

**UNRWA**

**FINANCIAL SITUATION**

**September 2002**

# REGULAR BUDGET EXPENDITURE 2002

US\$ Million

Expenditure Item	
Staff Costs	230.0
Non Staff Costs	62.3
Working Capital Requirements	7.0
Salary Increase Requirements	5.0
Residual Effect of Emergency Situation	4.5
<b>Total Planned Expenditure as per Approved Budget</b>	<b>308.8</b>
<b>Less:</b>	
Residual Effect of Emergency Situation	4.5
Expected PSC Recovery	2.5
<b>Net Planned Expenditure</b>	<b>301.8</b>
<b>Less:</b>	
Expected Savings on Staff Costs (continued implementation of 1999 ASR)	3.6
Expected Savings on Non Staff Costs (efficiency gains)	2.2
<b>Estimated Net Expenditure for 2002</b>	<b>296.0</b>

# INCOME PROJECTION REGULAR BUDGET 2002

US\$ Million

<b>Pledges received to date</b>	<b>271.3<sup>(1)</sup></b>
<b>Interest income</b>	<b>2.0</b>
<b>Exchange rate gains</b>	<b>6.0</b>
<b>Total expected income</b>	<b>279.3<sup>(2)</sup></b>

(1) \$189.8 m have so far been received. \$81.5 m is still outstanding.

(2) Current Income forecast is \$10.2 m less than that projected at the beginning of the year.

# INCOME AND EXPENDITURE FORECAST for the YEAR 2002

US\$ Million

May 2002    Sept. 2002

<b>Projected Income</b>	<b>289.5</b>	<b>279.3</b>
<b>Less Planned/Estimated Expenditure</b>	<b>301.8</b>	<b>296.0</b>
<b>Budget Funding Gap</b>	<b>(12.3)</b>	<b>(16.7)</b>

**Non receipt of additional pledges will result in:**

US\$ Million

1) Non-funding of Working Capital	7.0
2) Non-funding of Salary Increase	4.0
3) Non-implementation of planned activities	<u>5.7</u>
	<b>16.7</b>

# CASH FLOW FORECAST - 2002

US\$ Million

	Regular Budget	Emergency Appeals	Projects
<b>Beginning Cash Balance</b>	<b>0.0</b>	<b>43.5</b>	<b>0.0</b>
<b>Expected Receipts</b>	<b>279.3</b>	<b>85.0</b>	<b>12.9</b>
<b>Expected Disbursements</b>	<b>(296.0)</b>	<b>(65.5)</b>	<b>(17.0)</b>
<b>Closing Balance</b>	<b>(16.7)</b>	<b>63.0*</b>	<b>(4.1)</b>

\* \$50.0 m is obligated and committed. The balance is earmarked for planned Emergency activities.

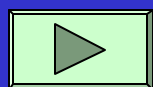
# EMERGENCY APPEAL FUNDING STATUS

## September 2002

US\$ Million

		2000/01 Appeals	2002 Appeals
<b>Amount Requested</b>	<b>(1)</b>	<b>160.3</b>	<b>172.9</b>
<b>Confirmed Pledges</b>	<b>(2)</b>	<b>133.2</b>	<b>87.5</b>
<b>Amount Received</b>	<b>(3)</b>	<b>123.0</b>	<b>46.9</b>
<b>Outstanding Pledges</b>	<b>(2-3)</b>	<b>10.2</b>	<b>40.6</b>
<b>Un-funded</b>	<b>(1-2)</b>	<b>27.1</b>	<b>85.4*</b>

\* Non-funding will result in non-implementation of the following emergency activities:



## Activities, which will not be implemented due to lack of funding:

US\$ Million

Activity	WB	Gaza	Amount
Employment Creation	15.20	13.60	28.80
Emergency shelter repair and reconstruction	16.50	5.00	21.50
Rehabilitation of infrastructure	7.20		7.20
Emergency relief and social assistance	3.20	3.30	6.50
Selective Cash Assistance	5.60		5.60
Emergency food aid	1.00	7.00	8.00
Emergency education	1.70	0.80	2.50
Medical Needs	2.30		2.30
Monitoring and Reporting Services	1.80	1.20	3.00
<b>Total</b>	<b>54.50</b>	<b>30.90</b>	<b>85.40</b>

# EMERGENCY APPEAL IMPLEMENTATION STATUS

## September 2002

US\$ Million

		2000/01 Appeals	2002 Appeals
<b>Amount Received</b>	<b>(1)</b>	<b>123.0</b>	<b>46.9</b>
<b>Expenditure + Commitments</b>	<b>(2)</b>	<b>114.3</b>	<b>25.4</b>
<b>Planned Commitments</b>	<b>(3)</b>	<b>6.3</b>	<b>12.5</b>
<b>Balance</b>	<b>(1-2-3)</b>	<b>2.4*</b>	<b>9.0*</b>

**\* Funds are planned to be spent. However, due to operational difficulties and delayed receipt of funds, the relevant activities have not yet been implemented.**

# Summary

- **The projected budget funding gap between current projected income levels and expenditure for 2002 stands at \$ 16.7 m.**
- **\$ 5.2 m is still outstanding on the Gaza move account.**
- **\$ 23.0 m is still owed by the PA on the account of unreimbursed VAT**