded activities directly to programme activities funded under the regular budget. Unless project needs were covered, the Agency would not be able to attain its goals and objectives for the biennium and the quality and level of services would suffer. The 2000-2001 projects budget comprised mainly non-recurrent infrastructure costs.

98. *Implementation.* During the reporting period, the reconstruction of two health centres in Lebanon and the West Bank, the expansion of two health centres in Jordan, completion of parts of the environmental health scheme in the Gaza Strip, the reconstruction of a community rehabilitation centre and a learning resource centre in the Syrian Arab Republic were accomplished through project funding. In addition, 209 shelters for special hardship families were completed Agency-wide, and 176 were still undergoing reconstruction or repairs. Further funding was used for procurement of equipment for vocational training centres, procurement of an ambulance for a health centre in the Gaza Strip, furnishing and equipping of a kindergarten at one of the women's training centres and equipping three basic speech therapy units. The Agency covered hospitalization requirements at Palestine Red Crescent Society hospitals in Lebanon. Other activities covered by project funding included the repatriation of Palestine refugees from Canada camp, scholarships for refugee women students in Lebanon, computer and information technology initiative for upgrading the Agency's vocational training programme, the installation of a new Agency-wide financial management system, provision of technical assistance in education planning and operation of the UNRWA Liaison Office in Geneva. Several junior professional officers were also funded under this head during the reporting period.

99. *Status of funding.* UNRWA received \$19.3 million in pledges and contributions for the 2000-2001 projects, during the reporting period, raising funding to \$29.3 million. An amount of \$10 million of the new funding, representing 52 per cent, was allocated to education, \$2.6 million to health, \$3.7 million to relief and social services, and \$3 million to other projects. Projects in the Gaza Strip received \$4.9 million, \$1.5 million was allocated to the West Bank, Lebanon received \$3.6 million, Jordan received \$800,000 and the Syrian Arab Republic was allocated \$300,000. Agency-wide activities received \$8.2 million. Funds received during the reporting period for the 2000-2001 projects were sufficient to finance 39 priority projects as at 30 June 2001. Cash expenditure for 2000-2001 priority projects amounted to \$8.3 million during the reporting period.

G. Lebanon appeal

100. *Objectives.* The Palestine refugees in Lebanon continued to face socio-economic hardship during the reporting period and their plight was aggravated owing to their inability to gain full access to the job market or to benefit from public health services. Most of the over 380,000 registered Palestine refugees in Lebanon depended almost entirely on UNRWA for basic services. The Agency's special emergency appeal for Lebanon, launched in July 1997, sought to solicit additional contributions totalling \$11 million to support essential health, education, and relief and social services to alleviate financial pressures resulting from insufficient resources in the Agency's regular budget.

101. *Implementation.* During the reporting period, UNRWA completed construction, equipping and furnishing of a health centre, the construction and repair of shelters and the purchase of medical supplies. At the Sibilin Training Centre, the upgrading of equipment for the electrical and electronic courses was completed and short-term courses were introduced.

102. *Status of funding.* The appeal received positive responses from eight countries and one intergovernmental organization, with pledges totalling \$9.3 million. By the end of June 2001, the Agency had received \$9.2 million and spent \$8.5 million. Cash expenditure during the reporting period amounted to \$800,000. Of the total pledges, \$4.6 million (or 48 per cent) was allocated to health, \$3.8 million for projects in education, and \$900,000 was allocated for shelter rehabilitation. An additional \$100,000 of interest earned on the appeal contribution was used for the procurement of textbooks for the new curriculum.

H. Emergency appeals

103. The strife that broke out in late September 2000 in the occupied Palestinian territory undermined several years of economic progress and infrastructure development, with profound effects upon refugees in terms of lives, livelihoods and shelter lost. Of the hundreds of Palestinians killed since the outbreak of the intifada, more than half were UNRWA-registered refugees, with many more injured. Over 1,700 shelters in refugee camps were damaged and many destroyed. Closures imposed by the Israeli authorities limited mobility, economic activity and access to health and educational services. Educational levels among

children have suffered, not only as a result of problems of access to schools, but also as a consequence of the traumatic events surrounding them. The Palestinian populations of the West Bank and Gaza Strip saw dramatic falls in income levels during the intifada. In its quarterly update of June 2001, the West Bank and Gaza Office of the World Bank noted that, according to data from the Palestinian Central Bureau of Statistics, median household income by the end of the first quarter of the year fell by almost 50 per cent in comparison with pre-intifada levels. That was a result of the loss of wage-labour opportunities in the Israeli economy and of the widespread disruption of economic activity. In the context of such a decline in incomes, many households were unable to meet costs associated with basic needs, including food and medical treatment. Responding to that humanitarian crisis, UNRWA launched a series of emergency appeals that started with a flash emergency appeal on 4 October 2000 concentrating on the provision of medical supplies. The first consolidated emergency appeal on 8 November 2000 enabled the Agency to provide refugees with food and cash assistance, among other forms of assistance, for the period from December 2000 through February 2001. The second emergency appeal, launched on 22 February 2001, enabled the Agency to provide short-term emergency employment opportunities for refugees, in addition to food and cash assistance, shelter repairs and health services for the period from March through May 2001. The third appeal, launched on 22 June, provided for continued emergency relief from June through December 2001.

104. *Implementation.* UNRWA addressed the health requirements of the refugees through the funds received. These included the upgrading of equipment in its health centres and building up stocks of first-aid medicines and supplies to acceptable standards. Around 127,500 refugee families in the Gaza Strip and 90,000 families in the West Bank received emergency food aid. To address the growing unemployment problem, UNRWA through its job-creation programme provided more than 230,000 employment man-days. Shelters for urgent repair and reconstruction were identified in the Gaza Strip and the West Bank, and in some cases cash was paid for repairs. The Agency also distributed blankets, tents and kitchen sets and provided selective cash assistance. For persons who became disabled as a result of the current crisis, UNRWA provided prosthetic devices, counselling, training and awareness-raising and vocational

rehabilitation. UNRWA initiated activities on the promotion of psychological well-being and crisis intervention at its schools. The Agency also appointed counsellors, contracted specialized non-governmental organizations and provided training for the existing school counsellors and supervisors.

105. *Status of funding.* The quick and generous response of the donors to the flash appeal and the two emergency appeals was very encouraging and was indicative of the confidence reposed by the donors in the inherent capacity of the Agency to quickly deliver the needed assistance to the refugees efficiently and effectively. UNRWA received \$1.7 million in cash and in-kind pledges against the flash appeal. The first emergency appeal for \$39.2 million was oversubscribed and funded to a total of \$44.5 million. The funding of the second emergency appeal amounted to \$24 million. In the third emergency appeal, the Agency is seeking contributions of \$76.9 million to cover the emergency activities during the period from June to December 2001. Expenditures of funds for the emergency appeal amounted to \$29.3 million during the reporting period.

Chapter III Financial matters

A. Fund structure

106. During the period 1 July 2000 to 30 June 2001, UNRWA received contributions and incurred expenditure against the following headings:

- (a) Regular budget;
- (b) Projects budget, consisting of:
 - (i) Post-1999 projects;
 - (ii) Peace Implementation Programme (PIP);
 - (iii) Lebanon appeal;
 - (iv) Emergency appeal.

107. The Regular budget covered all recurrent costs incurred on UNRWA programmes of education, health, and relief and social services, and all support functions.

108. Post-1999 project activities covered project funding received in respect of 2000-2001 consolidated list of priority projects and other project funding received after 31 December 1999.

109. PIP covered project activities funded under an ongoing UNRWA initiative since 1993 to improve the infrastructure and enhance the living conditions of refugee Agency-wide.

110. The Lebanon appeal covered urgent operational needs funded in response to the July 1997 appeal for increased assistance in 1997-1998 to help alleviate the adverse socio-economic conditions of the Palestine refugees in Lebanon.

111. The emergency appeal covered emergency activities by the Agency in response to the situation of strife in the occupied Palestinian territory since October 2000.

B. Budget, income and expenditure

112. Certain organizational characteristics of UNRWA were particularly relevant to its financial situation, such as the Agency's role as a direct provider of services to the Palestine refugee population through its own installations and staff; the public-sector quality of UNRWA services, including availability to all those meeting the Agency's operational definition of a Palestine refugee; the steady growth in the number of beneficiaries over time, owing to natural growth in the refugee population; the Agency's lack of access to revenue sources available to public sectors proper, such as taxation or borrowing, and the absence of a system of assessed contributions and the concomitant reliance of the Agency on voluntary contributions for income.

113. *Budget preparation.* UNRWA prepares its budget on a biennial basis, although operations are financed on an annual basis. Pursuant to 2000-2001 biennium, the 2002-2003 budget represented another step forward in the Agency's efforts to improve budgetary transparency and usefulness of budget as a planning, managerial and fund-raising tool. The budget exercise was oriented towards preparing a programme-based budget more structured around the Agency's service-providing role:

(a) It covered the Agency's financial requirements for regular programmes activities, including not only the regular budget but also project activities;

(b) Budget categories were restructured and expenditure reattributed to more accurately reflect the cost of programme activities;

(c) More detailed programmatic explanation and justification were provided for budgeted activities and changes in budget allocations;

(d) It was derived from a biennial programme of work specifying objectives, expected accomplishments, planned activities and key performance indicators to measure the performance of each substantive programme;

(e) Budget preparation was guided by planning assumptions rather than budget ceilings.

114. In order to monitor implementation, the periodic budget performance review was enhanced to include reporting by programme managers about progress in achieving the budgeted goals and programme objectives. That review activity would be enriched through the use of key performance indicators to assist the line managers in evaluating performance during implementation.

115. *Regular budget.* The Agency's 2000 regular budget amounted to \$300.9 million, of which \$280.4 million represented the cash portion and \$20.5 million the in-kind portion, mainly donations for the special hardship cases and the nutrition and supplementary feeding programmes. The Agency's 2001 regular budget totalled \$310.4 million, of which \$289.7 million represented the cash portion and \$20.7 million the in-kind portion (see annex I, table 9).

116. *Projects budget.* The Agency's projects budget for 2001 was \$65.1 million.

117. *Income and sources of funding.* UNRWA's cash and in-kind income in 2000 amounted to \$311.4 million, of which \$270.9 million was for the regular budget and \$40.5 million for projects. Voluntary contributions from Governments and the European Community accounted for \$293.3 million of total income, or 94.2 per cent (see annex I, table 10). Most of that income was received in cash, although \$12.3 million was received in kind, mainly as donations of food commodities. Other United Nations bodies provided \$13.4 million (4.3 per cent of total income) to cover staffing costs, including funding of 98 international posts by the United Nations Secretariat, assistance from UNESCO and WHO in the staffing of the education and health programmes and in-kind donation from other United Nations organizations. The remaining \$4.7 million (1.5 per cent of total income) was from miscellaneous sources.

118. *Expenditure and financial results.* Total expenditure incurred by UNRWA in 2000 was \$300.3 million, of which \$280.7 million was for the regular budget and \$19.6 million was for projects. The Agency recorded a deficit of \$2.4 million in the cash portion of the regular budget in 2000, representing the difference between actual cash expenditure of \$258.4 million and actual cash income of \$256.0 million (\$255.7 million in donor contributions and \$300,000 in other income). Moreover, the Agency ended 2000 with a deficit of \$24.4 million, when expenditure was compared with the regular cash budget of \$300.9 million approved by the General Assembly for the year.

119. *Termination indemnities.* The 2000-2001 regular budget did not include any provision for termination indemnities payable to local staff upon the eventual dissolution of UNRWA. The Agency had been unable to fund such a provision in previous years. The current estimated amount of \$145 million for termination indemnities represents a contingent liability for the Agency.

C. Extrabudgetary activities

120. *Post-1999 projects.* The balance under post-1999 projects is positive, with \$6.7 million as of 31 December 2000, representing the difference between the actual income of \$11.6 million and the actual expenditure of \$6.6 million.

121. *Peace Implementation Programme.* The PIP account had a positive balance of \$15.3 million as of 31 December 2000, representing the difference between the actual income of \$213.0 million since the programme's inception and the actual expenditure of \$197.7 million. All contributions under PIP were earmarked for specific project activities to be implemented over varying periods of time.

122. *Lebanon appeal.* The Lebanon appeal account had a positive balance of \$1 million as of 31 December 2000, representing the difference between the actual contributions received since the appeal was launched in July 1997 and the expenditures incurred as of 31 December 2000. All contributions under the Lebanon appeal were earmarked for specific project activities to be implemented over varying periods of time.

123. *Emergency appeal.* The balance of the emergency appeal as of 31 December 2000 was \$23.3 million, representing the difference between the actual

contributions received since the appeal was launched in October 2000 and the expenditures incurred as of 31 December 2000.

D. Current financial situation

124. *Overview.* The financial situation of the Agency during the reporting period continued to be difficult and bleak, characterized by large funding shortfalls in the regular budget, depleted working capital and cash reserves, and cumulative deficits in certain project accounts. The structural deficit emanating from the inability of income to keep pace with needs arising from natural growth in the refugee population and inflation, remained a problem. Despite a combination of ad hoc additional donor contributions and prudent financial management by the Agency, UNRWA had a deficit by the end of 2000. The introduction of other administrative measures, including new contracts for area staff in September 1999, contributed to further cost containment. Nevertheless, a budget deficit was expected by the end of 2001 unless additional contributions were made available during the year. In the short term, the Agency was facing a funding shortfall and a liquidity crisis, which, unless resolved, threatened to disrupt Agency operations in the fourth quarter of 2001.

125. *Working capital.* Working capital, defined as the difference between assets and liabilities in the regular budget for the calendar year, stood at \$2.2 million as of 31 December 2000. However, \$7.1 million represented funds earmarked to procure basic commodities, leaving a real negative working capital of \$4.9 million for the cash budget. That level of working capital was far below the optimal level of one month's average expenditure, or some \$25 million, of which \$17 million represents the payroll. The Agency was unable to make progress towards replenishing its working capital during the reporting period, owing to its continuing poor financial situation. In its attempt to rebuild the working capital, the Agency had included a provision of \$7 million each year in its 2000-2001 biennium budget, which, however, remained unfunded.

126. *Cash position.* The cash flow position of UNRWA remained critical owing to repeated funding shortfalls in previous years that had severely eroded the Agency's cash position (defined as the amount of cash on hand in Agency bank accounts at any point in time that could be used to meet basic obligations). As of 31

December 2000, outstanding cash pledges under all accounts amounted to \$61.1 million, of which \$20.6 million pertained to the regular budget and \$40.5 million to projects. In addition, the Agency had not yet been reimbursed by the Palestinian Authority in respect of payments made against value-added tax and related charges, that was costing the Agency about \$1 million annually in lost interest income alone. Those factors exerted further strain on the Agency's cash position, making it especially difficult to meet obligations in time towards the end of the fiscal year. The Agency would be facing a critical cash shortage in the fourth quarter of 2001. The cash flow forecast for 2001 indicated that the Agency would have a cash shortage of about \$66 million. The main contributory factors were:

(a) Non-reimbursement by the Palestinian Authority of VAT charges of \$18.8 million apart from accumulated interest of \$5.0 million;

(b) Unfunded expenditure of \$11.5 million on the European Gaza Hospital;

(c) Unfunded expenditure of \$5.2 million on the move of the Agency's headquarters from Vienna;

(d) Port charges incurred but not reimbursed totalling \$4.9 million.

127. *Financial situation at mid-2001.* The latest estimates of income and expenditure indicated that the Agency's regular cash budget for 2001 would face a deficit of \$66.0 million by the end of the year. Expected cash expenditure in the regular programme was \$311.0 million, as against expected cash income of \$245.0 million. The cash position remained critical, forcing the Agency to live from hand to mouth in terms of balancing incoming funds and outgoing payments. Working capital was for all practical purposes non-existent, making the Agency vulnerable to any change in expected income or expenditure. Additional contributions were being sought to bridge the gap between expected income and expenditure, overcome the difficult cash situation, and replenish the Agency's working capital.

128. *Currency fluctuations.* The continuing appreciation of the United States dollar against other European currencies and the Japanese yen caused exchange rate losses for the Agency. About 85 per cent of the Agency's expenditure is in dollars, while only 40 per cent of its income is received in that currency. Lack

of resources and working capital limited the Agency's ability to hedge against those exchange rate losses.

129. *Finance and payroll systems reform.* As part of its management and institutional reform, the Agency embarked on a project to replace its financial management and payroll systems. These are expected to be operational by the beginning of 2002. The information requirements of the Agency's management and donors would be better met in terms of transparency and immediacy of response, after the two systems become functional.

Chapter IV Legal matters

A. Agency staff

130. *Arrest and detention of staff.* In comparison with the previous reporting period, the period from 1 July 2000 to 30 June 2001 saw a general reduction in the number of UNRWA staff members arrested and/or detained in circumstances that might warrant the Agency asserting the Organization's right to functional immunity pursuant to, inter alia, the terms of the 1946 Convention on the Privileges and Immunities of the United Nations (see annex I, table 10). Most of the staff members taken into custody were released after short periods of confinement without charge or trial. The number of staff members arrested and detained during the reporting period was 22, of whom 7 remain incarcerated as at 30 June 2001.

131. *Functional protection of detained staff.* The Agency was not always provided with adequate or timely information by the relevant authorities as to the reasons for the arrest and/or detention of its staff members. In the absence of such information, it was not possible for the Agency to determine whether a nexus existed between any acts committed by a staff member while performing his official functions and the offence that the staff member was alleged to have committed, which might, depending upon the circumstances, warrant the Agency exercising its right to functional immunity.

132. *Access to detained staff.* In the Gaza Strip, UNRWA obtained access to all of its staff members detained by the Palestinian Authority. However, access to staff members detained by elements of the Palestinian internal security apparatus was generally

achieved only after persistent efforts by the Agency and, on occasion, only after the intervention of the Ministry of Justice. In the West Bank, the Agency obtained access to all of its staff members detained by both the Palestinian Authority and Israeli authorities, save for three recent cases where staff members were detained by Israeli authorities. At the close of the reporting period, Israeli authorities had still not allowed the Agency to visit those staff members. On most occasions, the Agency had to submit several requests to both the Palestinian Authority and Israeli authorities before the information regarding the place of detention was made available. In that respect, the Agency experienced particular problems with Israeli authorities and, in addition, the Agency has never received any written explanations for the detentions carried out by Israeli authorities. In Jordan, the Agency did not encounter any significant difficulties in obtaining either the details of the whereabouts of the staff members detained during the reporting period by Jordanian authorities or, when deemed necessary by the Agency, obtaining access to those detained staff members.

133. *Treatment and state of health of detained staff.* The state of health of a staff member detained since 1996 without charge or trial by the Palestinian Authority remained a matter of concern for the Agency, as the staff member continues to suffer from diabetes mellitus. One staff member detained in December 2000 in the Israeli Beit Il detention facility in the West Bank was beaten and sustained two broken ribs.

134. *Freedom of movement of West Bank and Gaza Strip staff.* Following the outbreak of the intifada in the occupied Palestinian territory at the end of September 2000, the Israeli authorities, citing security concerns, imposed even greater restrictions on the freedom of movement of Agency staff, vehicles and goods than in the previous reporting period. The restrictions on the Agency's freedom of movement, which adversely impacted the operational effectiveness of the Agency's humanitarian programmes, to a large extent followed the decisions of the Government of Israel, inter alia, to order the full closure of the West Bank and the Gaza Strip; to impose curfews and internal closures in the West Bank and the Gaza Strip; to set up checkpoints; to refuse to issue permits for local staff to enter Israel; and to introduce restrictions on travel across the Allenby (King Hussein) Bridge, which links the West Bank and Jordan. The greater range of those

restrictions were applied to Palestinian staff, who comprise 99 per cent of all Agency staff in the West Bank and the Gaza Strip. These restrictions remain inconsistent with established principles of international law, in particular the 1946 Convention on the Privileges and Immunities of the United Nations and the 1967 bilateral exchange of letters between the Agency and Israel (the Comay-Michelmore Agreement). The Agency continued during the reporting period to make representations to Israeli authorities at all levels, which included meeting over a period of several months with both the Israeli Ministry of Foreign Affairs and the Israel Defense Forces, in an effort to ease those constraints and to facilitate its humanitarian operations. Without prejudice to its doctrinal position, the Agency agreed to consider pragmatic solutions to facilitate the freedom of movement of its staff members. The Israeli Ministry of Foreign Affairs assured the Agency that it would give consideration to UNRWA grievances. However, at the close of the reporting period, the Agency had not yet seen any tangible improvement on the ground, although discussions between the Agency and Israeli authorities are still ongoing.

135. *Full closures of the West Bank and Gaza Strip.* The Israeli authorities instituted procedures strictly regulating entry into and exit from the West Bank and the Gaza Strip. For a greater part of the reporting period, the West Bank and Gaza Strip remained sealed. During full closures, Palestinians holding West Bank and Gaza Strip identity cards, including Agency staff, were prevented from leaving the area and had their permits revoked without notice (see para. 8).

136. *Curfews and internal closures in the West Bank and the Gaza Strip.* There were many curfews imposed throughout the West Bank during the course of the intifada, most often in Hebron and villages surrounding Ramallah and Nablus. In the West Bank, many major routes and minor roads were controlled by fixed and mobile checkpoints established by the Israel Defense Forces, and on occasions by armed Israeli settlers. On many occasions, local staff members were forbidden to cross checkpoints into and out of West Bank areas, thus preventing staff members from carrying out tasks that are necessary for the Agency to fulfil its humanitarian mandate. For example, on occasion Agency staff members were not allowed access to hospitals and clinics and were prevented from distributing provisions to the communities in need. Numerous incidents

occurred at those checkpoints. There were many instances wherein UNRWA identification cards were either confiscated or destroyed. In the most severe cases, members of the Israel Defense Forces threatened UNRWA staff members and on some occasions aimed their rifles at them. In one case, a staff member sustained multiple bruises to his body at the hands of the Israel Defense Forces. In the Gaza Strip, the Israel Defense Forces trisected the territory on several occasions, and placed roadblocks and checkpoints on the main roads connecting south and north. On two occasions, the Commissioner-General of UNRWA was stopped by members of the Israel Defense Forces and his access to Agency installations in the south of the Gaza Strip delayed for two or more hours. On one occasion, he was threatened, while in his official vehicle, by members of the Israel Defense Forces, who repeatedly pointed their weapons at him. This incident caused the Agency to request the Israeli authorities to conduct an investigation into the incident. At the close of the reporting period, the Agency's request remained unanswered by the Israeli authorities. Since 7 June 2001, all vehicles, including UNRWA cars, crossing at Abu El Ajeen junction, which is the main junction for traffic between the north and south of the Gaza Strip, were required to carry two passengers in addition to the driver. At various checkpoints in the West Bank and the Gaza Strip, Israeli authorities repeatedly attempted to search UNRWA vehicles, a procedure with which the Agency always refused to comply. On one occasion, an international staff member and a local staff member accompanying her were held up at an Israel Defense Forces checkpoint in the West Bank for over three hours. They were not allowed to move in any direction unless they agreed to have their car searched, a request that the Agency did not accede to. It was only after three hours of negotiations that the collapsible spikes that had been placed both at the front and rear of the United Nations vehicle were removed and the vehicle was allowed to proceed. As a consequence of the restrictions in the West Bank and the Gaza Strip of the type outlined above, local staff members for periods of time were unable to reach their places of work or experienced considerable delays in coming to work and suffered from serious stress and fatigue. By way of example, in the West Bank, during the period between 1 November 2000 to 30 June 2001, a total of approximately 5,400 working hours were lost owing to Agency staff in UNRWA vehicles being affected by delays at checkpoints. The adverse impact on the

Agency's operations forced the Agency to assign international staff members away from their regular duties and negotiate with members of the Israel Defense Forces to facilitate movement.

137. *Entry and driving permits for local staff.* As in previous years, the Agency was required to seek from Israeli authorities entry permits for local staff with Gaza or West Bank residency, which would authorize those local staff members to enter Israel and Jerusalem. The Agency, acting in a spirit of good faith and cognizant of Israel's concerns for the safety of its citizens, exceptionally agreed to the Israeli-imposed entry permit regime on a temporary basis. Prior to the outbreak of the intifada in late September 2000, 36 staff members based in Gaza and 335 staff members based in the West Bank were issued entry permits that granted access into and out of Israel and Jerusalem. With one or two exceptions, after September 2000 all entry permits issued to local staff members with residency in the Gaza Strip were revoked by the Israeli authorities, thereby preventing those staff members from entering Israel and Jerusalem. At the close of the reporting period, the Israeli authorities had not reissued any of the entry permits. In June 2001, the Israel Defense Forces agreed with the Agency's request to issue 392 entry permits to local staff members resident in the West Bank, thereby allowing those staff members to reach their places of employment in Jerusalem. However, for various reasons, at the close of the reporting period, the Israeli authorities had, in fact, issued only 174 entry permits, all of which were restricted to limited areas of East Jerusalem and all of which were valid for a period of three months. In addition to entry permits, the Agency was obliged to request the issuance of driving permits from the Israeli authorities for local staff members with West Bank residency for use in Israel and Jerusalem. In the Gaza Strip, for local staff members holding an entry permit, a separate authorization, as opposed to a second permit, was required from Israeli authorities in order to drive in Israel and Jerusalem. Prior to 28 September 2000, the Israeli authorities had issued 67 driving permits to local staff members with residency in the West Bank, although the Agency was in need of 135 such permits. In January 2001, the 67 driving permits issued in the West Bank expired. At the conclusion of the reporting period, the Israeli authorities had not renewed the driving permits. In the Gaza Strip, prior to 28 September 2000, the Israeli authorities had authorized 19 of the 36 local staff members holding entry permits

to drive in Israel and Jerusalem. After that date, by withdrawing the 36 entry permits upon which the driving authorizations were based, the Israeli authorities abrogated the ability of local staff members in the Gaza Strip to drive Agency vehicles in Israel and Jerusalem. Following representations made by the Agency, the Israeli authorities agreed to reissue 15 entry permits with authorization to drive in Israel and Jerusalem to staff members in the Gaza Strip, but on the condition that local drivers underwent a further security check and were also accompanied in the vehicle by an international staff member. However, shortly after completing the additional security procedures, the Israeli authorities once again revoked all of the entry permits and, therefore, the driving authorizations, thereby preventing local staff members in the Gaza Strip from driving in Israel and Jerusalem. That remained the position in the Gaza Strip at the close of the reporting period. Further to the above, in the West Bank, Israeli authorities have recently claimed that only staff members holding magnetic identification cards will be issued entry permits and that a fee must be paid by the Agency for each card. The Agency applied for 245 magnetic identification cards and requested a waiver of the fee imposed by the Israeli authorities. At the close of the reporting period, the Israeli authorities had begun to issue cards to staff members, but in circumstances that caused unnecessary administrative inconvenience for the Agency. For a time during the course of the reporting period, the Israeli authorities reduced the validity of the entry permits issued to local staff members in the West Bank from three months to one month, a move that placed additional bureaucratic and financial burdens upon the Agency. However, following representations made by the Agency in June 2001, the validity of the entry permits has once again been restored by the Israeli authorities to three months, but in so doing the Israeli authorities limited the scope of the permits to entry into limited areas of East Jerusalem. In sum, the permit system, by its very nature, is complicated, administratively burdensome and introduces such uncertainty as to inherently impede the movement of Agency staff. As a result of local staff members being unable to drive in Israel and Jerusalem, the Agency has been obliged to hire additional international drivers (see para. 142 below). At the end of the reporting period, the entire concept of the permit regime remained subject to discussions between the Agency and Israeli authorities.

138. *Entry to Jerusalem.* Owing to the closures imposed in the West Bank, staff members who are resident in the West Bank have been unable on occasion to reach their places of work at Agency facilities located in Jerusalem, in particular the West Bank Field Office, at which two thirds of local staff hold West Bank residency, as well as eight schools and two health centres located in the Jerusalem area. Restrictions placed upon the freedom of movement of the Agency's local staff, as a result of closures imposed by the Israeli authorities, were in addition to the restrictions imposed as a consequence of the implementation of the permit system described in the preceding paragraph.

139. *Erez checkpoint.* Since 28 September 2000, generally only international staff members have been allowed to cross the Erez checkpoint, which is the principal point of non-commercial transit between the Gaza Strip and Israel. Almost all UNRWA vehicles continued to be subjected to internal and external searches and staff members were, on occasions, requested to pass through a body-screening device situated in the Israeli transit terminal. Search procedures, including the x-ray of the luggage of Agency staff members, were applied to all vehicles driven by Agency staff members, with the exception of those holding red United Nations "laissez-passer". Only seven international staff members in the Gaza Strip out of a total of 46 are holders of red United Nations laissez-passer. The vehicles were searched either by Israeli civilians employed by Israeli authorities for that purpose or, at times, by members of the Israel Defense Forces. Most reported incidents were in connection with searches conducted by military personnel. These often involved long delays as assigned Israeli staff are not readily available. It appears that members of the Israel Defense Forces do not always have clear and precise instructions on how to carry out the search or on how to deal with United Nations staff members. It is relevant to recall that, in March 1996, the Agency had exceptionally agreed to permit the search of Agency vehicles driven by international staff exiting the Gaza Strip as a pragmatic and wholly temporary measure in consideration of Israel's security concerns at the time. That gesture on the part of the Agency, which was made in good faith and in the spirit of cooperation, has been to the prejudice of the Agency and its privileges and immunities. The search procedures continued to be applied to UNRWA international staff during the

reporting period. Furthermore, on 20 November 2000, members of the Israel Defense Forces at the Erez checkpoint demanded that the UNRWA diplomatic pouch be x-rayed. After unsuccessful attempts to allow the pouch to pass through without interference, it was decided to return the pouch to the Agency's Gaza Headquarters. Following UNRWA interventions with the Israeli authorities, the pouch was allowed on 22 November 2000 to pass the Erez checkpoint without any further request for it to be x-rayed. Throughout the reporting period, the Agency continued to pursue its efforts to resolve the problem at Erez by making representations to the Israeli authorities.

140. *Allenby (King Hussein) Bridge.* At the start of the reporting period, Israeli authorities did not draw any distinction between those local staff members and international staff members who needed to use the Allenby (King Hussein) Bridge to cross from Israel into the Jordan. However, since 28 September 2000, local staff members travelling on duty from the West Bank to the Agency's Headquarters in Amman have been prevented from crossing the Bridge. This problem does not affect local staff members resident in the Gaza Strip, as since 28 September 2000 those staff members have not generally been permitted by Israeli authorities to enter Israel and have thus been prevented from reaching the Bridge. In addition, the opening times of the Bridge have been restricted, causing operational difficulties and extra costs for the Agency. These measures have caused serious operational difficulties and extra costs for the Agency. The restrictions and, in particular, the constricted opening times of the Bridge run contrary to Israel's obligation under the Comay-Micheltmore Agreement to facilitate the task of the Agency to the best of its ability. Further, as previously reported, Israeli authorities levy a transit tax against persons crossing the Bridge, including UNRWA staff members. However, as in previous years, Israeli authorities have granted a limited number of exemptions to UNRWA officials who frequently cross the Bridge into Jordan from the requirement to pay the transit tax. On the basis of a list submitted by the Agency, 64 officials were exempted during the reporting period from having to pay the tax. All other staff members continued to be required to pay the tax when crossing into Jordan.

141. *Gaza International Airport and the Rafah crossing.* After the onset of the intifada in late September 2000, Israeli authorities closed the Gaza

International Airport intermittently. Since 25 February 2001, Israeli authorities have kept the airport continuously closed and it remains so at the conclusion of the reporting period. The Israeli authorities have also shut the Rafah crossing point between the Gaza Strip and Egypt on several occasions for a number of days at a time. The Rafah crossing point into Egypt has been the only crossing point area staff have been able to use, even if travelling on the official business of the United Nations. The closure of Gaza International Airport and the sheer number of people attempting to cross from the Gaza Strip into Egypt via Rafah has caused staff members to experience considerable delays and has greatly increased their respective journey times, with negative consequences for the Agency.

142. *International drivers.* Restrictions on the movement of local staff into and out of the Gaza Strip have compelled UNRWA to employ two extra international staff as drivers, in order to maintain, inter alia, effective pouch and courier services for its Gaza headquarters and field operations. The additional costs of the two international drivers are significant when compared to the costs of employing locally recruited drivers.

143. *International staff with local residency.* UNRWA international staff members holding Jerusalem, West Bank or Gaza Strip identity cards, and international staff members married to persons with such identity cards, continued to be refused diplomatic or service visas by Israeli authorities. Such staff members were required to carry permits for travel between the West Bank, the Gaza Strip and Israel. During the reporting period, the Agency made repeated representations to the relevant Israeli authorities that, as a matter of principle, all international staff should be accorded equal treatment. At the close of the reporting period, the affected staff members were required to carry permits issued by the Israeli authorities and valid for a period of one month.

144. *Employment of local staff members in the Syrian Arab Republic.* During the reporting period, Syrian authorities objected to the employment of 12 area staff members on unspecified security grounds. Following the Agency's intervention, four of the local staff members were subsequently granted security clearance by the authorities.

B. Agency services and premises

145. *Provision of services.* In the Agency's view, the increased restrictions imposed by the Israeli authorities on the freedom of movement of the Agency's personnel, vehicles and goods during the reporting period are not consistent with the principles of international law or the specific agreements between Israel and UNRWA. These include the 1967 Comay-Michelmore Agreement that, inter alia, requires the Government of Israel to facilitate the Agency's operations "to the best of its ability." The Israeli authorities and the Agency have not been able to agree on the scope or application of the consideration of military security to which this obligation is subject under the Agreement.

146. *The Karni crossing.* The Israeli authorities stopped the movement of commercial goods through the Erez crossing from Israel into the Gaza Strip during the reporting period. The Karni crossing point is now the main point of entry and departure for trucks and trailers belonging to or used by the Agency. All Agency vehicles using the Karni crossing must comply with what has been termed as the "back-to-back" haulage procedure, except for vehicles transporting commodities in sealed containers from the Israeli seaports of Ashdod or Haifa, which are required to comply with the less onerous, but still objectionable haulage system that is colloquially termed "hook-unhook". According to this procedure, when a truck arrives at the Israeli side of the Karni crossing point, the trailer on which the goods are loaded is unhooked from its Israeli tractor, and then re-hooked to a Palestinian tractor on the Gaza side of the terminal. In contrast, under the "back-to-back" procedure, when an Israeli truck loaded with goods arrives at the Israeli side of the crossing point, the goods on the Israeli truck are unloaded onto the ground, security checked and then loaded onto a separate Palestinian truck, which is allowed to drive into the Gaza Strip. The Agency, relying upon the 1946 Convention on the Privileges and Immunities of the United Nations and the 1967 Comay-Michelmore Agreement, has refused to allow its distinctive white or blue trucks that display the insignia of the United Nations to be subjected to any interference of the type insisted upon by the Israeli authorities. However, in respect of tractors and trailers hired by the Agency from Israeli haulage firms, the Agency, while refusing to comply with the "back-to-back" haulage regime, has reluctantly and as a

temporary and ad hoc measure accepted the “hook-unhook” procedure, as a matter of necessity, in order that it may gain access into the Gaza Strip for its much needed humanitarian cargo. In addition, the Israeli Airports Authority levies a charge against all vehicles, including vehicles operated by the Agency, transiting the Karni checkpoint. The Agency’s view is that the charge in question is, in effect, a tax from which the Agency is exempted by virtue of its privileges and immunities. The restrictions imposed at the Karni crossing point into the Gaza Strip have resulted in substantial delays, additional costs and acute storage problems at the West Bank field office, where medical supplies, general commodities and motor parts for the Gaza field remain stranded. By way of example, at the beginning of June, the Agency had accumulated some 40 ten-ton truck loads of supplies with a value of approximately \$1 million, including medicines with rapidly expiring shelf lives, which needed to be transported from warehouses in the West Bank to Gaza, where the supplies were urgently needed. The Agency, throughout the reporting period, continued to object to the procedures implemented by the Israeli authorities at the Karni crossing point and, despite raising the issue at meetings with the Ministry of Foreign Affairs and the Israel Defense Forces, as at 30 June 2001 no acceptable solution to the problem had been advanced by the Israeli authorities.

147. *Passage through checkpoints.* Movement of UNRWA vehicles through Israeli checkpoints within the West Bank and the Gaza Strip remained strictly controlled. As mentioned above, burdensome crossing procedures at Israeli checkpoints, which result in long delays, have caused operational difficulties for the Agency. Of particular concern to the Agency is the denial of access and detention of Agency vehicles. In a representative illustration of denial of access, on 17 January 2001, an UNRWA health team heading for Deir Ammar Camp in the West Bank was prevented by members of the Israel Defense Forces from crossing the El-Janyeh checkpoint, despite travelling in a distinctive white UNRWA vehicle. A medical officer, who formed part of the team, was subjected to abusive language and threatening behaviour from the Israel Defense Forces soldiers manning the checkpoint. The team eventually gained access to the Camp, but only after finding a circuitous route that caused them to travel an additional 40 km and delayed the provision of their medical services to the Palestine refugees for a considerable period of their working day.

148. *Searches of vehicles and goods.* As mentioned previously, during the course of the reporting period, the Israeli authorities continued on occasion to demand that Agency vehicles be searched at crossing points and checkpoints, a procedure that the Agency has consistently resisted and objected to on the basis of its privileges and immunities. Such demands increased markedly after the outbreak of unrest in late September 2000, and impacted adversely the efficiency with which the Agency delivered its humanitarian services, as refusal by the Agency to comply with search procedures led to inevitable delays on the ground. Similarly, at the port of Ashdod, cargo destined for the Agency’s warehouses in the West Bank and the Gaza Strip was subjected to lengthy security checks by Israeli authorities. As a consequence of the delays caused by these security procedures, the Agency has incurred storage and demurrage charges, for which the Israeli authorities refused to reimburse the Agency.

149. *Construction projects.* Most construction projects on Agency installations in the Gaza Strip and the West Bank have either been seriously delayed or stopped completely due to the restrictions on movement and the lack of construction materials. A significant impact was felt between 1 January and 5 April in the Gaza Strip, when all construction projects were interrupted. When work resumed, the paucity of construction materials remained a distinct problem. The scarcity of construction materials was caused by the procedures imposed by the Israeli authorities at the Karni crossing point into the Gaza Strip.

150. *The operational support officer programme.* The operational support officer programme was conceived and implemented by the Agency during the course of the reporting period. The programme was designed to assist in alleviating the adverse effects that the restrictions imposed by Israeli authorities were having upon the Agency’s provision of humanitarian services. The programme has proved to be very useful in the West Bank, and the operational support officers who staff the programme have assisted both in enhancing the operational effectiveness of the Agency’s ongoing programmes and in facilitating access for Agency personnel, vehicles and commodities.

151. *Damage to UNRWA installations and vehicles.* The Israel Defense Forces have, in some instances, caused damage to UNRWA installations. Just one instance of concern was the Aida Girl’s School in the West Bank, which sometimes during school hours was

subjected to Israel Defense Forces gunfire. Similarly, the Ahmed Abdel Aziz Preparatory Boys School in Khan Younis in the Gaza Strip has, on more than one occasion, sustained damage caused by gunfire and, on one occasion, by Israel Defense Forces shelling. For instance, in the months of April and May 2001, 10 installations in the Gaza Strip were damaged, with some of the buildings being damaged on more than one occasion. It is estimated that since 28 September 2000, damage to UNRWA installations and property in the West Bank has amounted to over \$20,000, and in the Gaza Strip to approximately \$13,000. UNRWA is in the process of collecting evidence of the damage caused by the Israel Defense Forces to Agency installations and will seek compensation from Israel on the basis that Israel has a legal obligation pursuant to, inter alia, the Comay-Michelmore Agreement to ensure the protection and security of Agency installations and property. In addition to the above, Israeli settlers have resorted to the use of force against UNRWA installations and personnel in the West Bank and Gaza strip. For example, on 19 June 2001, at the northern entrance of Halhoul village in the West Bank, a roadblock prevented Agency staff members on their way to work from entering the village. A group of approximately six armed settlers threw stones at the staff members. Members of the Israel Defense Forces posted at the entrance to the village did not intervene to stop the attack.

152. *Armed interference.* Armed interference with UNRWA personnel and vehicles by members of the Israel Defense Forces was, during the reporting period, of particular concern to the Agency. During the second week of November 2000, for instance, a rubber-coated metal bullet fired by a member of the Israel Defense Forces struck a clearly marked UNRWA ambulance that was being driven in the West Bank, hitting the ambulance driver in the leg. Further, on 11 April 2001, a rubber-coated metal bullet fired by a member of the Israel Defense Forces at the Al Ram junction in the West Bank struck an UNRWA vehicle. Similarly, on 28 April 2001, an UNRWA vehicle was hit by a rubber-coated metal bullet fired by a member of the Israel Defense Forces near the Kalandia Airport in the West Bank. On 18 October 2000 in the Kfar Darom area of the Gaza Strip, an UNRWA ambulance driver was hit in the leg by a bullet fired by a member of the Israel Defense Forces and on 29 November 2000, an UNRWA ambulance was struck by a round in similar circumstances.

153. *Functioning of headquarters.* The operational efficiency of the Gaza headquarters of UNRWA continued to be adversely affected by Israeli restrictions imposed on the freedom of movement of the local staff assigned to the Headquarters.

154. *Incursions into installations.* No incursions into UNRWA premises in Jordan, Lebanon or Syria were recorded during the reporting period. However, in the West Bank, two incursions into UNRWA installations were recorded between 1 July 2000 and 30 June 2001. Armed Palestinian elements made one incursion into the Amari Girls School in Ramallah and one incursion was made by the Israeli authorities into the offices of the Camp Services Officer in Deir Ammar Camp. In both cases, the Agency formally protested the incursions with the appropriate authorities on the basis of the inviolable nature of Agency premises under international law. In the Gaza Strip, incursions were made by armed Palestinian elements into the Rafah Warehouse, the Beit Hanoun Preparatory "A" Boys and Girls School, the Khan Younis Elementary "D" School and the El Shouka Elementary School. In all cases, the Agency formally protested the incursions with the Palestinian Authority.

155. *Legal advice and assistance.* UNRWA continued to provide legal advice and assistance, in particular for refugees applying for family reunification to the Gaza Strip and visit permits. The Agency also responded to a large number of requests for confirmation of refugee status from registered refugees and from governmental and non-governmental organizations worldwide.

156. *Diesel tax.* As reported in previous years, the Agency submitted a formal protest to the Syrian authorities in connection with the levying of a charge payable on diesel vehicles registered on or after 1 January 1990, which in the view of the Agency constituted a direct tax. The Agency is exempted from the payment of such a tax under the terms of the 1946 Convention on the Privileges and Immunities of the United Nations. The matter remains under consideration by UNRWA and the Syrian authorities.

C. Other matters

157. *UNRWA immunity from legal process.* UNRWA continued to assert its immunity from legal process, notwithstanding the fact that some judgements were issued against UNRWA in the reporting period. The

Agency has contested those judgements on the basis of its privileges and immunities and has sought to have them set aside.

158. *Staff members' immunity from legal process.* Where able, necessary and appropriate, UNRWA continued to assert the functional immunity enjoyed by all of its staff members pursuant to the terms of the 1946 Convention on the Privileges and Immunities of the United Nations. The Agency on several occasions sought assistance from host Governments, Israel and the Palestinian Authority with a view to ensuring compliance with the convention. However, in the West Bank, Israeli and Palestinian authorities continued to issue summonses to UNRWA staff members directly without first contacting the Agency.

159. *Reimbursement of taxes and other charges.* Under the terms of the 1996 bilateral agreement concluded between the Agency and the Palestinian Authority, the Agency, despite being expressly exempted within the agreement from any form of taxation, generally pays Value Added Tax (VAT) at the source and then seeks reimbursement of the tax from the Palestinian Authority. However, at the close of the reporting period, the Agency had only received limited VAT reimbursement from the Palestinian Authority. The total amount outstanding as at 30 June 2001 was \$19.7 million. In May 2001, the Agency requested payment of the outstanding VAT owed to it by the Palestinian Authority and advanced suggestions to the Authority on how best to revise and/or reform the current VAT procedures, with a view to ensuring prompt reimbursement or exemption. The matter remains under active consideration between the Palestinian Authority and the Agency. The issue of the payment of water bills for UNRWA installations in the West Bank is still to be conclusively resolved with the Palestinian Authority. The issue of reimbursement of port and related charges to the Agency by Israel remains unresolved. Since January 1996, UNRWA has been paying all such charges for Agency cargo arriving at the port of Ashdod and elsewhere, which were previously paid by the Israeli authorities. The Agency's position was that the obligation to pay port and related charges continued to remain with Israel pursuant to the terms of the 1967 Comay-Michelmores Agreement. The total amount of port and related charges due to the Agency as at 30 June 2001 is \$5.8 million. As mentioned in paragraph 145 above, at the Karni crossing point into the Gaza Strip, a transit charge in the nature of a tax was

imposed by the Israeli authorities for use of the crossing. The total amount of transit charges paid by the Agency as at 30 June 2001 was \$35,077.56. Storage and demurrage costs, which amounted to \$134,278.12, accrued against and paid by the Agency at the port of Ashdod, was due to, inter alia, Israel's insistence that the Agency use the Karni crossing on the terms stipulated by it. UNRWA is entitled to tax reclaims from the Government of Italy in respect of Provident Fund investments made in Italy prior to 2000, therefore, pursuing the claims procedure for each reclaim. Those reclaims amounted to approximately \$1.27 million, and the Agency continued to pursue the reclaims with the government of Italy.

Chapter V Jordan

A. Education

160. *Elementary and preparatory schooling.* The 190 Agency schools in Jordan accommodated 137,415 pupils in the six-year elementary cycle and four-year preparatory cycle in 2000/01, a decrease of 2,388 pupils (1.7 per cent) in 2000/01, compared to the previous school year. The decrease in enrolment was attributed to several factors, such as the movement of refugee families from Jordan to the West Bank and the Gaza Strip, the transfer of refugee pupils from UNRWA schools to newly constructed government schools next to some refugee camps, the shorter school week in government schools (five days as compared with six days in UNRWA schools), and the predominance of single shift in government schools.

161. *Education infrastructure.* The poor physical conditions of many UNRWA school premises in Jordan continued to be of concern to the Agency in its efforts to provide a satisfactory learning environment for refugee pupils. Forty-nine unsatisfactory rented schools accounted for 25.8 per cent of the 190 schools used by the Agency in the field. The reconstruction of one school building to replace the old and unsatisfactory school building, funded by Japan was completed in November 2000. Two classrooms, three water tanks and two toilet blocks were also constructed.

162. *Special education.* The special education project continued to provide services to children with learning difficulties in the elementary cycle, and included

around 76 deaf children, one blind child, 650 low achievers and slow learning pupils and 760 pupils who needed remedial classes during the school year 2000/01. Additional donor funding was needed to allow those programmes to continue.

163. *Vocational and technical training.* A total of 1,206 trainees, including 447 women, were enrolled in 16 trade courses and 11 technical/semi-professional courses at Amman training centre and Wadi Seer training centre during the 2000/01 school year. Technical/semi-professional trainees maintained excellent results in the comprehensive examinations for community colleges administered by the Jordanian Balqa Applied University in July 1999, attaining pass rates of 93.5 per cent at the Amman centre and 84 per cent at the Wadi Seer centre, as compared with a national average of 61 per cent in corresponding subjects.

164. *Education science faculty.* The education science faculty at the Amman training centre provided in-service training for 203 UNRWA teachers, including 139 women, and pre-service teacher education to 383 secondary-school graduates, including 341 women. During the reporting period, 196 teachers graduated from the in-service programme in 2000/01 and 75 students graduated from the pre-service programme, all of whom were awarded an accredited bachelor's degree in education.

165. *University scholarships.* In 2000/01, 115 scholarships, 44 of which are held by female students, continued from previous years.

B. Health

166. *Primary care.* UNRWA health care for Palestine refugees in Jordan was delivered through 23 primary health-care facilities, all of which provided family planning and laboratory services, 17 provided special care for non-communicable diseases, and one operated radiology and physiotherapy units. Dental care was offered at 17 facilities, in addition to three mobile dental units which provided school and community oral health care. Specialist care comprising gynaecology and obstetrics was provided through a weekly rotating schedule, whereby pre-screened patients were referred by medical officers for further assessment and management by specialists. Many refugees in Jordan availed themselves of more easily accessible

government primary health-care services. During the reporting period, works were completed for construction of a new health centre in North Shouneh, Jordan Valley, to replace the unsatisfactory rented premises as well as for the expansion of the Irbid health centre and the Musheriefeh mother and child health centre.

167. *Secondary care.* Assistance towards secondary care was provided through a reimbursement scheme, which partially covered medical expenses incurred by refugees for emergency treatment at government hospitals. In order to avoid the undesirable outcomes of complicated pregnancies, two contractual agreements were concluded, one with the University hospital in Amman and another with a private hospital in Irbid to ensure safe delivery by women identified to be at high-risk who could neither be admitted to government hospitals nor afford the cost of private sector hospitals.

168. *Cooperation with the Government of Jordan.* The long-standing cooperation between UNRWA and the Jordanian Ministry of Health continued to cover a wide range of public health activities, including immunization, surveillance of communicable diseases, tuberculosis control, development of human resources for health, quality assurance of essential drugs, participation in national immunization campaigns against poliomyelitis and measles and in-kind donation of hepatitis B vaccine UNRWA also collaborated with the primary health care initiative project funded by the United States Agency for International Development (USAID) in the areas of research on provider and client satisfaction conducted in collaboration with the Ministry of Health. In addition, the host Government continued the project for replacement of corroded water pipes in refugee camps as an integral part of the plan to rehabilitate municipal water networks. Towards the end of the reporting period, the Ministry of Health started to meet the Agency's requirements of contraceptive supplies as well as the quadruple hepatitis B, diphtheria, pertussis and tetanus vaccine and the haemophilus influenzae B vaccine, which have been newly introduced in the national expanded programme on immunization, as in-kind contributions.

C. Relief and social services

169. *Refugee registration.* As at 30 June 2001, 1,639,718 million persons are registered with UNRWA in Jordan. This number reflects a 4.4 per cent increase

over last year, and is in line with current rates of population growth. Jordan hosts 42.3 per cent of all registered refugees in the region and thus constitutes the largest of the five fields in which UNRWA operates.

170. *Special hardship programme.* The lowest percentage of refugees enrolled in the special hardship programme is found in Jordan. Only 2.58 per cent of all refugees registered there are special hardship cases, whereas the overall Agency-wide average is 5.61 per cent. This relatively low percentage in part reflected access to government services to which the refugees were entitled by virtue of their status as Jordanian citizens. However, unemployment in Jordan during the reporting period exceeded 30 per cent and one third of the population of the country lived below the poverty line. This had a negative impact on the refugee community. While the Jordan field was able to increase the number of families registered from 40,955 at 30 June 2000 to 42,364 at 30 June 2001 (a 3.44 per cent increase), hundreds of other applicants could not be assisted due to insufficient donor support for both the food and cash subsidy components.

171. *Selective cash assistance.* A sum of \$107,616 was allocated as direct cash assistance to 774 refugee families facing emergency situations, exceptional difficulties or a lack of basic socio-economic necessities. In addition, a Palestinian family made a special donation of \$20,000 in 2000 in commemoration of their daughter. This will cover 20 full scholarships for talented students from special hardship case families and will include both university tuition fees and a living stipend through graduation. The family also donated \$7,000 to the special hardship programme, which allowed the field office to provide assistance for 65 families consisting of 400 members.

172. *Shelter rehabilitation.* During the reporting period, 52 shelters occupied by special hardship families were reconstructed through a donation of \$217,609 from the European Community Humanitarian Office. However, more than 507 shelters still require repairs and/or reconstruction and additional funding is needed to assist the families on this waiting list.

173. *Poverty alleviation.* The poverty alleviation and income generation activities in Jordan were funded through two sources. The regular budget of UNRWA provided credit for special hardship cases under the self-support programme. The income generation

programme, aimed at supporting existing businesses of refugees from a wider range of socio-economic backgrounds, in finances through foreign, non-regular budget donations. Marking a further shift from pure relief assistance to the goals of community participation and longer-term social development, during the reporting period credit provision through the regular budget for special hardship case families, a service formerly under the administration of the Relief Services Division, was taken up by the Social Services Division. In addition, a cost-sharing policy was introduced in 2001 whereby credit beneficiaries cover 15 per cent of the total value of their grant usually at a maximum of JD 2,000 (\$2,800 at the end of the reporting period). A total of 82 special hardship case families benefited from that service by becoming independent from UNRWA rations after successful use of grants to support small businesses. This service complements two other poverty alleviation schemes. The group guaranteed lending schemes, initiated in the mid-1990s for the benefit of women entrepreneurs in need of modest credit allocation, continued to function smoothly. Furthermore, the local committees, in cooperation with the Bank of Jordan, still successfully manage their separate microcredit scheme for individuals. Women's groups in the Jerash and Husn camps have now even started extending their savings to individuals who do not form part of their formal savings group. This initiative marks a first step towards the establishment of a small-scale community banking initiative, and it is hoped that such activities will be replicated over time, thus contributing to the sustainability of the programme and to the financial and managerial independence of refugees and the organizations rooted in their communities. The foreign donor-funded income generation programme also underwent further innovations during the past year. For example, the programme introduced in Jordan an additional small-scale loan scheme whereby beneficiaries receive a small loan (up to a maximum of \$700) upon nomination of a guarantor able to write a cheque to the Bank of Jordan. This scheme enabled the programme's Jordan field to increase its credit outreach and to target a wider number of poor refugees. Businesses supported by this scheme include honey producers, bookshops, groceries, clothing stores and pharmacies. A total of 79 loans valued at \$202,403 were distributed during the reporting period.

174. *Women in development.* The management of women's programme centres underwent major

structural changes during the reporting period. A number of women's committees in charge of women's programme centres merged. At the close of the reporting period, 14 local committees were managing and supervising the various activities and initiatives of 21 women's programme centres. The pooling of committee resources and exchange of experiences and skills increased their effectiveness and outreach. Women's programme centre beneficiaries enjoyed access to a range of skills training activities, cultural and recreational initiatives, awareness-raising campaigns (including health and gender issues), microcredit services and access to two reputable legal advice bureaux situated in Wehdat and Jabal Hussein camps. These bureaux were run by two experienced lawyers who also conducted legal literacy courses in other communities in the camp and helped to build contacts with local and national NGOs. The salaries of these two lawyers were paid by the women's programme centres, underlining the increased financial self-sufficiency of women's programme centres. Through coordination with the Ecumenical Studies Centre, the popular education project continued to operate at the Zarqa women's programme centre, offering literacy classes during the reporting period. The relief and social services programme also utilized the participatory techniques advocated by the popular education project for needs assessment and problem-solving exercises carried out with the committees of local community-based organizations, thus strengthening community participation in the process of local development. The parental guidance project was coordinated jointly by UNRWA and UNICEF with the support of the Ministry of Youth, the Ministry of Education and other NGOs. Outreach was expanded during the past year, and an early childhood development component now aims to assist parents in promoting the cognitive and social health of young children, in particular girl children.

175. *Community-based rehabilitation.* Since 1997, a pilot project has been running in the Jarash camp to explore the scope and success of the community-based rehabilitation approach to treating disability. This approach favours increased community involvement in assisting and supporting the mentally and physically challenged. Home visits form a key part of community-based rehabilitation outreach activities, as do awareness-raising campaigns and joint activities between able-bodied and disabled members of any

given community. A total of 2,424 individuals and/or families benefited from such activities.

176. *Community-based rehabilitation pilot project.* The Jordan field's community-based rehabilitation pilot project came to a successful conclusion in 2001. In Jarash, home visits conducted by 4 rehabilitation workers benefited a total of approximately 130 families. Each family was consulted and provided a training plan suited to a client's specific needs and designed by the disability programme officer and other staff of the community rehabilitation centre. Pilot project donors have offered to assist in the implementation of additional pilot projects in the Jordan field. A survey of the disabled and their living conditions in the Jarash and Zarqa camps was conducted and its findings were readied for publication as an instructional booklet. In line with the community-based rehabilitation approach, the Jordan field for the first time organized a winter camp during the reporting period integrating able-bodied and disabled children. A total of 142 able-bodied and disabled children participated in joint activities and built relationships marked by increased mutual understanding, tolerance and respect. Funding for this activity was made possible with the assistance of area organizations. The reconstruction of an old community rehabilitation centre in the Wehdat camp using cash and in-kind donations from approximately 40 community members to cover 33 per cent of the costs demonstrated the value of participation in the building of community assets. Training remained high on the agenda of the relief and social services programme in Jordan during the reporting period. A core community-based rehabilitation training team was formed following the recommendations made after the evaluation of the community-based rehabilitation pilot project. This team will help spread knowledge and skills needed to implement the community-based rehabilitation approach and will also assist in the possible implementation of further pilot projects. In addition to this follow-up activity, the disability programme also arranged various training activities throughout the past year, such as capacity-building sessions in physiotherapy, speech therapy and special education.

Chapter VI Lebanon

A. Education

177. *Elementary and preparatory schooling.* In the 2000/01 school year, the 71 UNRWA pre-secondary schools in Lebanon accommodated 39,456 pupils in the six-year elementary cycle and three-year preparatory cycle. Enrolment did not increase in the elementary and the preparatory cycle. In the annual brevet examination for students at the third preparatory level, held in July 2000, pupils in Agency schools attained a pass rate of 77.88 per cent, compared with 77.53 per cent in government schools. In the 1998/99 school year, the Government of Lebanon introduced the first phase of a new three-phase curriculum. UNRWA adopted the changes, including the introduction of new subjects, and secured funds for the new textbooks and the additional teachers needed. During 1999/00, the second phase was introduced in UNRWA schools. During 2000/01, the third phase of the new Lebanese curriculum was introduced. Textbooks were purchased for \$680,000 and two computer labs were established in the Bissan secondary and Sammou preparatory schools at the Ein El-Hilweh camp.

178. *Secondary schooling.* Lebanon remained the only field in which UNRWA offered secondary-level education on a limited scale to address the problem of restricted access for Palestine refugees to government schools, and the prohibitively high cost of private schools. There were five secondary schools: the Galilee school in Beirut, the Bissan school in Sidon, the Al-Aqsa school in Tyre, the Nazareth school in the North, and the Qastal school in Beqa'a. The construction of the premises of the Al-Aqsa school was under way and is expected to be completed in October 2001. The Galilee, Bissan and Al-Aqsa schools' pass rate was 89.71 per cent for the official general secondary examination against the general result of 69.2 per cent in private and official schools.

179. *Education infrastructure.* Work was in progress in two school buildings in Tyre, to replace one unsatisfactory school and one school at Rashidieh camp. Funds were received to construct a school on Sibliin training centre land to replace two rented schools. High proportions of schools in Lebanon were housed in unsatisfactory rented premises (46.1 per cent). The small size of the classrooms available in

rented buildings kept the classroom occupancy rate relatively low (34.5 pupils), though conditions remained cramped. The Agency remained concerned about the possible financial implications of a rent law promulgated in the previous reporting period which, if fully applied to UNRWA, could lead to a dramatic increase in the rents paid by the Agency. Since the Agency is not allowed to replace rented schools outside the camps with Agency-built schools, the education programme continued to exert efforts to find suitable standard premises.

180. *Vocational and technical education.* The Sibliin training centre provided vocational and technical training for 650 trainees, of whom 165 were women, in 13 trade courses and seven technical/semi-professional courses.

181. *Pre-service teacher training.* The total enrolment at the Sibliin training centre was 128 students, of whom 99 were women. Utilizing a curriculum designed by UNRWA, 52 students graduated from the course in August 2000, of which 51 were employed by the Agency.

182. *Kindergartens.* The four French-language kindergartens funded by a donor continued to operate, with an enrolment of 216 children in the 2000/01 school year.

183. *University scholarships.* In 2000/01, 50 scholarships, 16 of which were obtained by female students, continued from previous years.

B. Health

184. *Primary care.* UNRWA remained the main provider of health care for the 383,000 refugees registered in Lebanon. Access to public sector health services was restricted by a public health infrastructure that was still developing, and refugees were for the most part unable to afford the high cost of private care. Agency services were provided through 25 primary health-care facilities, all offering family planning services, of which 24 offered special care for the management of diabetes mellitus and hypertension, 17 provided dental care, 15 contained laboratories, four of which had radiological facilities, and 15 offered specialist care in cardiology, obstetrics and gynaecology.

185. *Secondary care.* Hospital care was provided for refugees in Lebanon through contractual arrangements with 14 private and Palestinian Red Crescent Society general hospitals, and one mental health institution. Steadily rising costs and the wide gap between the minimum needs of the refugee population and UNRWA available resources made the provision of sufficient hospital care a priority health concern in the field. Owing to especially difficult socio-economic conditions, refugees in Lebanon remained exempt from the co-payment system in place in other fields, although co-payments were required for specialized life-saving treatment. It became evident during the reporting period that services could not be maintained within the limited funds allocated from the Agency's regular budget. The services during the second half of 2000 could be only sustained by redeployment of funds from other fields/programmes as well as from special contributions from Italy, the Canadian International Development Agency, Switzerland and the European Community Humanitarian Office. The main challenge remains in securing additional contributions to sustain the hospitalization scheme, which had, over the last few years, been largely dependent on extrabudgetary resources. The special project for improving access to hospital services at \$4.4 million during the period from July 2000 to June 2002 was partially funded, which involved serious risks to the sustainability of services during 2001.

186. *Cooperation with the Government of Lebanon.* UNRWA participated in national immunization days for the eradication of poliomyelitis in Lebanon in accordance with the WHO regional strategy, using vaccines donated by UNICEF. The Agency and the national tuberculosis control programme also maintained close cooperation on all aspects pertaining to implementation of the WHO directly observed short-course treatment strategy, including epidemiological surveillance, management and follow-up. The national thalassaemia association continued to provide support towards the treatment of refugee children suffering from that congenital disease.

187. *Environmental health infrastructure.* Although the detailed feasibility studies, technical designs and tender documents for construction of sewerage, drainage and water supply systems in five refugee camps were ready by the summer of 1999, no progress could be achieved in these projects due to introduction of new tendering procedures by the European

Community. The draft tender dossier for the supervision contract had been rewritten and its approval is still pending final confirmation by the concerned offices in UNRWA and the European Community. Similarly, the tender for construction of infrastructure projects in the five camps has been withheld pending approval of the technical supervision contract. Meantime, corroded water pipes were replaced in various sectors of the Rashiedieh, Ein-El-Hilweh, Wavel, Beddawi and Shatila camps.

C. Relief and social services

188. *Refugee registration.* At 30 June 2001, the number of Palestine refugees registered with UNRWA in Lebanon stood at 382,973, an increase of 1.73 per cent over the 30 June 2000 figure of 376,472. Around 40 per cent of the family file ex-codes were amalgamated by the end of the reporting period. Lebanese authorities relied heavily on the UNRWA refugee registration information system. To facilitate access to the system and more efficient delivery of services to the refugees, complete lists of individuals and families were transferred on CD-ROM to the Sûreté générale. The same database had earlier been installed in the offices of the Directorate for Administration of Palestinian Affairs and was regularly updated by UNRWA.

189. *Special hardship programme.* At the end of June 2001, the number of registered refugees enrolled in the special hardship assistance programme was 42,448 persons, or 11.08 per cent of the registered population. Demand for programme assistance continued to grow owing to the socio-economic pressures experienced by the refugees. The special hardship case food aid package in cash and kind represented an important food supplement to the diet of poor refugee families and was of substantial value to families who were unable to secure regular income, and, with much difficulty gained access to only intermittent employment. Lentils continued to be distributed exclusively in Lebanon in addition to other basic ration components. Delays in the delivery of basic commodities necessitated an adjustment to the food aid package in early 2001 due to shortages in sugar and sunflower oil. Cash for food was reduced from \$10 to \$8 per person during the last quarter of 2000 owing to a decline in the value of the euro against the United States dollar, thereby reducing total special hardship assistance in Lebanon by over

\$80,000. In 2001, cash for food was not issued during the first quarterly distribution owing to late arrival of funds, but was made up in the second quarterly distribution. In a reflection of the socio-economic anxiety of the entire refugee community during the reporting period, social workers were on a number of occasions confronted by refugees who did not fulfil the minimum criteria for special hardship assistance but nevertheless claimed eligibility for food aid.

190. *Selective cash assistance.* Between July 2000 and June 2001, 887 families, consisting of 3,798 persons, received emergency cash assistance to cover specific needs, such as rent, education or medical expenses. The average amount disbursed per family was \$115.

191. *Shelter rehabilitation.* Housing remained an intractable problem for the refugee community in Lebanon during the reporting period. The situation was characterized by overcrowding in refugee camps, a continuing ban on shelter rehabilitation in Tyre camps, lack of camp space to accommodate natural population growth and limited funding for shelter rehabilitation. The situation became more acute with the promulgation of a law in Lebanon prohibiting Palestinians from ownership of property for housing. At the end of 2000, 1,571 families enrolled in the special hardship assistance programme continued to inhabit shelters inside camps that failed to meet minimum standards. One hundred and twenty-three shelters accommodating 638 persons were rehabilitated with project funding during the reporting period. In order to rationalize the selection of families eligible for shelter assistance according to needs-based priority listing, teams consisting of relief services staff, camp services officers and area officers in Saida, central Lebanon area, north Lebanon area and Beqa'a carried out house-to-house surveys during February and March 2001. The survey found that more than 590 shelters are in need of immediate intervention. Coordination with the Lebanese Minister of Displaced Persons led to the resumption of cash compensation for Palestinian refugees displaced by eviction throughout Lebanon, as well as the suspension of eviction of registered refugees in the Dbayeh camp. In February 2001, flooding damaged the shelters of nine refugee families living in Jal el Bahr in the area of Tyre. Small emergency cash subsidies were distributed to the families to compensate for part of their losses. Shelter rehabilitation assistance was not possible as the

location, which the families occupied, was not legally owned or rented.

192. *Social services.* The transition from a relief orientation to the relief and specialized social services, which began in 1989, was finally consolidated in 2001 with the recruitment of a field social services officer and the appointment of specialized community development social workers and credit extension assistants.

193. *Poverty alleviation.* Credit for microenterprise development continued to be the backbone of poverty alleviation initiatives in the Lebanon field. Final touches to the restructuring of the credit programme included downloading of the related information system to the areas (Saida, Tyre, Beqa'a, north Lebanon area and central Lebanon area) in order to be able to facilitate and enhance service delivery through the credit extension assistants. Gradual phasing out of the grant portion of the soft loans for special hardship cases continued during the reporting period. In January 2001, the loan portion was raised to 60 per cent of the value of each project and the interest on repayments was set at a flat rate of 10 percent. During the reporting period \$88,330 in soft loans were disbursed to 21 families (133 persons) suffering special hardship. Some 24 families (141 persons) moved off the ration rolls during the reporting period as income from their microenterprises was sufficient to support their economic self-reliance. Efforts were made to expand the outreach of credit facilities to a wider sector of the refugee community and to introduce new lending products to increase revenues and stimulate greater economic activity inside the camps. Small working capital loans were issued to existing microenterprises. During the reporting period, 148 loans were issued, representing double the number reported at the end of the last reporting period. The total value of loans issued was \$407,900, creating and/or saving some 212 jobs. Interest earned on loan repayments over the reporting period was \$18,000, of which \$11,500 was used to cover staff and running costs and the balance was redeployed in new loans.

194. *Women in development.* In December 2000, the memorandum of understanding regulating the UNRWA relationship with community-based organizations operating from UNRWA-owned premises was endorsed and put into effect. That further set the foundation for UNRWA commitment to develop the capacities of community-based organizations to be autonomous and

to assist them in their efforts to reach full managerial and financial self-sustainability. Skills training courses offered by the community-based organizations in women's programme centres attracted 2,801 participants during the reporting period. Apart from the traditional sewing, embroidery, hairdressing, languages and typing, new, up-to-date computer literacy training and Internet courses were offered, which attracted both male and female trainees in the Ein el Hilweh women's programme centre. Some 3,000 women attended a variety of awareness-raising activities at women's programme centres. Topics included issues such as reproductive health, legal rights, domestic violence, mental health and gender. Activities were organized in coordination with the UNRWA Health and Education Departments, other United Nations organizations and local NGOs. Income to cover expenditure was collected from fees charged for skill training courses, UNRWA subsidies and contributions from local NGO partners. Particular attention was given during the reporting period to the development and strengthening of the managerial and institutional capacities of community-based organizations. Training for human resources development included community development training-of-trainers, participatory diagnosis, community-based organization management, curriculum design for vocational training, and gender and strategic planning. Performance evaluation indicators for community-based organizations were finalized, providing community development social workers with a tool to monitor the committees' progress towards managerial sustainability. The exercise helped the organizational committees identify areas requiring improved self-management, and exposed the areas which needed further intervention by UNRWA to assist community-based organizations to reach that goal.

195. *Disability.* The community-based organization managing the community rehabilitation centre in the Nahr el Bared camp in northern Lebanon took one step further to total self-reliance by finalizing the arrangements for legal registration and receiving a licence number. Activities in the centre included specialized rehabilitation services for 68 children with special needs and 2,792 other home-based beneficiaries, awareness-raising campaigns to promote mainstreaming and a community-based rehabilitation approach among parents, schoolteachers and local NGOs. Donations totalling over \$40,000 were provided by different international and local funders, covering

part of the running costs and the outlay for a new auditory system for teaching children with hearing impairments. UNRWA played a pivotal role in promoting and utilizing a community-based approach through its membership in the Forum for Disability. The combined efforts of the members of the NGO Forum were reflected in the strengthening and consolidation of the referral system among NGOs and expansion of cost-sharing of prosthetic devices. A total of 316 disabled persons were assisted through the referral system in which UNRWA was a major player and 10 persons were assisted by the cost-sharing system during the reporting period. Mainstreaming of children with visual impairment continued in the Saida area with three students enrolled in Agency schools. In coordination with a local NGO and financial sponsorship from an international NGO in the 2000/01 school year, three children with visual impairment were enrolled in a regular school in Tyre. Some 57 children were sponsored by UNRWA in specialized rehabilitation institutions during the reporting period, among them seven children with motor disabilities and two children with visual impairment, who are being prepared for transit to mainstream education. In the Burj el-Barajneh camp during the reporting period, the first step was taken towards introducing community-based rehabilitation initiatives when participatory diagnosis was carried out jointly with NGOs active in the camp to identify children with special needs.

196. *Youth activities.* Recreational sports and educational activities were organized for 5,417 participants in the Youth Activity Centre in Nahr el-Bared camp during the reporting period. The centre is managed by a local committee and all its running costs were covered by returns from income-generating activities and membership fees. A total of 875 children participated in the two-week summer camp and summer activities organized in partnership with various local and international NGOs in July 2000.

Chapter VII Syrian Arab Republic

A. Education

197. *Elementary and preparatory schooling.* In the 2000/01 school year, the 110 UNRWA administrative schools in the Syrian Arab Republic accommodated 64,699 pupils in the six-year elementary and three-year

preparatory cycles. Enrolment in UNRWA schools in 2000/01 increased marginally by 0.41 per cent compared with the preceding year. Around 93.6 per cent of the 110 administrative schools were working on a double-shift basis and 8.2 per cent were housed in unsatisfactory rented school buildings. The high pass rate (94.64 per cent) in the annual government examination for the third-year preparatory pupils, conducted in mid-2000, could be attributed in part to the monitoring and control system adopted by UNRWA in the Syrian Arab Republic. The system was based on continuous evaluation and diagnosis of student weakness, together with the development of remedial work during the school year.

198. *Education infrastructure.* Construction of the Khayriyeh school in Lattakia was completed, and a science laboratory and a learning resource centre at Dera'a were also completed.

199. *Vocational and technical training.* The Damascus training centre accommodated 814 trainees, of whom 203 were women. Trainees were enrolled in 13 trade courses and seven technical/semi-professional courses.

200. *University scholarships.* In 2000/01, 110 scholars, 37 of whom were women, continued their studies from previous years.

B. Health

201. *Primary care.* Health care was provided to Palestine refugees in the Syrian Arab Republic through the Agency's network of 23 health centres, all of which provided comprehensive medical care, including mother and child health care and family planning services, and specialist care for diabetes mellitus and hypertension. Of these facilities, 19 accommodated laboratories and 12 offered dental services, supported by school oral health services through a mobile dental unit. During the reporting period, works were completed for construction of new health centres in the Khan Dannoun camp and Muzereib to replace the old unsatisfactory premises.

202. *Secondary care.* Hospital services were provided through contractual agreements with eight private hospitals based on minimal government rates. As no additional allocations could be made available in 1999 to maintain essential hospital services, strict control on referrals and the duration of stay remained in force, and a partial redeployment of beds was made from private

sector hospitals to less expensive NGO hospitals. Additional budget provisions to alleviate the situation were allocated effective the year 2000.

203. *Cooperation with the Government of the Syrian Arab Republic.* A long-standing cooperation and coordination between UNRWA and the Syrian Ministry of Health continued, especially in the areas of disease surveillance and control, and in national immunization campaigns against poliomyelitis. The Ministry continued to meet the Agency's requirements of hepatitis B vaccine through in-kind donations. Cooperation was maintained with the national tuberculosis programme to coordinate disease surveillance and control activities based on the WHO directly observed short-course strategy. Refugee children suffering from thalassaemia continued to be treated through the national thalassaemia control programme. The Ministry started to supply the Agency with the newly introduced quadruple haemophilus influenzae B, diphtheria, pertussis and tetanus vaccine, which has been newly introduced in the national expanded programme on immunization, as in-kind contributions.

204. *Environmental health infrastructure.* The feasibility study for improving water supply networks in the Khan Dannoun and Khan Eshieh camps and construction of a sewerage system in the Khan Eshieh camp was completed with funds contributed by the Government of Switzerland. The alternative technical options were discussed with the local authorities and agreement was reached on the preferred option. The Canadian International Development Agency funded the development of technical designs and the preparation of detailed cost estimates. As the project involves the development of rural areas adjacent to refugee camps, the European Community delegation in the Syrian Arab Republic and the Minister of State Planning reached an agreement in principle on the matter and it is expected that funding decision will be finalized next year.

205. *Disease outbreak.* An outbreak of leishmaniasis took place in the Ein el-Tal residential area near Aleppo during January and February 2001, due to the build-up of the sand fly population as a result of a breakdown in the adjacent municipal sewerage system. UNRWA, in collaboration with the local municipal authorities, took the necessary public health measures, including increasing the frequency of garbage collection and insectical spraying, which helped the

outbreak to subside. The total number of cases reported among Palestine refugees was 65, all of them treated by the Ministry of Health. It is worth mentioning that leishmaniasis is still endemic in the area.

C. Relief and social services

206. *Refugee registration.* At 30 June 2001, the number of Palestine refugees registered with UNRWA in the Syrian Arab Republic stood at 391,651, an increase of 2.2 per cent over the 30 June 2000 figure of 383,199. The new consolidated registration instructions, which permits family status records in the General Authority for Palestine Arab Refugees to be sufficient verification that an applicant is a genuine Palestine refugee, enabled 18 families to be newly registered with UNRWA. Intensive efforts were exerted to expedite work on the ex-code project. Approximately 70 per cent of the family files were amalgamated as at 30 June 2001.

207. *Special hardship programme.* The number of special hardship cases increased by 7.2 per cent, from 26,594 persons in June 2000 to 28,513 by June 2001. Delay in the receipt of cash subsidies for poor refugees, together with a stock shortage of vegetable oil, caused difficulties for the refugees. The cash subsidy for food was not distributed until the second quarter of 2001 owing to the late arrival of funds. During the period under review, the Government of the Syrian Arab Republic decided to ban importation of milk derivatives from the European Union. Sardines and broad beans will be substituted for the milk until the ban is lifted. In order to enhance and strengthen the capacity of social workers to deal more efficiently and effectively with the relief services programme, two three-day workshops were conducted in Damascus and Aleppo. Social workers continued to be overloaded, with an average caseload of 350, well over the recommended norm of 250 cases per social worker.

208. *Selective cash assistance.* In the year 2001, a modest budget allotment of \$76,000 enabled the distribution of direct cash assistance to 496 families who met exceptional difficulties or lacked basic necessities. Assistance included basic household items, schooling for children, clothing, accommodation and utilities.

209. *Shelter rehabilitation.* For the year 2001, the shelter rehabilitation programme had no allocation

under the Agency's regular budget. However, during the reporting period, 49 shelters were repaired and 7 shelters were under reconstruction as a result of project funding. Work was carried out on a self-help basis. An estimated number of 732 shelters remain on the waiting list for immediate intervention as soon as project funding becomes available.

210. *Poverty alleviation.* In an attempt to set up new guidelines and proper policy for the poverty alleviation programme/income generation programme, an advisory board for the income generation programme was established. The advisory board is currently working on a comprehensive stock taking of outstanding loans and developing a practical collection strategy. The board also began a review of the functional differences between the poverty alleviation programme and the microfinance and microenterprise programme, in particular methodology and overall target clientele, which for the poverty alleviation programme tend to be poorer than credit recipients in the microfinance and microenterprise programme. No further loans or group guaranteed lending scheme loans had been approved during this period under review. In the meantime, five individual loans and 54 clients in the group guaranteed lending scheme have settled their loans. Currently, the number of participants in the group guaranteed lending scheme has remained at 116, and the number of individual loans stands at 139.

211. *Women in development.* Throughout the Syrian Arab Republic field's 15 women's programme centres, a series of workshops were organized, covering topics such as women's rights, marriage, child education, counselling, literacy courses, English language courses and other environmental, social and recreational activities. In cooperation with the Syrian Directorate of Agriculture, workshops on using straw for arts and crafts production were conducted in two women's programme centres. Several seminars were conducted in coordination with UNIFEM for the local community, which sought to raise awareness of women's rights, gender and other social and legal issues. In cooperation with the Ministry of Culture, 50 participants, representing various management committees, participated in a similar training workshop on skills needed for conducting successful public awareness campaigns. Women's programme centres continued their efforts to achieve financial self-sufficiency by participating in several fund-raising exhibitions of embroidered products, and the group guaranteed

lending scheme for women were established in some of the women's programme centres. Some 1,800 men and women graduated from a wide variety of skills-training courses during the reporting period.

212. *Community rehabilitation.* Several training courses for volunteer rehabilitation workers, parents of disabled children and social workers were conducted in cooperation with an Italian non-governmental organization and other societies in Damascus. The courses aimed at training the participants on the methods of teaching and dealing with mentally retarded children. In addition, a series of training courses were conducted for the community rehabilitation centre volunteers and social workers on the management of the centres, speaking and hearing disabilities, cerebral palsy, mental disabilities and the value of early intervention. In a separate effort, a total of 118 orphans and disabled children between 7 and 13 years of age participated in a summer camp organized by UNRWA in Tartous. Two projects, the reconstruction of the Hama community rehabilitation centre and the construction of the Dera'a community rehabilitation centre, were completed during the reporting period. These two centres significantly expanded both the facilities and services to the refugee community, particularly rehabilitative and developmental programmes for women as well as the physically/mentally challenged.

Chapter VIII West Bank

A. Education

213. *Elementary and preparatory schooling.* UNRWA operated 95 schools in the West Bank, 35 for boys, 45 for girls and 15 co-educational. The schools accommodated 55,698 pupils, 43.6 per cent of whom were boys and 56.4 per cent girls. Enrolment in 2000/01 increased by 3.5 per cent over 1999/00.

214. *Education infrastructure.* With project funding, UNRWA completed the construction of eight classrooms and three toilet units. UNRWA continued to experience difficulty in obtaining sites for school construction, particularly in Jerusalem. Agency schools in the West Bank had the lowest classroom occupancy rate (39 pupils) of any field as a result of the relatively high proportion of schools accommodated in

unsatisfactory rented premises (16.8 per cent) or located outside camps or in remote areas. Schools in the camps remained overcrowded.

215. *Vocational and technical training.* The three UNRWA vocational and technical training centres in the West Bank accommodated 1,222 trainees during the 2000/01 school year, of whom 549 were women. The three centres offered 16 trade courses and 20 technical/semi-professional courses. Graduating UNRWA trainees attained a pass rate of 85.89 per cent in the 2000 comprehensive examination held by the Ministry of Higher Education, as compared with 67.5 per cent for all colleges in the West Bank. In cooperation with the Palestinian Authority, short-term courses of 1 to 16 weeks' duration were offered at the three centres to train 198 trainees in diverse disciplines.

216. *Educational science faculties.* The two educational science faculties at the Ramallah men's training centre and the Ramallah women's training centre accommodated 594 students, of whom 389 were women, in a four-year pre-service teacher-training programme offered at the post-secondary level. A total of 116 students, including 96 women, graduated from the two faculties in July 2000.

217. *University scholarships.* In 2000/01, 69 scholarships, 40 of which were held by women continued from previous years.

218. *Operational constraints.* The UNRWA education programme continued to be disrupted by restrictions imposed by Israeli authorities on security grounds. The restrictions primarily affected freedom of movement. On several occasions, closures prevented Agency trainees, teachers and other education staff from reaching their places of work or training. The education programme was severely disrupted by shortages of teaching staff. Staff with West Bank identity cards occasionally faced difficulties in reaching the eight Agency schools in Jerusalem, especially during the internal closures. All schools in the West Bank closed for seven working days from 30 September to 8 October 2000. The quality of education was hampered by the low morale of teachers and students and the extreme stress experienced by them due to the conditions of strife. There was also deterioration in the levels of achievement. The three training centres did not hold classes in October, because closures prevented students from reaching the

centres. In-service training courses and the human rights/non-violent communication project were frozen.

B. Health

219. *Primary care.* Comprehensive primary health care was delivered to Palestine refugees in the West Bank through the Agency's network of 34 primary health care facilities, all of which offered family planning services and special care for the management of diabetes mellitus and hypertension, in addition to the full range of preventive and curative medical care services. Of those facilities, 25 accommodated laboratories and 20 provided dental care, supported by a mobile dental unit for community oral health services. Six centres are equipped with radiological units and six provided physiotherapy services. Works are in progress for the construction of new health centres to replace the unsatisfactory premises in the Dheisheh, Balata and Jenin camps, as well as for the expansion of Qalqilia hospital through project funds.

220. *Cooperation at the national level.* The Agency was represented in all national health committees established by the Ministry of Health of the Palestinian Authority, including an expanded programme on immunization, primary health care, reproductive health, brucellosis surveillance and control, tuberculosis control and health education. UNRWA staff participated in the joint training activities initiated by the Agency, the Ministry of Health and/or NGOs. UNRWA also maintained close cooperation with local universities and international and local NGOs on various aspects relevant to the development of the health care system and development of human resources for health. The Ministry of Health provided in-kind donations of vaccine and cold-chain supplies and NGOs provided medical supplies and health educational material. In addition, the contract was awarded for completion of the internal finishing, electrical, water and air-conditioning systems and the training facilities for the biosafety training section of the national public health laboratory in Ramallah, which is funded by the Government of Italy and implemented by UNRWA.

221. *Secondary care.* In-patient care was provided through contractual arrangements with Augusta Victoria Hospital in Jerusalem, St. John's Ophthalmic Hospital, and seven other NGO hospitals in the West Bank, as well as directly by the Agency at its 43-bed

hospital in Qalqilia. Partial reimbursement was also provided for expenses incurred by refugee patients at Maqassed Hospital, Jerusalem, for specialized care not readily available at the contracted hospitals, such as cardiac surgery. The Agency also reimbursed insurance premiums to cover cancer treatment for refugees holding West Bank identity cards. The level of co-payment for the cost of treatment stood at 25 per cent at contracted hospitals and 30 per cent through the reimbursement scheme. Works had started for construction and equipment of a 20-bed paediatric ward, radiology and physical rehabilitation units and a nursing dormitory at the UNRWA hospital in Qalqilia. Furthermore, the casualty and emergency room and catering section will be upgraded through a special contribution from UNRWA area staff in Jordan field.

222. *Operational constraints.* The UNRWA health programme continued to face serious difficulties in the West Bank as a result of movement restrictions imposed by Israeli authorities, who cited security grounds, including limits on the number of travel permits issued to staff and Agency vehicles, which prevented staff from reaching their workplace and restricted patient access to hospitals in Jerusalem. Similarly, sanitation services were disrupted in some instances because garbage trucks could not reach camps. Border closures and restrictions on travel between the West Bank and Gaza Strip made coordination and information exchange difficult (see paras 134-137).

223. *Disease outbreak.* An outbreak of acute diarrhoea took place in the Fawwar camp, West Bank, which was placed under strict closure by the Israel Defense Forces, at the end of October 2000. A total of 577 cases were reported during the period 30 October to 7 November. An epidemiological investigation revealed a common source of infection: a polluted water supply. The outbreak was contained when the cross-contamination between water and sewerage networks was rectified.

C. Relief and social services

224. *Refugee registration.* There were 607,770 Palestine refugees registered with UNRWA at 30 June 2001, an increase of 4.25 per cent over the 583,009 refugees recorded at 30 June 2000. The Registration Division witnessed a sharp increase in the number of refugees updating their registration records as a result

of the current crisis in the occupied Palestinian territory. While the Division focused on responding to the crisis, it continued with other programme activities, including the amalgamation of ex-codes. Around 51 per cent of the family file ex-codes were amalgamated as at end of the reporting period.

225. *Special hardship programme.* Enrolment in the special hardship programme stood at 30,702 persons, representing 5.05 per cent of the registered refugee population in the West Bank. The relief and social services programme continued to promote a holistic family approach for addressing the needs of poor refugees in and outside camps throughout the reporting period. Relief and social services staff augmented the provision of food and shelter by addressing problems at the community and family level which frequently underlie and compound poverty. As a result, additional community resources were mobilized for assistance to poor refugees in camps in general. About 44 male and female school drop outs from disadvantaged families were returned to schools, 26 drug addicts were placed under regular treatment, 22 poor refugee women joined literacy classes, and 639 poor women sought advice on family planning at UNRWA health centres.

226. *Selective cash assistance.* A total of 674 families were assisted with a total of \$165,647 cash assistance to help them to overcome crisis situations. Assistance included basic household items, schooling material for children, clothing, accommodations, utilities and other emergency items.

227. *Shelter rehabilitation.* Twenty families were assisted in improving the condition of their shelters. Rehabilitation work also commenced for an additional 30 needy families. The rehabilitation work under both projects was carried out on a self-help basis. An estimated 196 shelters are in need of immediate repair or reconstruction.

228. *Emergency assistance.* Emergency assistance was provided for 73 families comprised of 373 persons for incidents such as fire and home demolition. Assistance included 305 blankets, 41 kitchen kits, 62 food parcels and 72 clothing parcels.

229. *Women in development.* The programme continued to emphasize empowerment of women, management and participation in women's programme centres. Throughout the reporting period there were 13 such centres in refugee camps and two outside camps. The centres represent the only venue for women's

activities in camps. During the reporting period, they provided support services for working women who would otherwise be incapable of fully participating in and benefiting from the activities and courses. Services include kindergartens, nurseries and child day-care facilities. Approximately 250 working women and 275 children benefited from these services. Development of existing kindergartens and nurseries was carried out by the Dheisheh and Fawwar women's programme centres. Skills training and income generation activities continued during the period under review, creating an annual average of 57 employment opportunities at the centres and several hundred others in home settings. Existing courses were expanded at several centres and new ones were established at others. Advanced technical training courses were initiated, including theoretical driving lessons; other instruction opportunities included English language, facial treatment and cosmetics classes, curtain cutting, physical fitness, photography and montage, computer, singing and drama, maintenance of sewing machines, styling and fashion. About 2,131 women graduated from those skills training courses. A wide range of awareness-raising initiatives in developmental and social issues was organized by all centres, which included women's rights, civic education and democracy, gender, disability, crisis intervention and prevention, early and inter-family marriage, pregnancy, breast-feeding, family violence and abuse, child care, school children and democracy, first aid, medical days, family planning, literacy training and food conservation. Some 9,660 women benefited from those activities. A variety of social, cultural and recreational activities were organized for women and children which included open days, trips, summer camps, lunches, exhibitions, social gatherings, home visits to elderly people, assistance to families living in poverty, and celebrations on occasions such as Mother's Day, International Day for the Aged, International Day for the Disabled and Smoking Prevention Day. More than 8,000 women participated in these activities. Women's programme centres continued to develop their coordination and networking with local and international NGOs for funding of activities and projects, including construction. The union of the women's programme centres played a key coordinating and networking role, and as a result was able to attract support for several initiatives and projects (computers for women's programme centres and several construction projects). The Department of Relief and

Social Services continued its role as an enabler and facilitator in supporting the centres with the objective of helping them to become fully community-managed and sustainable NGOs through participation, networking, institution-building and empowerment of their administrative boards and membership constituents. Several members of the boards and many constituents benefited from various capacity-building programmes offered by other NGOs and Palestinian Authority ministries, such as leadership and communication skills, strategic planning and finance, human rights and law training courses. Relief and social services programme staff organized several workshops on administration skills for the administrative committees of the women's programme centres. As before, financial assistance was provided for the women's programme centres by the relief and social services programme through cash subsidies and loans for income generation projects. The promotion of democratic values, both at the centres themselves and, through them, at community level, continued to be a key objective, through facilitation and encouragement of democratic processes, actions and activities at the centres. Preparation for elections were made in nine centres for new terms of office during the reporting period.

230. *Youth activities.* The youth activity centres in the West Bank continued to organize sports, recreational and educational activities for refugee youth and children, including films, plays and puppet shows, book and photos exhibitions, remedial and supplementary classes, honouring distinguished students, and celebrations on national and international occasions. An estimated 8,388 youth participated in these activities. In addition, they organized seminars, workshops, lectures, awareness-raising activities and public discussions on a variety of issues, such as refugee, civic and children's rights, the status of the refugee camps, crisis intervention, counselling, public accountability, traffic laws, health education, first aid, civil defence and other youth issues. These activities were carried out with the participation of professionals, members from the Palestinian Legislative Council and Palestinian Authority officials. Several youth committees continued to participate in traditional reconciliation of inter-family disputes, and making support visits to injured persons and families who have lost members during the intifada. They also undertook community service, including clean-up campaigns, repair of camp roads and other infrastructure projects.

Seven youth activity centres were able to secure external funding for reconstruction/expansion of their centres. The Department of Relief and Social Services facilitated the activities of those centres and contributed monetarily to them. Staff networking with external resources resulted in training opportunities made available through the Palestinian Authority and NGOs on leadership skills, planning, human rights, civic education and training of coaches.

231. *Disability.* The programme, through its community-based rehabilitation centres, promotes the integration of physically/mentally challenged refugees into the socio-economic life of their communities. During the reporting period, 13 community-based rehabilitation centres provided various basic rehabilitation services in their respective camps, including mainstreaming into regular schools, special education, prosthetic devices, awareness raising, training for the families of disabled people (in particular children) referrals to specialists, home modifications and outreach services. The toy libraries in seven community-based rehabilitation centres were valuable in facilitating positive change in children's attitudes towards disability through attracting both healthy children and those with special needs and thus providing a forum for joint play, enjoyment and learning. The work of the basic speech therapy units in several community-based research centres helped to reduce speech difficulties experienced by several children. The community-based research centres promoted working mechanisms with schools and social institutions in camps, as well as coordination with Palestinian Authority departments and international NGOs. A wide range of activities became possible thanks to such partnerships and networking, including staff training, celebrations and marches on days such as "Disabled Day" and the "Palestinian Day". Summer camps for both healthy children and those facing physical and mental challenges were organized by several community-based rehabilitation centres. Ties with the families of disabled persons were further enhanced through regular meetings, exchanges of ideas on the needs of their children and their own needs as families with disabled children, on proper maintenance of prosthetic devices, and on ways of identifying and accessing relevant services available at community-based rehabilitation centres and in the locality. Special training for mothers was conducted on matters related to the rehabilitation of their children. The community-based rehabilitation centres contributed to national

efforts to promote the rights of the disabled, for example through participation in two workshops held by the Ministry of Social Affairs and the General Union of Disabled Persons about implementation strategies of the Law for the Disabled. The Department of Relief and Social Services provided technical and financial support for individual disabled persons as well as the community-based rehabilitation centres themselves. Staff paid home visits to disabled people to provide guidance and assistance. The Department also carried out a pioneer initiative to train rehabilitation workers in speech therapy. Four basic units for the rehabilitation of children with speech problems were established and furnished with international funding. To assist community-based rehabilitation centres strengthen their financial sustainability, the relief and social services programme funded three new income-generation projects for community-based rehabilitation centres in the Nablus Area.

232. *Poverty alleviation.* The programme aims to promote the income-generating capacity of poor refugees and enhance their self-reliance through capacity-building and provision of capital. The programme organized 30 awareness-raising meetings, workshops and lectures about poverty, particularly its causes and alleviation, in coordination with social centres in several camps and in association with Palestinian Authority departments, local NGOs and consultants. Each activity involved dissemination of information through leaflets, including a list of other service providers. A total of 1,500 persons benefited from these activities. The programme also continued its focus on micro-level poverty alleviation through the continuation of skills training activities. It offered training opportunities to 192 persons from deprived families during the reporting period in a variety of income-generating skills, such as aluminium works, art of beauty, computer skills, nursery skills, secretarial skills, carpentry, video recording, photography and montage, automotive electrician skills and mechanics. The programme continued to help 45 grassroots organizations and groups in camps to prepare and conduct feasibility studies for income generation projects. It also assisted some 150 poor families in developing business ideas and feasibility studies. Disability programme staff participated in regular meetings at the Ministry of Planning and International Cooperation on topics such as women and poverty, in several training courses in community development policy-making, and in training of trainers in

“sustainable community development” in coordination with UNRWA headquarters.

Chapter IX Gaza Strip

A. Education

233. *Elementary and preparatory schooling.* In the 2000/01 school year, UNRWA schools in the Gaza Strip accommodated 177,474 pupils in 168 schools in the six-year elementary and three-year preparatory cycles. The increase of 8,050 pupils (4.8 per cent) over the preceding school year resulted from natural growth in the refugee population and the admission to Agency schools of some 1,237 children of newly arrived refugee families. At nearly 49.3 pupils per classroom, the classroom occupancy rate in the Gaza field was the highest Agency-wide, and above the average of 42 pupils per classroom, in Palestinian Authority schools.

234. *Education infrastructure.* With project funding, UNRWA completed the construction of 10 classrooms and 2 home economic units. At mid-2001, 5 school buildings, 28 classrooms and 3 handicraft units were under construction. Additional project funding for school construction in Gaza was one of the Agency's top funding priorities.

235. *Vocational and technical training.* The Gaza training centre accommodated 808 trainees, including 176 women, in 14 trade courses and 8 technical/semi-professional courses. For the first time in five years, Israeli entry permits to the West Bank were issued to Gaza students who were enrolled in the Ramallah education science faculty and other UNRWA training centres in the West Bank. A total of 98 female students and 36 male students joined those centres.

236. *University scholarships.* In 2000/01, 87 scholarships, 52 of which were held by women, continued from previous years for students attending Middle Eastern universities.

237. *Operational constraints.* Owing to the daily confrontation between Israel Defense Forces and Palestinians, the functioning of the programme in Gaza was subject to various constraints, such as road closures trisecting the Strip and the frequent Israeli shelling of school buildings. These measures made it difficult and at times impossible for school teachers,

vocational trainees and other staff members to reach their duty station. Consequently, 20 working days were lost and two workshops on democracy and human rights were suspended. To facilitate students' access to schools, the Ministry of Education of the Palestinian Authority allowed students all over Gaza to attend classes at the schools nearest to their homes, thus providing an opportunity for UNRWA students to join government schools should the need arise. To cope with emergency situations and to minimize the negative impact of the prevailing security situation on the teaching process, the field education programme requested schools to prepare contingency plans to compensate for the time lost and school supervisors were instructed to follow up, teachers with the same specialization were transferred to schools near their places of residence and self-learning materials were distributed to students.

B. Health

238. *Primary care.* UNRWA remained one of the main providers of primary health care services for the population of the Gaza Strip, out of whom approximately two thirds are Palestine refugees. These services were delivered through a network of 17 special primary health care facilities, all of which offered a full range of medical services, including family planning, 14 offered special care for the management of diabetes mellitus and hypertension, and laboratory services, 11 provided dental care, supported by three mobile dental units for community oral health care. Six had physiotherapy clinics and five were equipped with radiological units. Approximately one fifth of the total registered deliveries in the Gaza Strip took place at six maternity units integrated within camp health centres. Specialist services in cardiology, chest diseases, gynaecology and obstetrics, ophthalmology and paediatrics were provided according to a weekly rotating schedule. The unique arrangement of a double-shift clinic at the health centres in the five largest camps was maintained since it proved to be the most cost-effective means to bridge the gap between the increasing needs of a rapidly growing population and limited Agency resources.

239. *Secondary care.* Hospital services were provided through a contractual agreement with an NGO hospital, al-Ahli, where 50 beds were reserved for refugee patients, as well as through partial reimbursement of

medical expenses incurred by refugees for treatment at Palestinian Authority hospitals. Owing to funding shortfalls, the Agency could not utilize the services of the European Gaza Hospital, which became operational at the beginning of 2001, as originally agreed in the memorandum of understanding signed in October 1997 by the Ministry of Health, the European Community and UNRWA.

240. *Environmental health infrastructure.* Works were provisionally accepted for construction of a gravity main interceptor in the Deir El-Balah camp (stage I). Whereas, works for the construction of a sewerage and drainage system (phase II, stage I) were behind schedule owing to Israeli-imposed restrictions on the import of construction materials into the Gaza Strip. Seventy per cent of the contracted works, which were started in June 2000, had been completed before works were disrupted owing to the prevailing situation. There has been a significant delay in implementation of the beach camp shore protection project because the Israeli authorities did not issue permits for the import of rocks. The Israeli authorities approved one of the two project components late in 2000, but works could not be started before negotiation of the contract amendment and flow of supplies. The project for upgrading and mechanization of solid waste collection and disposal from Jabalia, Beach and Middle camps was completed through the procurement of five truck chassis, four tractors, road sweepers and local manufacturing of truck bodies and containers.

241. *Cooperation at the national level.* As with the West Bank, the Agency was represented in all national health committees of the Ministry of Health of the Palestinian Authority, participated in national immunization days and had jointly pursued a programme for control of non-communicable diseases. The Ministry of Health continued to provide UNRWA with the required vaccines used in the expanded programme on immunization as in-kind contribution.

C. Relief and social services

242. *Refugee registration.* The number of Palestine refugees registered with UNRWA in the Gaza Strip increased from 824,622 as at 1 July 2000 to 852,626 as at 30 June 2001. About 54 per cent of the refugees inhabit the eight refugee camps in Gaza, the largest proportion of any field. The process of manual amalgamation of ex-codes for all refugees was

completed on 31 December 2000. As a result, 127,774 sub-ex-codes were amalgamated. As such, codes of 127,774 descendants present in UNRWA field records were reunited with the codes and records of the original refugee families registered with UNRWA.

243. *Special hardship programme.* The relief and social services programme maintained its level of assistance for destitute special hardship case families, sufficient to meet basic needs for food, shelter and other needs. During the reporting period, the number of special hardship case beneficiaries increased by 2,297 persons, representing 0.28 per cent of the total refugee population. The total number of special hardship cases is 73,361, representing approximately 8.60 per cent of the total refugee population. The annual cash subsidy, which fell from \$40 to \$38 per person owing to the poor exchange rate of the Euro, continued to extend beneficiaries' purchasing power while supporting the local economy as well. As part of the provision of systematic training for staff skill enhancement, in-house training was conducted on proper implementation of the relief services instructions, as well as counselling skills and techniques, to improve performance and efficiency. Most training targeted the camp relief and social services officers and social workers. The high caseload per social worker and insufficient transport facilities reduced social worker ability to work in depth with families and often decreased the effectiveness of intervention. This was exacerbated by severe Israeli restrictions on movement within the Gaza Strip which affected almost all UNRWA staff.

244. *Shelter rehabilitation.* Some 77 shelters were rehabilitated, improving the quality of life of the affected families, creating employment opportunities, encouraging community participation and providing cost-effective housing units in the process. Limited resources available to the Agency as well as the Palestinian Authority for shelter needs prevented implementation of major rehabilitation or development projects. There were 6,957 families still in need of assistance at the end of the period under review. Out of those families, 484 shelters are in need of urgent repair or reconstruction. Further shelter activity can only be initiated through additional project funding.

245. *Selective cash assistance.* A total of \$175,535 was provided to date to 778 families, one-time grants by which they could meet emergency needs.

246. *Emergency assistance.* In response to the current unrest in the Gaza Strip, an emergency programme was created. A total of 46 social workers have been appointed under the job creation programme to study and identify the affected families in order to provide them with relief and assistance. A total of 2,843 families were assisted with \$989,486; 176 families were issued 859 blankets, 22 families have each received tents and 114 families have been issued 478 mattresses to date. Four emergency ration distributions began late in the last quarter of 2000, and 486,229 food parcels (50 kg flour, 5 kg rice, 5 kg sugar, 5 kg lentils, 2 kg milk and 2 l oil) have been issued to the refugee families. The fifth distribution round is under way.

247. *Women in development.* Three income generation projects were funded by UNRWA, two to expand the halls and add exercise equipment, and the third project funded computers for training courses at the Beach Camp women's programme centre. Six other income generation projects were funded by several local and international donors; two involved construction projects at the Jabalia and Maghazi women's programme centres, respectively. In response to the intifada, the 10 women's programme centres adapted and developed their activities to support the local community through visits to affected families and by mobilizing in-kind assistance. Special lectures and workshops were also organized on first aid, security and on the psychological effects of the crisis on women and children. Supplementary education classes for school pupils were conducted by the staff employed by the job creation programme. A new project for psychological assistance to women and children was implemented at the Nuseirat women's programme centre with an international NGO to enable them to cope with the crisis. New programmes for children were initiated in July 2000 and have continued during the entire reporting period, with 1,400 children benefiting. Activities have included theatre shows, painting, education and cultural games, exhibitions and visits to those injured during the intifada. Training courses and workshops to bolster the role of administrative boards and staff at women's programme centres were conducted by staff members of the Department of Relief and Social Services and local NGOs. In cooperation with local and international NGOs, lectures and workshops were conducted at all women's programme centres to raise community awareness on social, economic and environmental subjects.

248. *Community rehabilitation.* The seven community rehabilitation centres continued to raise community awareness of the needs and rights of people facing mental and physical challenges. They provided basic rehabilitation, referred people to specialists and assisted adults with disabilities with securing appropriate technical training and employment. During the reporting year, a total of 6,116 persons benefited from such initiatives. The disability programme, in coordination with community rehabilitation centres, gave particular attention to the home-visits scheme and to social integration activities. A total of 5,027 participants benefited from the comprehensive audiological services for the community and schools, library, computers, toys, the child-to-child, community education and awareness initiatives, sponsorship, family support and counselling. The disability programme continued to cover or subsidize the cost of prosthetic devices, wheelchairs and hearing aids and made contractual arrangements with various non-governmental organizations to provide services for 312 disabled persons. The programme, through coordination with community rehabilitation centres, organized three workshops on sign language for families of disabled children and volunteers at the Rafah community rehabilitation centre, and financial management of community-based organizations and basic computer skills at the Jabalia community rehabilitation centre. A total of 90 trainees participated. The community rehabilitation centres continued to cooperate closely both with the Palestinian Authority and with local and international NGOs. Such partnerships and networking facilitated the enhancement of community-based rehabilitation services, referrals of disabled persons to appropriate medical and rehabilitation services, provision of specialized technical training in sign language and administration, and the organization of summer camps and other recreational activities for the disabled. The community rehabilitation centres have been badly affected by the intifada. For example, no income was raised from the income generation projects (renting halls to the public) owing to the deteriorating economic situation. For the same reason, parents of disabled persons were unable to pay institutionalization and transportation fees for their children as before. The community rehabilitation centre programme faced a lot of pressure from the community as expectations for food assistance and job creation increased. An increasingly high number of requests were made for

crutches, walkers and wheelchairs owing to the rising numbers of injuries and cases of disability resulting from the events of the intifada.

249. *Youth activities.* An additional building was constructed for the Maghazi youth activity centre and the playground at the Khan Younis youth activity centre was upgraded with external funding. The eight youth activity centres continued their internal activities as usual in spite of the current situation, though restriction of movement within the Gaza Strip limited the scope for participation in sports activities. Illustrating their adaptability in times of political unrest, the Khan Younis and Rafah youth activity centres hosted students from the Islamic University and their professors, in order to enable them to continue their studies, as they could not travel to the University in the town of Gaza as usual. Members of youth activity centres assisted the community with in-kind donations, in coordination with local institutions and Palestinian Authority departments. A special programme for children, in coordination with a French NGO, was implemented at the youth activity centres, similar to that of the women's programme centres. This programme is helping the children to relieve their stress and cope with the ramifications of the intifada.

250. *Rehabilitation Centre for the Visually Impaired (RCVI).* Ongoing educational and rehabilitation activities for 345 visually impaired children and adults continued throughout the year, including vocational training, income-generating opportunities, Braille courses, home visits, outreach services and recreational activities. RCVI provided teaching and visual aids to facilitate the integration of 112 visually impaired children into the regular school system and facilitated the employment of 45 visually impaired adults in the local market. Activities initiated recently by RCVI contributed to improving and strengthening the relationship between RCVI and the local community, resulting in increased community awareness of the special needs of the visually impaired. This, specifically, gave rise to the establishment of the low vision visibility unit, a Braille printing unit and the organization of residential summer camps. The Society "Friends of RCV" continued its capital and financial support to the operations of the RCVI, particularly assisting any additional activities created to meet other needs of visually impaired children. For example, a new special programme has been created for blind children with additional handicaps. The society has

invested \$70,000 to date on running costs and equipment. At the same time, a new Volkswagen Golf car has been gifted to RCVI to facilitate transportation for the outreach staff who help in mainstreaming of visually impaired children into the ordinary school system. The intifada has had a negative impact on the operations of RCVI, as 40 to 45 per cent of the visually impaired children from southern areas of the Gaza Strip could not travel to the RCVI school section for many days. Moreover, the outreach staff could not travel to the homes of those students or reach the regular schools where visually impaired children are mainstreamed. This is because of the many restrictions and other obstacles imposed by the Israeli occupation on roads between cities and towns. In addition, two schoolboys lost their vision owing to Israeli sniper fire.

251. *Canada camp.* The gradual repatriation of 491 households (4,388 refugees) from the Canada camp in the Sinai Peninsula to the Gaza Strip was completed on 29 November 2000. These refugees had been stranded at the Canada camp, on the northern coast of the Sinai Peninsula, when the international border between Egypt and Israel was restored in 1982. Consequently, they had not been given the same identity cards as the rest of the population in the Gaza Strip. Without the generous contribution made by the Government of Canada Gavel Holder of the Refugee working group and Kuwaiti Fund for Arab Economic Development, the family reunification component of the Canada camp project would not have been achieved. Because of the severe lack of construction materials on the local market, resulting from the current situation in the Gaza Strip, the Agency has been unable to begin the infrastructure work in the area of Tel as-Sultan quarter of Rafah, where refugees from the Canada camp have been resettled. Finally, in addition to the education, health, relief and social services provided by UNRWA for the stranded refugees during their period of repatriation, the overall involvement of UNRWA and the coordination provided by it has been considered a key tool for the successful implementation of the resettlement programme.

Annex I

Statistical and financial information tables

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Table 1
Number of registered persons^a
 (as at 30 June 2001)

Field	1960	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001
Jordan	613 743	506 038	716 372	929 097	1 288 197	1 358 706	1 413 252	1 463 064	1 512 742	1 570 192	1 639 718
Lebanon	136 561	175 958	226 554	302 049	346 164	352 668	359 005	364 551	370 144	376 472	382 973
Syrian Arab Republic	115 043	158 717	209 362	280 731	337 308	347 391	356 739	365 805	374 521	383 199	391 651
West Bank ^b	-	272 692	324 035	414 298	517 412	532 438	542 642	555 057	569 741	583 009	607 770
Gaza Strip	255 542	311 814	367 995	496 339	683 560	716 930	746 050	772 653	798 444	824 622	852 626
Total	1 120 889	1 425 219	1 844 318	2 422 514	3 172 641	3 308 133	3 417 688	3 521 130	3 625 592	3 737 494	3 874 738

^a Figures are based on UNRWA registration records, which are updated continually. However, the number of registered refugees present in the Agency's area of operations is almost certainly less than the population recorded.

^b Until 1967, the West Bank of Jordan was administered as an integral part of the Jordan field.

Table 2
Distribution of registered population
 (as at 30 June 2001)

<i>Field</i>	<i>Registered population</i>	<i>Number of camps</i>	<i>Total camp population</i>	<i>Registered person not in camps</i>	<i>Percentage of population not in camps</i>
Jordan	1 639 718	10	287 951	1 351 767	82.44
Lebanon	382 973	12	214 728	168 245	43.93
Syrian Arab Republic	391 651	10	109 466	282 185	72.05
West Bank	607 770	19	163 139	444 631	73.16
Gaza	852 626	8	460 031	392 595	46.05
Total	3 874 738	59	1 235 315	2 639 423	68.19

Table 3
Number and distribution of Special Hardship Cases
 (as at 30 June 2001)

<i>Field</i>	<i>Number of families</i>	<i>Number of persons</i>		<i>Total</i>	<i>Percentage of refugee population</i>
		<i>Receiving rations</i>	<i>Not receiving rations^a</i>		
Jordan	11 124	39 767	2 597	42 364	2.58
Lebanon	10 507	38 817	3 631	42 448	11.08
Syrian Arab Republic	8 552	25 202	3 311	28 513	7.28
West Bank	8 483	26 115	4 587	30 702	5.05
Gaza	16 833	72 089	1 272	73 361	8.60
Total	55 499	201 990	15 398	217 388	5.61

^a Including, inter alia, children under one year of age and students studying away from home.

Table 5
Vocational, technical and teacher-training services
 (actual enrolment in 2000/01 academic year as of December 2000)

	Jordan		Lebanon		Syrian Arab Republic		West Bank		Gaza Strip		Grand total		
	M	F	M	F	M	F	M	F	M	F	M	F	
													Amman Training Centre
Vocational and technical training													
Vocational training ^a	59	560	341	41	482	23	486	86	582	2 451	209	2 660	
Technical training ^b	46	298	153	90	144	124	180	419	187	44	50	176	
Total trainees	46	357	713	90	485	165	486	0	505	187	44	632	1 540
Teacher training													
Educational sciences	42	341						321	205	68		247	730
Faculty pre-service ^c													
Educational sciences	64	139										64	139
Faculty in-services ^d												29	99
Other service ^e													
Total teachers	106	480	0	0	29	99	0	0	321	205	68	0	340
Grand total	152	837	713	90	514	264	486	0	826	392	112	632	1 508

^a Two-year post-preparatory courses in a variety of building, electrical, electronic, mechanical and metalworking trades.

^b Two-year post-secondary courses in a variety of technical, paramedical and commercial skills.

^c Four-year post-secondary course leading to a first university degree.

^d Three-year course for two-year diploma holders leading to a first university degree.

^e Two-year post-secondary course leading to a two-year teaching diploma.

Table 6
Medical care services
 (1 July 2000-30 June 2001)

	<i>Jordan</i>	<i>Lebanon</i>	<i>Syrian Arab Republic</i>	<i>West Bank</i>	<i>Gaza Strip</i>	<i>Total</i>
Outpatient care						
Primary health-care facilities	23	25	23	34	17	122
Services offered at the primary level						
Dental care	20	17	13	21	14	85
Family planning	23	25	23	34	17	122
Special non-communicable disease care	17	24	23	34	14	112
Specialist services	13	15	15	20	13	76
Laboratories	23	15	19	25	14	96
Patient visits						
Medical treatment ^a	1 692 375	850 034	990 411	1 064 650	2 573 031	7 170 501
Dental treatment	173 112	91 899	71 461	65 145	147 887	549 504
In-patient (hospital) care^b						
Patients admitted	8 001	16 851	6 791	13 912	4 523	50 078
Patient days	27 291	40 566	12 861	41 953	12 725	135 396
Maternal and child health care						
Pregnant women newly registered	21 878	4 588	7 964	11 602	27 996	74 028
Infants under age 1 newly registered	26 200	4 489	7 741	11 303	24 969	74 702
Children age 0-3 under supervision	74 697	13 050	22 275	32 505	70 762	213 289
New family planning acceptors	4 851	1 925	3 887	2 918	6 164	19 745
Total family planning acceptors	18 452	8 666	13 335	12 767	29 173	82 393
Expanded programme of immunization^c						
Triple (DPT) vaccine	23 730	4 271	7 430	10 714	25 461	71 606
Polio vaccine	25 334	4 284	7 438	10 769	25 485	73 310
BCG vaccine	25 963	4 509	6 580	10 517	24 948	72 517
Measles vaccine	24 068	4 338	7 659	10 635	26 110	72 810
Hepatitis B vaccine	25 484	4 211	7 449	10 744	25 010	72 898
School health						
School entrants examined	14 867	4 085	7 703	7 977	21 982	56 614
Booster vaccinations	20 710	5 326	12 591	9 735	42 325	90 723

^a Including visits for medical consultations, injections and dressings.

^b With the exception of a 43-bed hospital run by UNRWA at Qalqilia in the West Bank, hospital services are provided through contractual agreements with non-governmental and private hospitals or through partial reimbursement of treatment costs.

^c Number of infants below 12 months receiving full primary series.

Table 7
Selected health indicators for Palestine refugees

	<i>Jordan</i>	<i>Lebanon</i>	<i>Syrian Arab Republic</i>	<i>West Bank</i>	<i>Gaza Strip</i>
Total fertility rate ^a	3.6	2.6	2.5	4.1	4.4
Neo-natal mortality rate per 1,000 live births ^b	22	26	20	NA	20
Infant mortality rate per 1,000 live births ^b	32	35	29	NA	33
Early childhood and mortality rate ^b	35	37	32	NA	36
Mean marital age ^a	20.3	19.7	20.5	19.5	18.9
Modern contraceptive prevalence (per cent) ^a	48.6	64.7	65.4	41.9	36.5
Birth interval: ^b					
Per cent ≤ 12 months	3.3	2.7	2.8	3.3	5.5
Per cent ≤ 24 months	43.9	34.9	37.6	47.9	53.2
Mean birth interval (months)	34.8	35	38	33	30
Deliveries attended by trained personnel (per cent)	97	92.8	98.5	95.3	99
Pregnant women immunized against tetanus (per cent)	98.2	99.5	99.8	97.6	98.6
Incidence of low birth rate among surviving infant (per cent) ^b	6.7	3.5	6.8	5.0	3.6
Average daily consultations per medical officer	103	82	94	104	109
Prevalence of diabetes mellitus among adult refugees (per cent)	3.4	4	5.1	4	6.4
Prevalence of hypertension among adult refugees (per cent)	5.3	8.2	8.2	6.3	9.4
Camp shelters with access to safe water (per cent)	98	96	85	100	100
Camp shelters with access to sewerage facilities (per cent)	81	58	87	69	68

^a UNRWA Survey, 2000.

^b UNRWA Survey, 1999.

Table 8
Social services programme
 (1 July 2000-30 June 2001)

Field	Support for disabled persons										Poverty alleviation			Skill-training and production units ^b		
	Women's programme		Youth activities		Community-based rehabilitation		Specialized facilities		Grant-based projects		Loan-based projects		Group-guaranteed lending schemes			
	Centres	Participants	Centres	Participants	Centres/programmes	Participants	Outreach activities	Referrals	No.	\$	No.	\$	Participants		\$	Participants
Jordan	21	5 341	-	-	10	1 490	2 424	200	82	243 072	79	202 403	60	27 797	3	125
Lebanon	10	5 801	1	5 417	1	6	2 792	316	21	88 330	148	407 900	265	132 500	4	10
Syrian Arab Republic	15	5 000	-	-	5	700	-	-	-	-	-	-	-	-	5 ^d	500
West Bank	15	9 660	18	8 388	13	3 959	960	780	-	-	1	1 200	-	-	2	192
Gaza	10	7 370	8	3 085	7	1 089 ^c	5 027	255	3	37 600	-	-	-	-	1	500
Total	71	33 172	27	16 890	36	7 244	11 203	1 551	106	369 002	228	611 503	325	160 297	15	1 327

^a Including disabled persons assisted through home-based activities, mainstreaming into educational and special vocational training programmes, job placement, self-support projects, provision of prosthetic devices and other aids, and cash assistance.

^b Including enterprises associated with women's programme centres and community rehabilitation centres, and in the West Bank, apprentices placed with local employers.

^c Including 345 of the Al-Nour Rehabilitation Centre for the Visually Impaired in Gaza.

^d Six skill-training units were closed down during reporting period due to lack of participants and adequate revenue.

Table 9
Actual expenditure in 2000, regular budget for 2001 and proposed biennial budget for 2002-2003
 (Cash and in kind, millions of United States dollars)

	Actual expenditure 2000	Budgeted expenditure 2001						Proposed biennial budget 2002-2003			
		Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Headquarters	Total	2002	2003	Total
Education	163.4	50.7	23.4	11.5	26.0	53.2	1.8	166.7	?	?	-
Health	49.6	11.0	9.4	4.7	12.2	16.4	0.6	54.3	?	?	-
Relief and social services	28.0	5.6	5.9	3.2	4.9	11.0	0.7	31.4	?	?	-
Operational services ^a	18.0	2.0	2.5	1.4	2.8	4.6	1.9	15.2	?	?	-
Common services ^b	21.6	2.3	3.1	1.2	3.5	3.3	29.4	42.8	?	?	-
Total regular budget	280.6	71.6	44.3	22.0	49.4	88.5	34.4	310.4	-	-	-

^a Including supply, transport, architectural and engineering services that support all Agency programmes.

^b Including management and administrative services that support all Agency programmes, as well as working capital reserves to be allocated to programmes during the budget biennium.

Table 11
Staff members arrested and detained
 (1 July 2000-30 June 2001)

	Jordan	Lebanon	Syrian Arab Republic	West Bank (detained by Israeli authorities)	West Bank (detained by Palestinian authorities)	Gaza Strip (detained by Israeli authorities)	Gaza Strip (detained by Palestinian authorities)	Total
Released without charge or trial	2	-	-	2	2	-	8	14
Charged/tried/sentenced and/or acquitted	-	-	-	-	-	1	-	1
Still in detention on 30 June 2001	-	-	-	5	1	-	1 ^a	7
Total	2	-	-	7	3	1	9	22

^a The staff member has been detained without charge since 1996.

Table 12
Agency staff
 (on 30 June 2001)

<i>Programme</i>	<i>Jordan</i>	<i>Lebanon</i>	<i>Syrian Arab Republic</i>	<i>West Bank</i>	<i>Gaza</i>	<i>Headquarters (Amman)</i>	<i>Headquarters (Gaza)</i>	<i>Total</i>
Education	4 893	1 684	2 087	2 295	5 213	72	0	16 244
Health	836	521	433	666	974	15	0	3 445
RSS	111	95	77	127	209	14	0	633
Other	263	329	246	454	629	124	160	2 205
Total, area staff	6 103	2 629	2 843	3 542	7 025	225	160	22 527
Total, international staff	6	5	7	17	9	23	53	120
Total, staff	6 109	2 634	2 850	3 559	7 034	248	213	22 647

Table 13
Microfinance and Microenterprise Programme
 (1 July 2000-30 June 2001)

	West Bank			Gaza Strip			Total
	Small-scale enterprise subprogramme (SSE)	Microenterprise credit subprogramme (MEC)	Solidarity-group lending subprogramme (SGL)	Microenterprise credit subprogramme (MEC)	Small-scale enterprise subprogramme (SSE)	Microenterprise credit subprogramme (MEC)	
Number of loans issued	26	2 887	3 591	3 528	51		10 083
Value of loans issued (\$)	334 100	2 794 632	2 214 800	3 716 950	861 550		9 922 032
Capital base (\$)	1 724 296	687 500	4 046 814 ^a	0	7 930 129		12 664 443
Overall recovery rate (%) ^b	89.00	92.00	93.93	91.37	91.08		

^a Shared capital base for the solidarity-group lending subprogramme (SGL) and the microenterprise credit subprogramme (MEC).

^b Percentage over the life of the programme to 30 June 2001.

Annex II

Pertinent records of the General Assembly and other United Nations bodies

1. General Assembly resolutions

<i>Resolution number</i>	<i>Date of adoption</i>	<i>Resolution number</i>	<i>Date of adoption</i>
194 (III)	11 December 1948	2964 (XXVII)	13 December 1972
212 (III)	19 November 1948	3089 A to E (XXVIII)	7 December 1972
302 (IV)	8 December 1949	3090 (XXVIII)	7 December 1973
393 (V)	2 December 1950	3330 (XXIX)	17 December 1974
513 (VI)	26 January 1952	3331 (XXIX) A to D	17 December 1974
614 (VII)	6 November 1952	3419 (XXX) A to D	8 December 1975
720 (VIII)	27 November 1953	31/15 A to E	23 November 1976
818 (IX)	4 December 1954	32/90 A to F	13 December 1977
916 (X)	3 December 1955	33/112 A to F	18 December 1978
1018 (XI)	28 February 1957	34/52 A to F	23 November 1979
1191 (XII)	12 December 1957	35/13 A to F	3 November 1980
1315 (XIII)	12 December 1958	36/146 A to H	16 December 1981
1456 (XIV)	9 December 1959	37/120 A to K	16 December 1982
1604 (XV)	21 April 1961	38/83 A to K	15 December 1983
1725 (XVI)	20 December 1961	39/99 A to K	14 December 1984
1856 (XVII)	20 December 1962	40/165 A to K	16 December 1985
1912 (XVIII)	3 December 1963	41/69 A to K	3 December 1986
2002 (XIX)	10 February 1965	42/69 A to K	2 December 1987
2052 (XX)	15 December 1965	43/57 A to J	6 December 1988
2154 (XXI)	17 November 1966	44/47 A to K	8 December 1989
2252 (ES-V)	4 July 1967	45/73 A to K	11 December 1990
2341 (XXII) A and B	19 December 1967	46/46 A to K	9 December 1991
2452 (XXIII) A to C	19 December 1968	47/69 A to K	14 December 1992
2535 (XXIV) A to C	10 December 1969	48/40 A to J	10 December 1993
2656 (XXV)	7 December 1970	49/21 B	2 December 1994

<i>Resolution number</i>	<i>Date of adoption</i>	<i>Resolution number</i>	<i>Date of adoption</i>
2672 (XXV) A to D	8 December 1970	49/35 A to G	9 December 1994
2728 (XXV)	15 December 1970	49/21 O	21 April 1995
2791 (XXVI)	6 December 1971	50/28 A to G	6 December 1995
2792 A to E (XXVI)	6 December 1971	51/124 to 51/130	13 December 1996
2963 A to E (XXVII)	13 December 1972	52/57 to 52/63	10 December 1997
		53/46 to 53/52	3 December 1998
		54/69 to 54/75	15 December 1999
		55/123 to 55/128	8 December 2000

2. General Assembly decisions

Decision number	Date of adoption
36/462	16 March 1982
48/417	10 December 1993

3. Reports of the Commissioner-General of UNRWA

1996

Official Records of the General Assembly, Fifty-first Session, Supplement No. 13 (A/51/13)

1997

Ibid., *Fifty-second Session, Supplement No. 13 and addendum (A/52/13 and Add.1)*

1998

Ibid., *Fifty-third Session, Supplement No. 13 (A/53/13)*

1999

Ibid., *Fifty-fourth Session, Supplement No. 13 and addendum (A/54/13 and Add. 1)*

2000

Ibid., *Fifty-fifth Session, Supplement No. 13 (A/55/13)*

4. Financial reports and audited financial statements (biennial)

1996

Official Records of the General Assembly, Fifty-first Session, Supplement No. 5C (A/51/5/Add.3)

1998

Ibid., *Fifty-third Session, Supplement No. 5C (A/53/5/Add.3)*

2000

Ibid., *Fifty-fifth Session, Supplement No. 5C (A/55/5/Add.3)*

5. Reports of the United Nations Conciliation Commission for Palestine

1996

A/51/439

1997

A/52/311

1998

A/53/518

1999

A/54/338

2000

A/55/329

6. Reports of the Working Group on the Financing of UNRWA

1996

A/51/509

1997

A/52/578

1998

A/53/569

1999

A/54/477

2000

A/55/456

7. Reports of the Secretary-General

1996

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 50/28 C, D, F and G of 6 December 1995, respectively:

A/51/369 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/51/370 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/51/371 (Revenues derived from Palestine refugees' properties).

A/51/476 (University of Jerusalem "Al-Quds" for Palestine refugees).

1997

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 51/126, 127, 129 and 130 of 13 December 1996, respectively:

A/52/423 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/52/415 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/52/372 (Palestine refugees' properties and their revenues).

A/52/503 (University of Jerusalem "Al-Quds" for Palestine refugees).

1998

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 52/59, 60, 62 and 63 of 10 December 1997, respectively:

A/53/471 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/53/472 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/53/644 (Palestine refugees' properties and their revenues).

A/53/551 (University of Jerusalem "Al-Quds" for Palestine refugees).

1999

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 53/48, 49, 51 and 52 of 3 December 1998, respectively:

A/54/377 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/54/376 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/54/345 (Palestine refugees' properties and their revenues).

A/54/385 (University of Jerusalem "Al-Quds" for Palestine refugees).

2000

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 54/71, 72, 74 and 75 of 6 December 1999, respectively:

A/55/391 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/55/402 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/55/428 (Palestine refugees' properties and their revenues).

A/55/425 (University of Jerusalem "Al-Quds" for Palestine refugees).

8. Notes by the Secretary-General

1996

A/51/495 (Note by the Secretary-General and annexed special report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East on the financial crisis of the Agency).
