

Laurie Blome Jacobsen

Finding Means

UNRWA's Financial Situation and
the Living Conditions of Palestinian Refugees

Summary Report

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ISBN 82-7422-404-3

ISSN 0801-6143

Cover design: Jon S. Lahlum

Printed in Norway by: Interface media as

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Preface

Norway has financed a series of living conditions' studies and surveys among the Palestinian refugees in their host countries and the West Bank and Gaza Strip. Building on this original set of studies, Norway commissioned the Fafo Institute for Applied International Studies to produce data and analysis relevant for the policy debate on the impact of UNRWA's present financial situation on refugees, and the future financing of services to refugees. Switzerland joined the project with an aim to help create debate among professionals within the Palestinian community on the pertinence and meaning of the findings. Both countries have done so out of commitment to the Agency and in solidarity with the refugees. On this basis, Fafo embarked on a collaborative effort with a network of professionals in the region.

Fafo is proud to present the result of this work in the form of a three-volume report in addition to this summary report. The larger report provides the most comprehensive and updated compilation of data and analysis of the living conditions for Palestinian refugees living in the host countries in the Middle East that has ever been made.

We are grateful to all our colleagues outside of and within Fafo for their excellent work in authoring the reports. All authors are identified on their contributions. Laurie Blome Jacobsen from Fafo has directed the project, and I thank her for her persistent and well-managed coordination.

We are also in debt to UNRWA for their interest in the project and for forthcoming cooperation throughout the project. We have discussed our findings and we have shared views, but it should be nevertheless said that all results and views presented in the report are the sole responsibility of the authors and do not reflect any position taken by the Agency nor by the institutions financing the study.

This study has received the generous contribution of many individuals. We thank all of the individuals who offered their insights to us during fieldwork interviews and workshops, including UNRWA staff at Gaza Headquarters and UNRWA Headquarters in Amman, and UNRWA Programme and Field Directors. Our gratitude also goes to the members of our Editorial Advisory Group (Randa Farah, Rema Hammami, Ahmad Hammouda, Muhammad Ali Khalidi, Youssef Al Madi, Adnan Abdel Rahim, Rosemary Sayigh, Abdel Fattah Abu Shokor, Salim Tamari, Ali Zagher) who have been closely involved throughout the project. We thank them for their time and their excellent counsel.

Acknowledgement is due to the Norwegian Ministry of Foreign Affairs for their funding of both this particular project and for the living conditions surveys from which we have taken most of the statistical data. We are grateful for their incessant interest and support. Acknowledgement is also due to the Swiss Agency for Development and Cooperation (SDC) for their funding of the workshop series and the Editorial Advisory Group, and for providing feedback and participation in the final workshop at Montreux, Switzerland. We also thank Max Fahrni for his help in arranging the Montreux workshop.

We also thank the Fafo staff in Jerusalem (Akram Attalah and Hani El Dada) and in Amman (Gro Hasselknippe) who provided valuable assistance in fieldwork and arranging workshops.

Oslo, October 2003

Jon Hanssen-Bauer
Managing Director
Fafo Institute for Applied International Studies

Acknowledgements

The author would like to extend special thanks to the Fafo and other researchers that have contributed to the three volumes of work from which this summary analysis is drawn: Jon Pedersen, Lena Endresen, Gro Hasselknippe and Willy Egset from Fafo and Penny Johnson, Lee O'Brien, Rex Brynen, Ian Barney, Marzio Babilie, and Adnan Abdel Rahim.

I am also grateful to the Editorial Advisory Group that spent much time and energy in reviewing our work and contributing to discussion about the findings.

I would also like to thank the Ministry of Foreign Affairs and the Swiss Agency for International Development for their financial support of the study.

Finally, thanks to our Research Director Jon Pedersen and Managing Director Jon Hanssen-Bauer for their assistance throughout the duration of the project, and to researcher Kristin Dalen for her comments and language editing.

Executive summary

Since the early 1990s, the budget of the United Nations Relief and Works Agency for the Near East (UNRWA) has faced a significant shortage of resources relative to the level of funding identified by the Agency as necessary to maintain a constant level of basic services. Refugees themselves, the Agency and donors have voiced concern about the effect on refugee living conditions resulting from this shortage of funds.

The present study has produced data and analysis relevant for the policy debate on the impact of UNRWA's present financial situation on Palestine refugees and for the future provision and financing of services. It takes as its point of departure refugee living conditions in UNRWA's various 'fields' (host countries) of UNRWA operation (The West Bank, the Gaza Strip, Syria, Jordan and Lebanon) and goes on to study how well the budgetary allocations of UNRWA match the needs of the refugees.

The study shows that refugee living conditions are quite similar compared to the general living circumstances of others in the same country. This is the case in every UNRWA field of operation except in Lebanon. In Lebanon refugee living conditions are quite poor and worse than the national population.

The similarity found between refugees and non-refugees in the host countries, despite generally lower incomes among the former, is partly a result of the services and transfers that have been provided by UNRWA. However, a clear picture of how UNRWA has allocated these services and transfers across the different places that it operates and across different kinds of activities is difficult to achieve. Inconsistent budget formats and lack of detailed UNRWA expenditure up until the mid to late 1990s hinder comparison over time, program and field. This is important for the reason that both refugee need and other alternative sources of services and assistance do vary considerably across the different geographic locations. From the expenditure and budget data that is available, it appears that a principle of equality of allocation across the geographic fields of UNRWA operations is a prevailing one. However, this is not explicit in the Agency's discussion of its principles and practices. Where there is an obvious shortfall in conditions in a particular field of operation, the tendency is to create a special programme, rather than including the issue in long term planning and budgeting

Donors and budgets

UNRWA's financial support is dependent on bilateral contributions from member states. In absolute terms, the largest funding for UNRWA comes from the United States (28 percent), the European Union (24 percent), Japan (9 percent) and Sweden (6 percent). The most generous UNRWA donors in terms of the proportion of aid channelled to UNRWA are Sweden, Norway, the United States and Switzerland – each of which give approximately 1 percent of total overseas development aid (ODA) funding to UNRWA. In support of UNRWA, political considerations play a large role. Understanding donor funding of UNRWA also requires that one look at how and where policy-making occurs within donor governments. Wide variations exist. Particularly pertinent is from which “envelope” within national bureaucracies UNRWA is funded. Examples of such envelopes include the refugee budget, humanitarian affairs, UN/multilateral affairs, or the Middle East region. Because ODA resources are generally scarce, UNRWA “competes” for funds across these envelopes.

Over the last decades donor support to UNRWA has increased, but has generally not kept pace with refugee population growth. Methodological problems such as differences in exchange rates and prices, and the timing of donor contributions complicate an analysis of the existence, scope and consequences of UNRWA's financial crisis. Late disbursements can create temporary shortfalls in UNRWA's budget, resulting in cash flow problems.

The budget is currently an estimate of what UNRWA predicts it will need to provide services and what funds it expects to be able to raise, rather than being an actual forecast of expenditure and receipts. This problem is being addressed through a budgetary reform process. In an attempt in recent years to increase transparency, UNRWA has changed its practice from presenting a global budget to presenting a programme-based budget. Nevertheless, there is still a lack of transparency and a failure to fully include stakeholders in the budgetary process. Part of the reason for this is lack of clarity on the role of UNRWA and to what principles of allocation of resources should be used.

Since 1972 UNRWA has received about 200 million USD (in constant 1982 USD) yearly, but the amount has varied somewhat between the different years. The registered number of refugees has increased during the period, but the real number of refugees resident in UNRWA's fields of operations has not increased as fast. The number of users of UNRWA services has not increased as much as the number of registered refugees. This is partly because those users who can afford to use services other than those provided by UNRWA often do so.

UNRWA budget and expenditure data should be transformed into something more closely linked to the actual number of refugees who regularly use UNRWA services. Without such knowledge it is difficult to assess possible quality problems

that have arisen as a direct result of decline in UNRWA resources. Finally, cost differentials across host countries can make a difference in UNRWA allocation outcomes. However, because this is primarily an issue for one or two sectors (education and health), using economy-wide price indices to make this adjustment would not be appropriate, and would make for a complex exercise.

Population trends

From previously very high levels, the fertility of Palestinian refugees is falling everywhere. Refugees have lower fertility than non-refugees in most fields. This is partly due to the fact that the most refugees live in urban areas and have similar characteristics to those of the urban host population. Mortality is also on a par with that of the host population. Estimates of the number of 1948 refugees show that, at 3.3 million, the population is somewhat smaller than the number of registered refugees reported by UNRWA. One-third of the refugees are living in camps. Fafao estimations indicate that the total number of refugees will increase to 4.6 million by the year 2020.

Poverty

There are three types of poor refugee households: (1) Families with the main earner unable to work (poorest), (2) elderly- or female-headed households (less poor), and (3) families with one working member and many dependants (the largest group of the poor).

Many camp dwellers are poor, with the proportion of people earning less than two dollars per day per person ranging from some 25 percent in Syria to 35 percent in Lebanon. Poverty is largely associated with family size, health, access to paid work, and access to transfers from others. The worst off families are those that do not qualify for assistance and they have no employed members. Slightly better off, but constituting a far larger proportion of the total, are large families with few employed members and many dependants. By contrast, female- or elderly-headed households with no earners are often poor, but are generally better off than the other two poor groups. This is because they more often qualify for assistance from UNRWA or receive help from family members. In the camps, the winners are those with a high level of education and those who work for UNRWA or other international organisations.

The refugees in Lebanon are worst off because they are excluded from the formal labour market and they have poorer health. They make up the highest proportion of families with no employed member and the transfers they receive cannot compensate for this.

The refugees in Syria are better off than those in other fields, despite Syria being the poorest country. This is because many women refugees in Syria work, and because the education level of middle aged working refugees in that country is higher than in other fields, facilitating relatively higher incomes.

UNRWA's main poverty alleviation activity is the special hardship programme. This targets only one of the poor groups, namely households with no male able to work. Indirectly, the education and health programmes are also significant poverty alleviation programmes because of the strongly positive impact of education on earnings and the strongly negative impact of poor health on earnings.

In terms of direct transfers, UNRWA accounts for 4 percent of household income in Jordanian camps, 5 percent in Syrian camps and gatherings, and 7 percent of household income in camps and gatherings in Lebanon.

Health outcomes

Infant mortality is generally in the range of 20–30 deaths per 1 000 live births – comparable to US rates in the late 1960s. Camps in Syria show particularly low rates, while the Lebanese rates are the highest. Maternal mortality rates are also highest in Lebanon (240 maternal deaths per 100 000 live births) and lowest in Syria (75). In general there is little acute malnutrition among children (5 percent or less, except in Lebanon where the rate is 10 percent), but there is evidence of some growth retardation.

There is more reported psychological distress as well as somatic illness among adults in camps than elsewhere, and most of this occurs in Lebanon. In Lebanese camps there is also much more chronic illness among children. A significant portion of the illness in camps in Lebanon is directly related to wars and other conflicts.

Refugee women are generally well served in terms of health care during pregnancy and delivery, with nearly all of them visiting health centres during pregnancy and at least 85 percent of the women having had qualified birth assistance in all the fields. However, follow-up after delivery is poor. Vaccination coverage is comparatively good with around 80 percent of the children aged 1–2 years having had their full course of vaccinations in the West Bank, Gaza Strip and Jordan. The coverage is lower among refugees in Syria and Lebanon (only 70 percent). The low figures are mainly caused by poor coverage of measles vaccination.

UNRWA health care

Refugees use a variety of health services. UNRWA tends to serve poor uneducated women, while better off women and men tend to use private health care

services, except in Jordan where frequent use is made of government services. Of camp refugees who have been ill during the two weeks before data collection, 20–25 percent were served by UNRWA. In Lebanon the figure stands at 35 percent.

The likelihood of refugees using UNRWA health clinics in the event of unexpected illness is lowest among three main groups of refugees: (1) those who need specialist care, (2) those who have access to subsidised care in the national health system, and (3) where this access is limited (Lebanon) or of poorer quality (Syria), the ability of the household to pay for the services. Jordan and the West Bank and Gaza are the only fields where a significant proportion of refugees have health insurance. In these locations, those with health insurance are far less likely to use UNRWA health services than those without.

UNRWA services are more widely used for prenatal care and young child health monitoring than for basic primary health care. Upwards of 60 percent of camp refugee women use UNRWA health clinics for prenatal care. However, some 40 percent of these women combine UNRWA prenatal monitoring with care from a private doctor or specialist – this being most common among camp refugee women in Jordan and Syria. Again, across all fields, poor and uneducated women are more likely to use UNRWA prenatal care and more likely to exclusively use UNRWA services than other women.

The out-of-pocket cost of health care is reported to be much higher in Lebanon than anywhere else. For example, most refugees needing hospital care in Lebanon use either unsubsidised care at government hospitals or private hospitals. Adjusting costs with constant USD and purchasing power parities, refugees in Lebanon pay an average of some 50 USD for private hospital consultation compared to about 20 USD for consultation at a government hospital in Jordan or the West Bank and Gaza. Even though UNRWA reimburses a portion of these costs, this is a significant burden for the refugee population in Lebanon.

UNRWA health allocations across fields vary, depending on how one measures the costs and the number of refugees. UNRWA budget amounts and Faf0 refugee population estimates by field show the lowest allocations for Jordan at about 10 USD per refugee, a similar amount per refugee in Syria, the West Bank and Gaza at about 20 USD, and a much higher figure in Lebanon at about 45 USD per refugee. When the number of actual users of UNRWA health services is considered, the West Bank and Gaza Strip still show the lowest cost (31 USD per user per year), while Jordan has the highest cost (172 USD per user per year) – about six times the cost per user in the West Bank and Gaza Strip, and twice the cost per user in Syria. The cost is also relatively high for Lebanon (146 USD per year). The high cost per refugee in Jordan is a function of the large non-camp refugee population very rarely using UNRWA primary health care services (2 percent of this group consulted UNRWA during an unexpected illness or injury during the

last two weeks). However, as noted above, it is common for refugee women to use UNRWA regularly for prenatal care. If we further adjust the user population by adding the estimated number of women using UNRWA prenatal health services, this brings the cost per user in Jordan down to the second highest behind Lebanon, although the other fields remain in similar places in the ranking.

Allocation of hospital service resources and physical rehabilitation are much higher in the West Bank than elsewhere, despite the West Bank having comparatively low rates of reported illness.

Education outcomes

Adult literacy is much higher among refugees than in the region as a whole, especially for women. This is most marked in Syria where 90 percent of refugee women older than 14 years are literate, compared to 60 percent in the national population.

Enrolment of camp refugee children in school is about the same across all fields. Nearly all (97 percent) attend school at elementary level, 80 percent attend preparatory school and 60 percent attend school at secondary level. The figure falls in the range 10–20 percent at higher education levels.

The most important factor associated with dropping out of school before secondary level is chronic illness. After that stage, low household income and low education levels of other people in the household are associated with reduced school enrolment. The enrolment of girls is increased most by high household income, while that of boys is mostly increased if other members of the household have some education.

UNRWA education

Nearly all children living in refugee camps go to UNRWA schools for the basic cycle of education (through elementary and preparatory). The exception is chronically ill and disabled children, who receive very little education. Again Lebanon is the worst case. At the basic level, UNRWA registration is the most important factor in attendance at UNRWA schools rather than elsewhere.

UNRWA spends the most per student in Lebanon and Jordan and the least in the West Bank and Gaza Strip. Host country investment in public education is highest in Jordan and the West Bank and Gaza Strip, and lowest in Lebanon.

Housing and infrastructure

Most refugees, even in camps, live in permanent housing, and less than five percent live in temporary dwellings. Nearly all have installed electricity, water and sewerage, but the stability of supply of electricity and drinking water in the camps is considerably worse than in surrounding areas. Stability and access are worse in Lebanon than elsewhere.

The indoor environment is poor, in terms of ventilation, humidity and temperature control. Crowding is higher in the camps than elsewhere, and around 30 percent of the households have three or more persons per room. The camps in Jordan and the Gaza Strip fare the worst, with 40 percent of the households having three persons or more per room.

In general, infrastructure in the camps is the responsibility of the host governments, but UNRWA has played a large role in financing and implementing infrastructure.

Introduction

The 1993 signing of the Declaration of Principles by the Palestine Liberation Organisation and the Government of Israel was followed by an unprecedented flow of donor funds for assistance to the Palestinians in the West Bank and Gaza Strip. While a considerable portion of development funds were channelled through United Nations Relief and Works Agency for the Near East (UNRWA), this aid was allocated for project use and not for the costs associated with service provision. On the contrary, since the early 1990s UNRWA's regular budget has faced significant shortages of resources relative to funding levels identified by the Agency as necessary to maintain basic services. For example, during the period 1991 – 1996, the population of refugees registered with UNRWA grew by 29 percent while UNRWA expenditure increased by less than one percent. Refugees themselves, the Agency and donors have voiced concern about the affect this shortage of funds' may be having on refugee living conditions.

The Royal Norwegian Ministry of Foreign Affairs, with an interest in obtaining more thorough information and analysis concerning the relationship between UNRWA's ongoing financial difficulties and the living conditions of registered Palestinian refugees, agreed to fund a study on the topic undertaken by Fafo beginning in March 2000. In addition to the research programme, the project also has benefited from an Editorial Advisory Group, members of which include academics and experts in various disciplines from the region. The Group has been charged with reviewing papers as they are completed, providing feedback to researchers and participating in a number of workshops together with authors and UNRWA representatives throughout the research period. Both the Editorial Group and the workshops have been funded by the Swiss Agency for Development and Cooperation.

The purpose of the study is to contribute to the understanding of the relationship between trends in living conditions among refugees in Lebanon, Jordan, Syria, West Bank and Gaza Strip; UNRWA expenditure and level of service provision; and actual choices made by refugees in response to UNRWA's growing series of cost-containment measures. The research programme has provided data and analysis on:

- donor contribution patterns and policies

- UNRWA's budgetary process and expenditure in recent years
- refugee demographics and projections for the coming decade
- socio-economic indicators
- the persistence of poverty among certain refugee groupings
- UNRWA's services and the availability of services from other providers and their use among refugees
- a comparison of households: defining vulnerable and successful refugee households
- a comparison of living condition indicators and UNRWA's allocation of resources.

The results of the study include the development of a set of comparable indicators of housing, education, health, income, labour and poverty conditions among refugees in all geographical fields of UNRWA operations (with some exceptions for the West Bank and Gaza), in addition to three volumes of papers. The volumes each cover a different aspect of living conditions and UNRWA service delivery: *Volume 1: Socio-economic Conditions among Refugees in Jordan, Lebanon, Syria and the West Bank and Gaza*; *Volume 2: The Persistence of Poverty among Palestinian Refugees*; and *Volume 3: UNRWA and Other Providers' of Social Services, the Budget Process and Donor Environment of UNRWA*.

These volumes represent the first comprehensive overview of the situation among the refugees and a unique data source for further research. While the living condition survey data in some cases is several years old, the type of relationships, strategies and broad social and welfare indicators we discuss are not ones which change over short periods – regardless of policy or fiscal input changes. Moreover, the broadness of the data has allowed for a unique and focused analysis on certain directly comparable indicators. We have a set of data on Palestinian refugees and refugee households with which it is possible to identify the multiple types of households vulnerable to poverty and poor living conditions. This makes it possible to assess whether or not UNRWA's programme is meeting the needs of these individuals, and to look at the gaps in UNRWA health, education and welfare services.

Several limitations with regards to data have been faced. First, there is not full coverage of the non-camp refugee population (in Lebanon and Syria) and, for some areas, data covering refugees in the West Bank and Gaza Strip. The Lebanon and Syria surveys include all the refugee camps and Palestinian “gatherings”. The “gatherings” are defined as a known area where a cluster of Palestinians reside counting at least 25 households. In these cases for which we lack a comprehensive survey of

the non-camp refugee population and non-refugee population, comparisons on main indicators have been made with supplementary data sources for the national level. Second, we have been presented with some difficulties in acquiring detailed breakdowns of UNRWA expenditures by sub-programme and field over the entire period the study is concerned with (1992 to 2000).

This summary analysis highlights the main conclusions from the three volumes of work completed for the study. In this summary, the results are drawn together with additional analysis identifying the clustering of poor living conditions and poverty, education and health, vulnerable household types, and finally, how well UNRWA's allocation of resources appears to match the needs of the refugees.

UNRWA and the donor community

UNRWA depends financially on bilateral contributions from donor countries rather than on contributions to general UN funds. Support for UNRWA is therefore voluntary. Aspects of this funding environment complicate establishing what is an appropriate level of funding, and therefore, what constitutes a “financial crisis”.

Donor contributions have increased since the 1950s – but so has the refugee population, resulting in per capita contributions declining recently

Funding challenges for UNRWA have come from two sides – a difficult funding situation as well as a rapidly expanding refugee population (over 3 percent per year). The Palestinian refugee population registered with UNRWA has grown rapidly, increasing from some 910 000 in 1955 to some 3 700 000 by 2000. Donor support has also risen, both absolutely and in real terms, but the increase in support has not matched refugee population growth. Per capita contributions were stable for a time, but fell somewhat during the 1980s and 1990s.

Burden sharing: Most generous UNRWA donors are Sweden, Norway, the United States and Switzerland

When considering the level of the donor’s funding to UNRWA as a percent of total overseas development assistance, including that channelled through the EU, Sweden comes out as the most generous UNRWA donor at about 1.2 percent of all ODA. Next is Norway at about 1 percent, followed by the US at 0.9 percent and Switzerland at 0.8 percent. In absolute terms, the largest funding for UNRWA comes from the United States (28 percent), the EU (24 percent), Japan (9 percent) and Sweden (6 percent).

Methodological issues make it difficult to identify and measure the UNRWA “funding gap”

Assessing the magnitude of UNRWA’s financial troubles and looking at trends in donor support poses a challenge in an already complex funding picture. However, without a clear picture of financial realities, it is difficult to assess UNRWA’s “funding gap”. An analysis must centre not only on per capita funding and expenditure, but also on the role of exchange rate and price changes.

First, donors usually pledge funds in national currencies, which are converted to US dollars for UNRWA accounting and reporting. Fluctuations in the exchange rate may therefore appear to be increases or decreases in funding.

Second, there is a time lag between pledges and disbursements. The fact that UNRWA and the donor's financial years do not always coincide may mean that a disbursement made in one year may be received by UNRWA in a different financial year. As a result, even with stable funding, UNRWA may experience a shortfall in one year and an upswing in the next.

Third, the distribution of funding to programmes and projects can be problematic. Greater emphasis on project funding at the expense of programme funding may lead to a deficit in UNRWA's General Fund, even though overall total funding levels remain stable. Symptoms of this are evident in UNRWA's need to "borrow" from project funds to cover a General Fund deficit. This may result in a delay or insufficient implementation of projects for which the funds were actually raised.

Finally, UNRWA budget-making is not an actual forecast of estimated receipts and expenditures. In practice, the budget is set somewhere between estimated needs and probable donor receipts. This means there is no clear-cut line between a "financial crisis" situation on the one hand, and a mismatch between what UNRWA would like and what it is able to raise on the other.

Donor support should also be viewed in terms of the larger ODA environment. Because the funding of UNRWA is voluntary, it competes directly with other ODA obligations and interests. While much emphasis has been placed on shortfalls in resources and a decline in donor funding, support to UNRWA has been maintained in an environment of stagnant ODA budgets in most Western countries. UNRWA receives about 80 USD per capita, which is much more than is received by UNHCR (55 USD per capita), even though UNHCR generally assists a much needier refugee population. UNRWA receives a substantial 0.5 percent of all Western ODA. Moreover, this has been accompanied by a dramatic increase in bilateral donor assistance to the West Bank and Gaza following the Oslo Agreement. Between 1994 and 2000, 3.3 billion USD in ODA was provided to the West Bank and Gaza. The result of this huge influx of funding has been that the West Bank and Gaza Palestinian Territories represent one of the largest per capita recipients of foreign aid in the developing world. Although not direct refugee assistance, refugees in the West Bank and Gaza have benefited from this bilateral ODA – in an amount estimated to be about 47 percent of the total benefit, or USD 250 million per year. This amount, ending up to be some 184 USD

Donor support of UNRWA has increased (in nominal terms) during the 1990s – while Western aid budgets remained mostly stagnant

per capita, *far* exceeds the support to West Bank and Gaza refugees channelled through UNRWA.

Donor policy-making involves allocating scarce ODA resources from various places within the national bureaucracy

Political considerations cannot be understated in the case of donor support of UNRWA. However, to best understand donor allocations, one needs to have a clear picture of how and where within national governments policy-making vis-à-vis UNRWA funding occurs. Wide variations exist. Basically, the issue is from which type of “envelope” within the national bureaucracy UNRWA is funded: the refugee budget envelope, the humanitarian affairs envelope, the UN/Multilateral envelope, or the Middle East envelope. Clarifying the latter is key in identifying the competition facing the Agency in terms of other ODA obligations and the logic behind any donor’s policy making.

UNRWA's budget

UNRWA's delivery of social services takes place in a complicated political environment. Many stakeholders are involved and their involvement impinges on the Agency's autonomy. UNRWA's ability to allocate resources and conduct budgeting processes autonomous from outside influence may be efficient. However, UNRWA's role is not merely developmental, it plays a prominent *political* role as well. Recently, in light of the Agency's financial problems, these processes have come under more careful scrutiny by the international community and stakeholder groups.

Certain characteristics of the UNRWA, donor relationship and UNRWA conduct have contributed to an environment of mistrust – particularly evident during the 1990's. First, stakeholder participation in UNRWA's planning process was weak.

Second, a lack of transparency of UNRWA financial management systems existed.

Finally, the Agency's failure to deliver accurate and timely data needed by donors contributed to both a sense of inability to contribute as well as a general sense of mistrust.

UNRWA has traditionally had a line item budget in which items were not tied to performance or outcomes. In the 1990s, due to increased pressure on the part of donors, the Agency implemented a programme-based budget process.

The program-based budget is intended to provide greater transparency to donors and to aid internal financial management. Programme-based budgeting directly links expenditure to expected outcome. UNRWA's shift to programme-based budgeting processes improved the presentation of financial information and contributed to greater donor involvement.

However, the move also resulted in heightened centralisation within the Agency, particularly in financial matters. This in turn led to reduced flexibility among "front line" and local UNRWA employees. At the local level centralisation coupled with the apparent hopelessness of the funding situation has eroded the positive impact of financial management reform.

UNRWA – Donor relationship in the 1990s symbolised by "mutual suspicion"

United Nations and UNRWA budget reform – Programme-based budgeting replaces line item budgeting

The size of the refugee population now and in the future

The current demographic picture of Palestinian refugees is that there are about 3.34 million people, the population is young, has high but declining fertility, has low mortality, and is growing fast – particularly in Gaza. Fifty percent of the total refugee population resides in Jordan.

The demographic future of Palestinians is largely determined by fertility rates. This is related to the age distribution of refugees. Currently over half of the population is 15 years of age or younger. In the coming years, then, many women will enter into the reproductive age. The result is continued high population growth even in the face of a fertility decline.

Total fertility among refugees is more similar to host country populations than to refugees across all host countries. In other words, fertility is no longer strongly associated simply with having refugee status. Given current and projected fertility rates, the proportion of refugees in the population of Lebanon, Syria and Jordan will decrease.

Palestinian refugees have a high growth rate, which has accelerated in the West Bank and Gaza Strip during the *intifada* years, as fertility remained high and mortality has fallen to low levels. However, fertility levels have recently begun falling in all fields. The main factors causing such a decline among refugees are postponement of marriage and a larger proportion of women never marrying.

The majority of Palestinian refugees in the four fields currently live in their locality of birth, with only about 10 percent of them (on average) being first generation (1948) refugees. Internal migration is relatively uncommon overall, but it is more common among refugees than non-refugees.

Young age structures imply that even a radical fertility decline cannot prevent the population from growing

“Refugee” is no longer a distinguishing factor in terms of fertility

High growth rates slowed recently by falling fertility everywhere. Fertility has declined due to later marriage and never marrying becoming more common

Most refugees currently reside in their birthplace, internal migration is not marked, but is found to be more widespread among refugees than non-refugees

The current growth rate of the refugee population is 2.3 percent per year with 3.34 million persons. It is estimated the Palestinian refugee population will reach 4.6 million by the year 2020

Jordan accounts for the largest proportion of the Palestinian refugee population (45 percent), but high growth rates in Gaza may mean this field will account for the greatest proportion of the total by 2020

The cost of UNRWA services is projected to increase from about 480 million USD to 640 million USD in 2020, with most of the increase being in the West Bank, Gaza and Jordan

Population projections are made from the year 2002 to the year 2020, based on Fafó and national statistics data. The term “refugee” refers to people who define themselves as refugees. The projection shows that the current Palestinian refugee population of some 3.34 million persons is growing at about 78 000 persons yearly – a growth rate of 2.3 percent. The growth rate will steadily diminish, reaching 1.4 percent or 66 000 persons per year in 2020, at which point the population reach a total of 4.6 million.

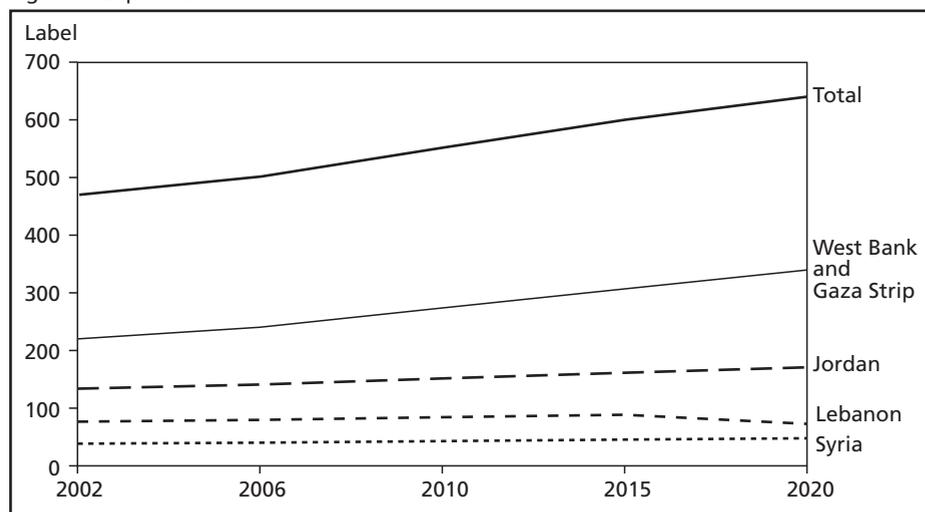
The distribution of refugees across the host countries and Palestinian Territories shows that Jordan has the highest share of refugees at 45 percent, followed by Gaza and the West Bank (23 and 18 percent respectively), Syria at 9 percent, and Lebanon with 6 percent. More rapid growth rates in the West Bank and Gaza Strip means that the current distribution of refugees across the fields will be altered over time. It is estimated that the proportion of refugees in the West Bank and Gaza will increase from 41 percent in 2002 to 46 percent in 2020.

One aspect of projected population increases is, obviously, the impact this will have on UNRWA services. Making a preliminary, crude estimation based on current levels of UNRWA budget allocations together with Fafó’s calculation of population increase, it is estimated that the need for resources will increase substantially. UNRWA resource needs will grow from 480 million USD in 2002 to 640 million USD in 2020 (Figure 1); with no adjustments made for inflation or cost differentials across the fields. This calculation is based on the per capita amount budgeted by UNRWA for the year 2002 and an estimation of the resources needed in each subsequent year (given population estimates for that year) to maintain the per capita distribution of resources across UNRWA programmes.

Table 1: Population projections

Year	2002	2005	2010	2015	2020
West Bank	585	628	692	749	801
Gaza Strip	772	854	996	1,143	1,293
Jordan	1,484	1,563	1,681	1,790	1,895
Lebanon only camps	106	110	117	123	129
Lebanon including non-camp	198	206	218	229	240
Syria only camps	159	166	177	188	198
Syria including non-camp	296	309	330	350	368
Total including estimated non-camp	3,335	3,561	3,918	4,261	4,598

Figure 1: Expected increase in UNRWA resource needs



Housing and infrastructure

One of the common complaints among Palestinian refugees living in camps is that high population densities create very crowded and environmentally poor living conditions. In addition to generally crowded conditions at the community level, overcrowding within households is a widespread problem and poor environmental conditions are common in camp households. The camp versus non-camp divide in terms of housing conditions, however, is mixed: In some settings and for some indicators, camps may actually have better access than other sites. This is because UNRWA and other agencies provide more support to infrastructure projects in the camps than, for example, projects in rural areas among the non-camp or non-refugee population. However, as noted, in some settings conditions are worse in the camps. The usual problems are unstable supplies of such necessities as drinking water and electricity rather than a lack of access *per se*.

According to 1995 data for the West Bank and Gaza, across the fields of UNRWA operations, camp refugees in the West Bank and Gaza have historically had somewhat better access to amenities. However, conditions in the West Bank and in Gaza differ. Gaza camps have had better access to infrastructure than anywhere else. Rural West Bank has had very poor infrastructure access.

Residents in Yarmouk camp in Syria, and in some cases camps and gatherings elsewhere in Syria, have better housing conditions in terms of most indicators than camp refugees in Jordan and Lebanon.

The main indications of poor refugee housing conditions are overcrowding and a poor indoor environment. There is no uniform pattern in other indicators with regards to camp or non-camp location across all fields

Historically, infrastructure has been superior in West Bank and Gaza camps to camps elsewhere and to other sites in the West Bank and Gaza.

Yarmouk camp in Syria also has relatively good access to infrastructure

Table 2: Housing and infrastructure conditions

Good	Poor
Urban West Bank and Gaza camps (1996)	West Bank rural camps
Yarmouk camp in Syria infrastructure access	Jordan and Lebanon camps' infrastructure access
Non-camp refugees in Jordan (similar to non-refugee households)	Poor indoor environment in Jordan, Lebanon and non-Yarmouk camp dwellings in Syria

In Jordan and Lebanon camps upwards of 60 percent of households have inadequate access to drinking water and sanitation

Across all types of housing conditions, the situation in Lebanon camps is markedly worse than elsewhere. In Jordan and Lebanon, upwards of 60 percent of camp households lack a safe, stable drinking water source and sanitation. Stability of drinking water supply is an especially common problem in these camps. Non-camp refugees in Jordan have much better access than those in camps, with only 19 percent lacking stable, safe drinking water. Here, higher income is found to be an important determining factor in access to basic infrastructure. Regional location is associated with poor infrastructure among camp refugees in southern Lebanon and non-camp refugees in the West Bank.

Palestinian refugees are settled in dwellings not tents or other makeshift-type housing

Most refugees live in single-family homes or apartments. Very few households, less than 5 percent, live in other types of structures not meeting basic durability criteria of dwellings.

Overcrowding is a major problem everywhere, especially among households with 10 or more persons

Household overcrowding (three or more persons per room) is common. Some 30 to 40 percent of camp refugees live in “crowded” households. Overcrowding is most prevalent in West Bank and Gaza camps, and least prevalent among camp and gathering refugees in Lebanon and Syria where households tend to be smaller. In Jordan, camp households are overcrowded far more frequently than non-camp households (30 percent and 18 percent respectively). Very large households (with 10 or more persons) are more often crowded in camps everywhere because of the limitations in building sizes operating in most camps.

Very poor indoor environment in camp housing in Jordan, Lebanon and camps other than Yarmouk in Syria

Upwards of 50 percent of camp refugees in Jordan and Lebanon report a poor indoor environment. This is worse among the camp population than the non-camp population, and it is worse in Lebanon than in Jordan. There are fewer households with indoor environment problems in Yarmouk camp in Syria, but other camps in that country are worse off. When considering indoor climate problems including humidity, difficulty in regulating temperature and poor ventilation, some 70 percent of camp households in Lebanon report at least two out of three of these indoor environment problems compared to 60 percent of camp refugees in Jordan, 55 percent of gathering households in Lebanon, 50 percent of non-camp refugees in Jordan, 40 percent of Yarmouk camp residents, and 50 percent of residents in other camps in Syria.

Health

Mother and child health outcomes are generally quite good among refugees, especially camp refugees. This can be partly attributed to camp refugees' access to UNRWA mother and child health monitoring

In all settings except Lebanon camps, infant and maternal mortality rates are slightly lower or similar than the group of middle-income countries. Camps generally have better outcomes than those of the general population in the host country. Camps in Syria particularly show lower infant and maternal mortality rates than those of other fields, and considerably lower rates than the national figure. This is a notable achievement for UNRWA health services. At the national level in Syria, infant and maternal mortality rates are the worst among the four host countries. Camps and gatherings in Lebanon have particularly high infant and maternal mortality rates, markedly higher than camps elsewhere and higher than the national level. It should be said that, on both indicators, especially maternal mortality, Lebanon has poorer health outcomes at the national level than other countries with similar national income levels.

Nearly all camp refugee women receive prenatal care during pregnancy. In all fields except the West Bank, prenatal care coverage is better among camp refugees than others. In Jordan and Gaza, refugees as a group have better prenatal coverage than non-refugees. In

National mortality indicators similar to middle income countries. Infant and mortality rates in camps lower than the national figure in most fields except Lebanon

Maternal care outcomes among camp refugees are more similar to developed than developing countries

Table 3: Mother and child health outcomes

GOOD	POOR
Maternal care outcomes among camp refugees more similar to developed than developing countries	Higher infant, maternal mortality in Lebanon
Prenatal care 80%+	2–3 times higher rate of childhood chronic illness in Lebanon
Delivery assistance 85%+	Gaps in vaccination coverage in Lebanon and Syria
Less than 10% infants with low birth weight	
Child malnutrition not a considerable health problem	

the West Bank, camp women have particularly low coverage compared to others in the West Bank and compared to camp women elsewhere. In contrast there is some 99 percent prenatal care coverage in Gaza – the highest overall for all groups across fields.

Slightly poorer outcomes on other indicators among camp refugees in Syria and Lebanon

Camp refugee outcomes are worse, however, for delivery assistance everywhere except the West Bank and Gaza, dropping to some 85 percent assisted deliveries among camp women across all fields. Here, there is a large discrepancy among camp and non-camp women in Jordan. The latter has better assistance coverage at 95 percent compared to 87 percent of camp women. In the West Bank and Gaza, refugee delivery assistance rate remains high for all groups, upwards of 95 percent.

Less than 10 percent of camp refugee infants are born with low birth weight. This level is similar to other “medium development” countries. Low birth weight is least evident in Jordan camps. Outcomes on this indicator in Jordan are better among camp refugees than non-camp refugees and non-refugees.

Child malnutrition is not a considerable health problem among refugees in any field, but acute malnutrition levels are higher in Syria and Lebanon than elsewhere

A small proportion of refugee children in Jordan suffer from mild stunting, but the level is well below that of most developing countries. More serious is the level of malnutrition found among camp and gathering children in Lebanon and Syria which, although limited in terms of numbers, is of a more critical type. Here upwards of 5 percent of camp refugee children face acute malnutrition as measured by the mid-upper arm circumference.

Gaps in young child vaccination coverage in Lebanon and Syria primarily due to poor measles coverage

Vaccination coverage rates among young refugee children (12 through 23 months of age) are high in the West Bank and Gaza and Jordan, but considerably poorer in Syria and Lebanon. UNRWA reports nearly 100 percent vaccination coverage. Fafó’s estimates are lower. About 80 percent of camp refugee children in Jordan and the West Bank and Gaza have received the full course of under-one year vaccinations. For the West Bank and Gaza, this is higher than the figure found among the non-camp and non-refugee population. In Jordan, this is slightly lower than other groups. In contrast, some 75 percent of camp and gathering refugee children at one year of age in Lebanon have had the full course of vaccinations – with a lack of measles vaccination being the main problem. The situation is similar among Syrian camp children. Here some 70 percent of one year olds have had the full course of under-one vaccinations.

In Lebanon, the proportion of camp and gathering refugee children with a chronic illness or disability is two to three times higher than that found in Jordan and Syria. This reflects an excessive amount of chronic illness and disability among children in southern Lebanon. Also, in southern Lebanon those afflicted suffer more severe levels of illness or disease.

Very high rates of childhood disability and chronic illness in Lebanon, and most of these children fail to be enrolled in school; many face illiteracy

Over 50 percent of adults in Lebanon camps are afflicted with functional impairment, chronic illness or other disability or psychological distress. Twice as many camp adults in Lebanon say that their health is “bad” compared to other fields. In all camps, 40 to 60 percent of individuals report that they suffer daily from three of seven psychological distress symptoms.

Adult health is poor in Lebanon camps

We now turn to describe how poor and good health outcomes are distributed across certain types of households and across the various fields of UNRWA operation. Data for this analysis is available only for Jordan, Lebanon and Syria. Outcomes include (1) adult self-

Refugees with low socio-economic status, old-aged, and residing in camps and gatherings in Lebanon face the highest risk for poor health status

Table 4: Select mother and child indicators

	Infant mortality rate (per 1,000 live births)		Maternal mortality rate (per 100,000 live births)	% receiving prenatal care	% deliveries assisted	% low birth weight infants	% 12-23 mox. Fully vaccinated
	Male	Female					
West Bank							
Camp	29.5	21.9	112	90	98	9	82
Non-camp				95	97		73
Non-refugee				94	96		54
Gaza Strip							
Camp	32.9	23.4	81	99	98		
Non-camp				99	99		
Non-refugee				98	100		
Jordan							
Camp	26.6	23.2	n.a.	95	87	6	82
Non-camp				86	95	8	83
Non-refugee	29			82	93	10	91
Lebanon							
Camp & gathering	39.7	23.3	239	95	83	7	75
National	28			87	89	19	
Syria							
Camp & gathering	24.9	21.5	75	96	84	8	73
National	31				77	7	

assessed health status, (2) adult and child chronic illness or disability, (3) adult functional impairment, and (4) psychological distress.

When interpreting the correspondence plot (Figure 2) we can identify two main groups of households having members with poor health: (1) elderly- or female-headed low income, and (2) younger camp and gathering refugee households in Lebanon.

Chronic illness is more associated with the first group of households with unhealthy members – low income and/or elderly and female-headed. Psychological distress and child illness are more associated with the second group with unhealthy members — younger camp households in Lebanon. There is a clustering of poor health indicators in both these two groups including functional impairment (sight, hearing or movement), chronic illness and low income.

Lebanon refugees are more unhealthy especially young adults and children

Not only are rates of illness and disability higher in Lebanon, but also there are particularly high rates of poor health among young age groups (less than 35 years) compared to other settings. The relatively more physically “healthy” households are in Jordan and Syria. The latter fields appearing in the plot in different groups is mainly a function of household head age between the youngest and the middle aged households, and the division between households with psychological distress and no distress. Thus, the younger households in the middle income groups are more likely to have adult members suffering from psychological distress and there is considerably more such distress in Jordan camps than is found in Syria. There is also less chronic illness in Syria (40 percent) than in Jordan (49 percent).

A final distinction between Syria and Jordan has to do specifically with the family lifecycle rather than the health situation. The placement on the plot of Syria in the lower left quadrant also reflects the generally later family formation in that field than elsewhere.

Figure 2: Correspondence plot of adult and child education outcomes at the household level

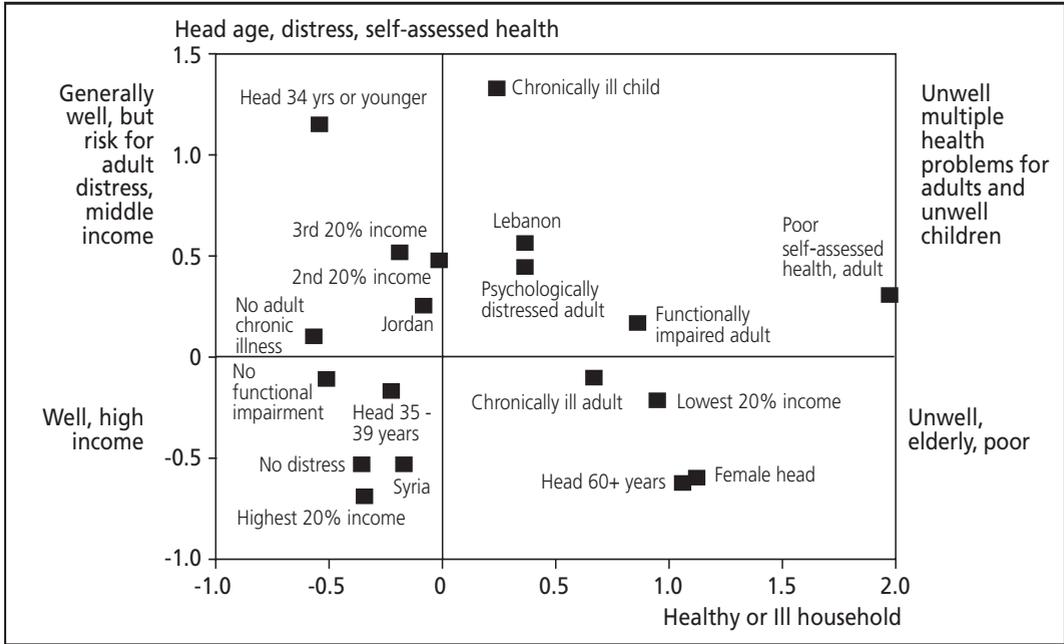


Table 5: Select adult refugee health outcomes, percentage of adults 15+ years with health problems

	% chronic illness or injury	% bad self-assessed health		% with 3 out of 7 psychological distress items	
		Male	Female	Male	Female
Jordan					
Camp	19	6	7	46	59
Non-camp	12	4	5	31	41
Non-refugee	9	3	5	22	35
Lebanon					
Camp	26	17	16	56	57
Gathering	26	16	16	58	67
Syria					
Camp	17	9	9	42	46
Gathering	14	7	6	52	53

Education

Literacy rates of Palestinian refugees are considerably higher than for the Arab states as a group (upwards of 80 percent for men and 70 percent for women compared to 72 percent of men in the Arab region and 45 percent of women). However, it should be noted that literacy rates vary quite substantially within the region with some countries having very low literacy rates relative to most (Yemen, for example). Even so, Palestinian refugee literacy rates are likely underestimated as many with the highest education levels have left the region. This selection effect is probably strongest in Lebanon relative to the other fields.

National literacy is generally higher in the countries we consider here than most others in the Arab region, but when we compare literacy by refugee status within the countries, in all settings *except* Lebanon, camp and/or refugee literacy is higher than it is among the non-refugee or national population. Moreover, this is especially the case among refugee women: In Syria about 90 percent of women over the age of 14 are literate compared to 60 percent of the women in the national population.

In Syria, despite high levels of literacy, we also see many young adults not having completed the basic cycle (40 percent), and lower secondary enrolment rates than any place except Lebanon. This can partly be explained by the fact that this is the only field where preparatory education has not been compulsory. However, the government of Syria included preparatory education into the compulsory cycle from the 2002/2003 school year. Another explanation for youn-

Refugee literacy is good compared to the rest of the region, especially for women and especially among camp and gathering refugees in Syria

In Syria, good education outcomes achieved in the 1970s have deteriorated

Table 6: Adult education outcomes

GOOD	POOR
Refugee literacy rates high compared to region: 80% men, 70% women; Especially for women and in Syria camps	In Lebanon, 60% of young adults (18–29 years) did not finish basic education; No improvement in adult education level last 30 years
Everywhere but in Lebanon, literacy rates higher among camp refugees than others in the field	In Syria, impressive achievements in 1970s deteriorated; lower adult education than in Jordan, WBGS despite higher literacy rates

ger camp refugees in Syria failing to keep up with camp refugees in Jordan, the West Bank and Gaza is that we do not find the same level of education mobility. Educational mobility is younger generations having higher educational status than their parents. There is tremendous education mobility among the camp population in Jordan, and also in the West Bank and Gaza. There are very high education levels among camp refugees in Syria in the middle age groups, particularly women. Unfortunately, these gains in educational achievement have not been sustained.

In Lebanon camps and gatherings there are poor outcomes in adult education overall, no improvement in the last 30 years, and deterioration in the youngest cohort of camp men

In terms of human capital among camp and gathering refugees in Lebanon, there is high illiteracy relative to the national population and refugees in other fields. As a group; refugees in Lebanon have the highest proportion of young adults who have not completed primary-level education, and the smallest proportion of working-age adults with secondary or higher education.

Similar current enrolment among camp refugees in all host countries

In terms of the current performance of the educational system(s), or child and youth enrolment in school, nearly all refugee children at elementary school ages are enrolled in school, but dropping out already begins at the preparatory stage. Enrolment rates are quite similar among camp refugees across the fields: 97 percent at elementary, 80–85 percent at preparatory, 60 percent at secondary and 10–20 percent at higher levels. Camp refugees in the West Bank and Gaza stay in school longer (especially males) than camp refugees elsewhere and we therefore see relatively higher enrolment at preparatory level than in the other fields.

Different education “problems” in each host country setting. In the West Bank and Gaza girls lag behind boys

Refugees have different education problems in each of the fields. In the West Bank and Gaza, education outcomes are generally quite good among refugees, and especially camp refugees. However, this is not equally the case for men and women, with the latter seriously lagging behind. Elsewhere, female enrolment is now not very diffe-

Table 7: Child education outcomes

GOOD	POOR
97% of refugee children at elementary ages are enrolled in school	In the West Bank and Gaza camp refugee girls drop out to marry or care for family, girls have much higher illiteracy than boys
Everywhere but the West Bank and Gaza refugee girls' education achievement not much different or better than boys'.	In Jordan, young camp men drop out, have higher illiteracy than previous cohort
	In Lebanon, high youth illiteracy and grade retention rates

rent from male enrolment, and sometimes even better. In the West Bank and Gaza, young women drop out of school early – many of them to marry and have children. This is not surprising, given the relatively much higher fertility levels in this setting. In addition, among those who are not enrolled in school and should be, girls have markedly higher illiteracy than their male counterparts.

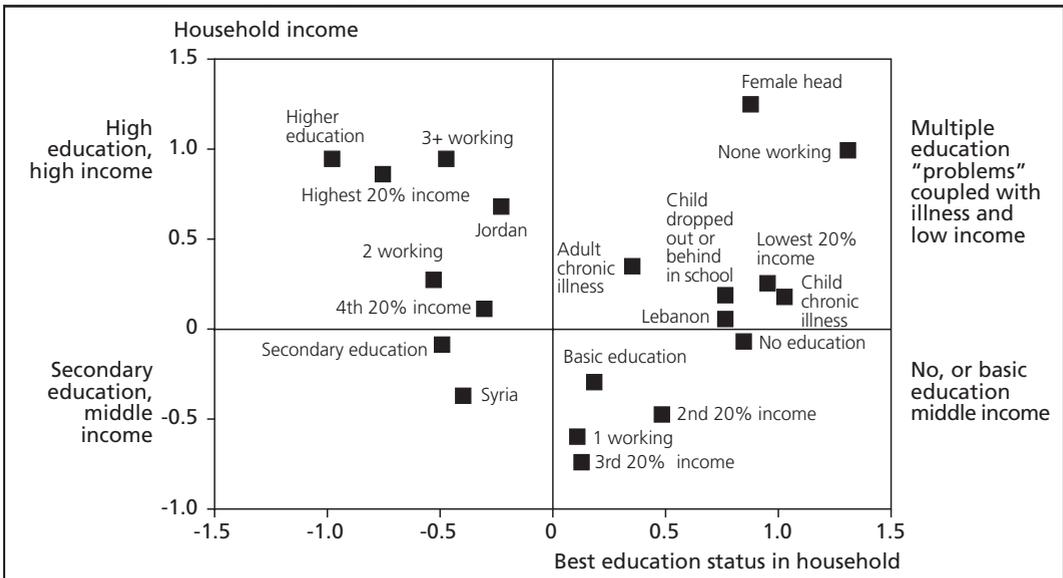
In Jordan, the main issue of concern is the poor and deteriorating education performance among young camp men. Young camp males are over-represented in the proportion of young adults without even a basic level of education, among illiterate youth, and among those who drop out of basic and secondary school. Some 40 percent of young adult camp men between 18 and 30 years have not completed formal education.

Finally, current youth education among camp and gathering refugees in Lebanon does not appear to be functioning well. Enrolment after elementary level and repetition patterns after these ages are poor, meaning one cannot expect much improvement in the stock of human capital in the near future. There has been little or no improvement among the younger age groups. Moreover, there is a clear deterioration of education performance among the youngest camp males.

In Jordan, young camp males drop out

In Lebanon, extremely high youth illiteracy, drop out and grade retention. No recent improvement

Figure 3: Correspondence plot of poverty outcomes at the household level



We turn again to correspondence analysis to give a visual description of how education outcomes tend to cluster in certain households. The plot depicts the main group with poor education outcomes associated with the Lebanon field, low income, and chronic illness of either a child or an adult in the household.

Some 50 percent of camp and gathering refugee households in Lebanon have no member who has completed basic education. By contrast, households with typically good education outcomes are associated with high income and many working members. Jordan camp refugees fall in this group due to their relatively good adult education at the household level, which is a result of quite high mobility in this setting compared to elsewhere. Some 30 percent of Jordan camp households have at least one member with more than secondary education compared to 12 percent in Syrian and 9 percent in Lebanese camps.

Labour and income

Similar to elsewhere in the region, the labour force participation of refugee women is low, in the range 5–25 percent. Camp refugee labour force participation lags behind others (non-camp refugees and non-refugees), but not considerably.

Across fields, labour force participation rates are roughly similar with two exceptions. First, women in Syria are much more active than women elsewhere. Second, refugees in Gaza have particularly low levels of labour force participation compared to refugees elsewhere.

Unemployment rates among camp refugees range from 7–17 percent. Where we can do a comparison with the non-camp and/or non-refugee population, these rates are somewhat higher than those outside of camps. Camp refugee unemployment is especially high in Lebanon and the West Bank. Women and the young experience the most unemployment. Education reduces unemployment in Lebanon camps and gatherings, but in camps in Jordan, it is associated with higher unemployment.

In Jordan, refugees primarily work in trade and manufacturing. The public sector is a large employer among the host country population. Refugees are excluded from some types of public sector employment. Refugees in Jordan are under-represented in the agricultural sector.

In Lebanon, there are smaller differences in employment structure between refugees and non-refugees than expected, given the exclusion of refugees from a whole range of professions, in addition to the public sector. Although refugees are widely excluded from employment, there is no one large, broad sector from which they are barred, with the exception of the public sector. The public sector in Lebanon is not a very important one. Much of the health and education system is privatised.

In the West Bank and Gaza, fewer male refugees are employed in services than among the non-refugee population; and fewer women are employed in the agricultural sector than among non-refugee women.

Labour force participation rates are between 65–80 percent among refugee men

Unemployment rates are slightly higher in refugee camps than outside them, but not a large difference

The structure of employment among camp refugees, and in most cases, refugees, differs from the host country population

Finally, in Syria, in contrast to Jordan, a key characteristic among refugees is their *inclusion* in the large public sector.

In both Jordan and Lebanon, camp refugee household income lags behind others

In Jordan, camp refugees are over-represented in the lowest income quintiles. For example, about 20 percent are in the lowest income group compared to 10 percent of the rest of the population. In Lebanon, about 40 percent of camp and gathering refugees are in the lowest income group compared to 5 percent of the national population.

The persistence of poverty

The highest proportion of poor camp refugees is found in Lebanon (35 percent) and the lowest in Syria (17 percent). Also, in Lebanon we find more ultra-poor people among camp and gathering refugees than in the other fields. We cannot directly compare the West Bank and Gaza Strip to refugees in the other fields. The West Bank and Gaza poverty data is based on national poverty lines and not poverty defined by the “less than 1 USD” and “less than 2 USD” measure used for the Fafo data. However, according to national poverty lines, 19 percent of refugees are poor in the West Bank and 38 percent in Gaza.

A key context linked to refugee poverty is heavy reliance on employment income by refugees everywhere. However, refugee access to labour markets is particular to each host country. Refugee access to social welfare benefits is likewise unique to the field in question. Finally, national economic development of each host has repercussions for both refugees and non-refugees in that field. Taking all of these aspects together that are unique to the host country informs refugee poverty analysis.

Poverty across fields: Related to a range of host country contexts leading to unique refugee circumstances within each location

Table 8: Refugee household poverty rates

	Syria camps & gatherings		Lebanon camps & gatherings		Jordan camps	
	Ultra poor*	Poor**	Ultra poor	Poor	Ultra poor	Poor
% households	5	23	15	35	9	31
% persons	6	27			10	36

	West Bank		Gaza	
	Ultra-poor	Poor	Ultra-poor	Poor
City	5	10	21	29
Village	10	17	18	35
Camp	13	19	24	38
Total	8	15	22	33

* less than 1 USD per person per day

** less than 2 USD per person per day

In Syria, the national economy is relatively poor. But, many members of the household work – more than any other field. The net result is lower poverty levels among camp refugees in Syria than anywhere else, despite living in a relatively “poor” country.

Lebanon has a relatively higher per capita national income than in the other countries we consider here, but refugees are poorer here than anywhere else. Fewer refugees are employed with lower refugee participation in the labour force, which is the result of chronic illness and poor access to the labour market. The combination of virtually no access to large-scale social welfare and limited access to labour income translates into very high rates of poverty among camp and gathering refugees, regardless of the national wealth and economic development.

Finally, in Jordan, while there is some exclusion of refugees from the labour market, refugees have good access to large-scale government social welfare. These characteristics help to keep a huge proportion of refugees in Jordan away from the brink of poverty.

Poverty across households: There are three main refugee groups in poverty

Three main groups of the poor among refugees can be identified. First, young families in which there are no working members are the poorest group.

Second, elderly- and female-headed households in which there are no working members are also at risk for poverty, but this group is less often poor and less poor than the first, because they more often get financial support from the extended family. They also qualify and receive assistance from UNRWA and other charities, assistance for which the first group does not qualify.

Third, the largest group of the poor are families in which there is only one person working to support many dependants. This last group could be considered to be also a high-risk group. While many may have managed to keep out of poverty through working long hours, any unemployment would quickly send the family into poverty.

Meaningful poverty alleviation programmes should be based upon an understanding of the types of poor or at-risk families as well as the mechanisms that make them more or less vulnerable to poverty

Knowing the rates of poverty and the rates of poverty for types of households is useful, but this does not tell us whether or not those in poverty have a whole series of similar situations. That is, we know households dependent on transfers more often are poor, but these include many types of households such as elderly and retired, or female-headed with children, or a single, disabled person with no hopes of employment – households with possibly very different coping strategies. We would expect poverty alleviation programmes to employ different targeting mechanisms for these households.

To obtain a more holistic understanding of the nature of poverty in Jordan, Syria and Lebanon we again use correspondence plots to visually aid in disaggregating poverty across fields and households.

Figure 4 shows a correspondence plot of a series of household characteristics including whether or not they are poor and in which host country they reside. Interpreting the plot includes two main assessments: What characteristics cluster together and in which of the four quadrants these clusters fall?

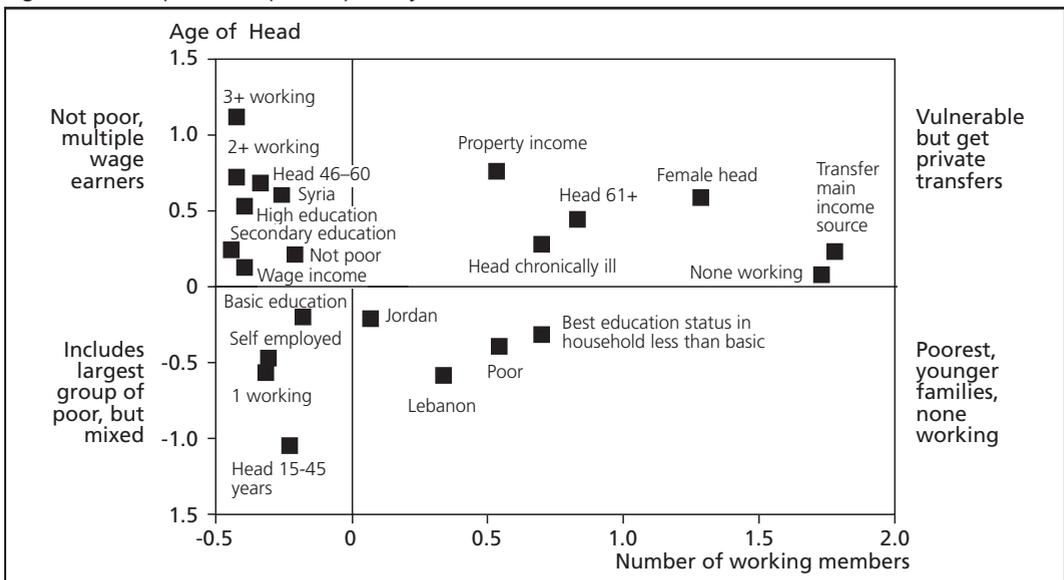
Young families with no earners are the very poorest. This is reflected in their placement in the plot closer to “poor” than the elderly. These are households with heads in the prime-earning age group, in which no member is employed, and in which one or more members are seeking work without success.

Across fields, households with no income earning potential and those with one earner but many dependants have a high risk of poverty

The second group, also with no working members, the elderly, transfer-dependent households, are less often poor than the first. They are less often poor because lack of income is compensated for by private transfers. They have children and other relatives’ support, preventing many from falling below the poverty line.

The third group, the working poor, is comprised of families relying on few wage earners with many dependants. These families comprise the largest group of the poor.

Figure 4: Correspondence plot of poverty outcomes at the household level



Across fields, Syria experiences less poverty due to more wage earners – more female employment is a large contributor

Looking at the placement of Jordan, Lebanon and Syria in the correspondence plot, we see that not only are Jordan and Lebanon camps and gatherings more prone to poverty than Syria, which is located outside of the typical poverty groups, but also why. In Syria, there is a close association between having many wage earners and higher levels of education in the 49 to 60 year age group. Syrian households have more earners on average than the other two fields (Figure 5).

Part of the reason for this is more female participation in the labour force: Some 20 percent of women aged 15–64 years among camp and gathering refugees in Syria are employed, compared to 15 percent in the camps in Lebanon, and only 10 percent in the camps in Jordan.

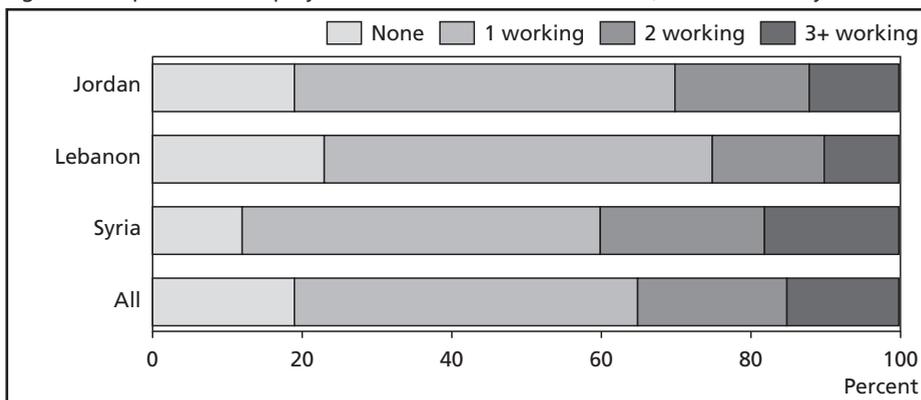
Basic welfare outcomes among camp refugees are not as poor as one would expect, given levels of poverty. This is most likely a result of UNRWA education and health services

Despite the prevalence of poverty among the camp and gathering refugee populations, basic welfare outcomes among the poor and non-poor according to most indicators are not that different. In the case of chronic illness prevalence among the poor, this could be either a cause or a result of poverty. The fact that levels of poverty do not seem to affect some key welfare indicators is most likely due to UNRWA providing subsidised services in the camps.

UNRWA welfare transfers benefit only those where no household members are able to work, they are not available to the largest group in poverty – the working poor.

In Jordan, Lebanon and Syria, direct transfers in the form of private, public and UNRWA transfers do not reach the largest group in poverty – those with at least one working, but with low wages and many to support. On the one hand, evidence is found that private direct transfers have a well-targeted effect in protecting the most vulnerable households (female-, elderly- and chronically-ill headed) from greater poverty rates. On the other hand, when examining the distribution of total transfers in terms of amount across ultra-poor,

Figure 5: Proportion of employed household members in Jordan, Lebanon and Syria



poor and non-poor groups, the latter receives the greatest proportion – even for UNRWA transfers, although UNRWA transfers are relatively better targeted for the poor in Lebanon.

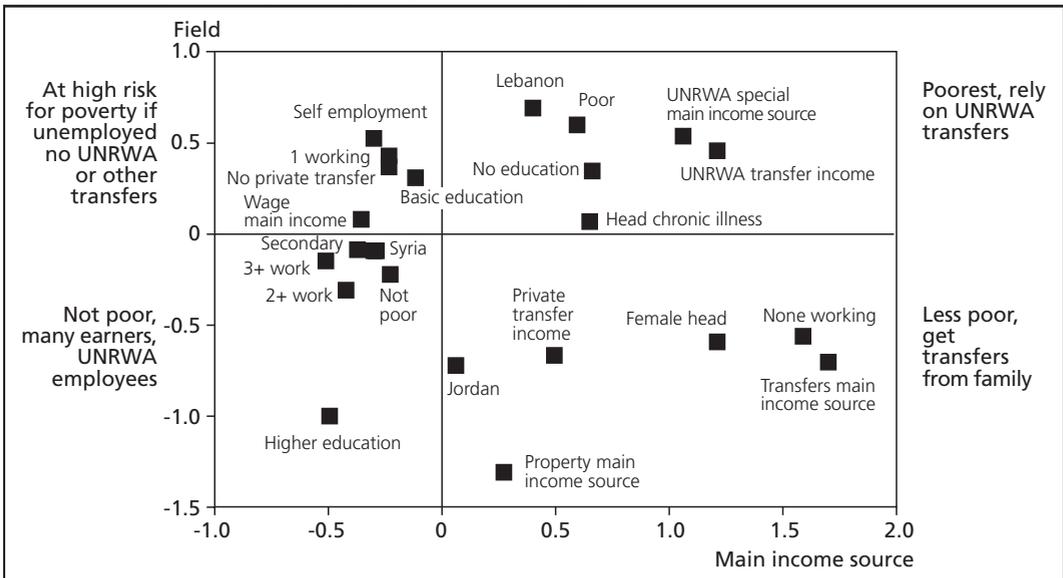
In general, there is less reliance on transfer income as the main source of income in camps in Syria (13 percent) compared to Jordan and Lebanon camps (19 percent). It is much more common among camp refugees in Jordan to receive both private and public transfers than in Lebanon or Syria. For example, 45 percent of Jordan camp refugees receive private transfers (with only 30 percent of these going to poor households) compared to some 30 percent in the other two fields. However, the largest difference is found with public transfers: Some 70 percent of Jordan camp refugees receive public transfers compared to 10 percent elsewhere. Here, the main factor is that 67 percent of camp refugees benefit from a Jordanian government cash food subsidy.

Transfer income is least common in Syrian camps, and most common in camps in Jordan. Public and private transfers keep a large proportion of refugees in Jordan camps out of poverty

In order to further examine the relationship between UNRWA transfers and poverty, another correspondence plot was generated including not only various types of UNRWA transfers, but also private transfers. Public transfers are not included because the large difference between Jordan camps and the other fields would distort the plot.

The main conclusions that can be drawn from the analysis are that those most prone to poverty, as suggested by earlier analysis, are

Figure 6: Correspondence plot of poverty outcomes and public and UNRWA transfers at the household level



those dependent on transfer income, in Lebanon, and with low educational status. However, somewhat contradictory to the percentages of UNRWA transfers going to the poor and non-poor respectively, from the correspondence plot it appears UNRWA transfers are well-targeted to the poorest and, not surprisingly, those with special hardship status.

The reason for the discrepancy in the indicator here is whether or not the household received *any* UNRWA transfer, while in the previous discussion we considered the *actual amount* of transfer. This means that much of the UNRWA transfers are targeted to the most vulnerable in terms of any assistance, but that those who are most poor get less in actual amount of transfer than others.

Second, private transfers are especially important in Jordanian camps to keep elderly- and female-headed households out of extreme poverty.

Third, and not shown on the plot, but associated with the relatively well-off, well-educated group (lower left), UNRWA employment of refugees can also be considered to be a social benefit, and association of this characteristic with the well-off group lends evidence to this benefit.

UNRWA services

Having discussed the main socioeconomic outcomes and poverty, we now turn to UNRWA service delivery. First, a general overview of UNRWA and other provider services is given. Second, UNRWA services by type of programme (health, education and welfare) is discussed along with how extensively refugees actually use these services. Table 9 summarises key points about UNRWA and national services provision.

Table 9: Overview of UNRWA and national social service programmes

UNRWA	NATIONAL
HEALTH <ul style="list-style-type: none"> • Primary health care • Prenatal and post natal care • Young child monitoring • Child vaccination • Limited specialist care • Limited hospital reimbursement • Basic dental care • Family planning 	<ul style="list-style-type: none"> • In the West Bank and Gaza, the national health system offers primary care, mother and child care and vaccination. • In Jordan, a highly advance national health care system open to refugees within the social welfare program, or with national health insurance. • In Syria, underdeveloped national system, but free. • In Lebanon, mostly privatised health system.
EDUCATION <ul style="list-style-type: none"> • Basic education (elementary, preparatory) • Limited secondary education in Lebanon, Syria • Teacher training and certification programme • Limited vocational training and certification programme 	<ul style="list-style-type: none"> • In the West Bank and Gaza, national education system open to refugees for K-university education • In Jordan, recently updated curriculum in basic and secondary, many improvements and open to refugees • In Syria, less developed national system, but improving • In Lebanon, mostly privatised and expensive education system
Welfare Relief <ul style="list-style-type: none"> • Special hardship benefits to families with no adult able to work • Priority of special hardship case individuals and families in vocational and income generation programmes • "Emergency" relief to all refugees in Lebanon in the past, and in the West Bank and Gaza in the present 	<ul style="list-style-type: none"> • In the West Bank and Gaza, means-based social welfare available to refugees • In Jordan, means-based social welfare open to refugees (health and income benefits) • In Syria, no social welfare system • In Lebanon, no social welfare system open to refugees

It is often overlooked that while UNRWA holds a mandate to provide services to all registered refugees, refugees often have access to a range of providers and commonly use them. Most camp refugees use the UNRWA education system for basic schools if they are registered and therefore eligible to attend. UNRWA special hardship relief appears to be well-targeted to the poorest of the poor. The main area of service delivery where other providers are active is in the area of health care.

Typical refugees that use UNRWA health services are women, refugees with low income and little education and those that do not need specialist care

Given that there are considerable options for refugees to get health care from providers aside from UNRWA, it is useful to know what kind of factors seem to influence refugees to use or not use UNRWA health clinics. The most important among these factors is specialist care. Holding constant all other kinds of characteristics (like income, age, location) the need for specialist care has the most bearing on whether or not an UNRWA health clinic was chosen for care in the event of a recent unexpected illness. This is probably related to both UNRWA's lack of specialist staff and advanced diagnostic/treatment facilities and equipment, as well as clinic operating hours. In the West Bank and Gaza, it has also been found that most refugees choosing private clinics made this choice in order to see a specialist physician.

The second most important factor among refugees in their choice of a health care provider is their socio-economic status (income and education). In both Syria and Lebanon refugees in the lowest income groups and with no education are much more likely to use UNRWA health clinics when they need health care than other refugees. However, in Jordan, the socio-economic status of camp refugees has little bearing on the health provider chosen. Probably this is because only in Jordan do refugees have good access to an affordable and well-developed public health system.

The relevance of financial resources and how refugees use health care is also related to their access to health insurance. Thus, the finding above for Jordan camp refugees is also related to many refugees being covered by Jordan's public health insurance programme – either through employment in the government or through the social welfare system. This situation is similar for refugees in the West Bank and Gaza. However, less than 10 percent of camp and gathering refugees in Syria and Lebanon have private insurance and there is no national health insurance program in either country. In the West Bank and Gaza, about 50 percent of camp and non-camp refugees

have some sort of coverage other than UNRWA, such as health coverage through social welfare, government or military insurance. In Jordan, some 40 percent are covered with the same types of insurance. Keeping other factors constant, camp refugees in Jordan without insurance are much more likely to use UNRWA health services and those with government insurance are most likely to use a government hospital for care.

Across all fields, UNRWA health care appears to be a safety net for vulnerable households, either due to lack of coverage through national plans, or due to an inability to pay for private care.

Upwards of 60 percent of camp refugee women use UNRWA health clinics for prenatal care, although outside of camps in Jordan, the figure is far lower. Although UNRWA is a very important provider for refugee women, it is not by far the sole provider. In addition to some 40 percent using another main provider, many women combine UNRWA care with those of a private physician or special pregnancy clinic. This is particularly common among camp refugee women in Jordan and Syria. Women who seek specialist care are most likely to choose a non-UNRWA provider or a combination of UNRWA plus another provider.

The client profile of UNRWA prenatal care users is clearly one of women in relatively low socio-economic groups, across the fields of Jordan, Lebanon and Syria. Women in the lowest income groups and lacking education are the most likely to use UNRWA prenatal care services. High income and highly educated women are more likely to combine UNRWA care with private or special clinic providers, or to choose another provider entirely.

Turning again to a correspondence plot of the type of provider used in a recent health emergency (Figure 7, overleaf), we see further evidence of rather different patterns across the fields relating to refugees' access to national health systems or the quality of those systems.

The main findings of the analysis are, first, that there is a clustering of poor health outcomes and low socio-economic status in Lebanon in addition to relatively frequent use of private clinics and hospitals (25 percent).

The second group of private health care users are associated with Syria, with having many working members and high socio-economic status. This group also has a tendency to seek health services less often, which was confirmed with regression analysis. Being in a high-

Wide field differences in patterns of prenatal care utilisation. UNRWA a key, but not the sole provider

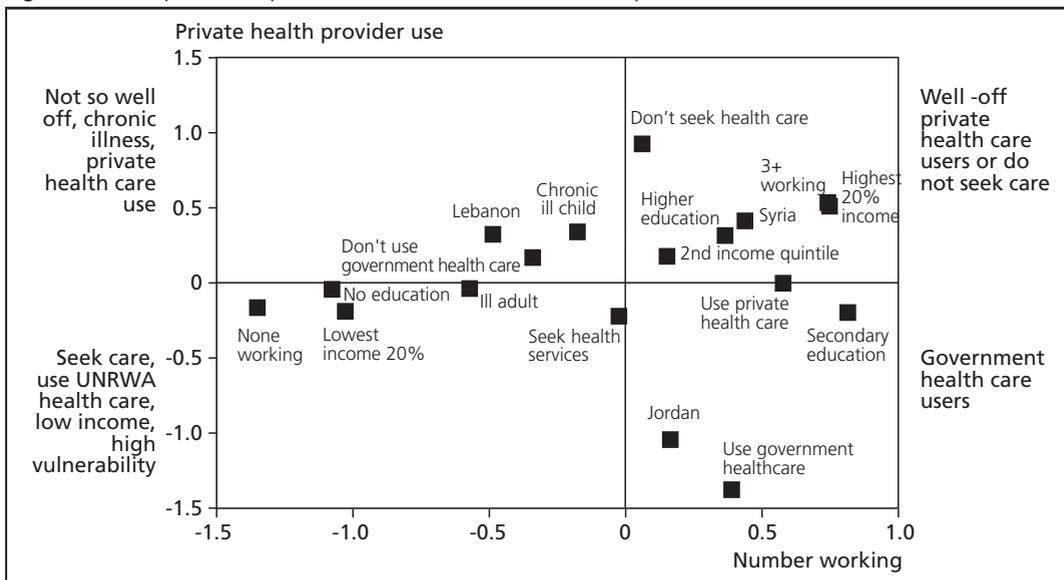
The typical client profile of women using UNRWA prenatal care is largely one of low socio-economic groups

income group is one of the most important factors increasing the likelihood of a person not seeking health consultation.

The third group of health care users is associated with Jordan camps and government health care use.

The fourth group is the typical users of UNRWA services: low socio-economic status and high vulnerability.

Figure 7: Correspondence plot of health outcomes and health provider use at the household level



Comparing households: The vulnerable and the successful

Having given a summary of the main outcomes and their dispersion across fields and households, and given an overview of UNRWA service provision and utilisation, we will now bring together some definitions of particularly vulnerable refugee households, and identify which of these are falling under UNRWA welfare and other services. Also considered here are the type of households which, despite their long-term status as refugee households, have managed to be successful across a range of living arenas.

The first group of vulnerable households must be all the camp and gathering households in Lebanon. This field is the only setting where the field itself is closely associated to poor outcomes across the board.

Camp and gathering refugees in Lebanon are at high risk for poor outcomes

The second group of vulnerable households are those outside the labour market. This group can be further separated into two main groups at different phases of the family lifecycle. Younger families with no working member, either because they are unemployed, or (more often) because the main wage earner is chronically ill make up one group. Among these households, there is a close association between poverty, housing problems, child illness and poor performance in school. Elderly- and female-headed households make up another type of household outside the labour market. This latter group is less often in poverty, however, due to private transfers. In both cases, there is, regardless of actual employment status, poor earning potential with both types of households characterised as having illiterate or less than basic educated persons as the best educational status within the household. Among these two groups, only those with no members able to work (mostly the elderly- and chronically ill-headed) qualify for UNRWA welfare assistance.

Households with no working members are at high risk for multiple poor outcomes

The third group of vulnerable households are the working poor. This comprises the largest group of refugees in poverty. These households typically have only one working member and many dependants. The education status is basic education or less. These households do not qualify for UNRWA welfare assistance and are not large receivers of private transfers (compared to elderly- and female-headed

Household with only one working member supporting a high number of dependants are at higher risk for poverty than those with fewer dependants, but not at especially high risk for poor health and education outcomes. This is the largest group in poverty

households, and therefore, have few safety net mechanisms to pull them out of poverty. What distinguishes this group from the former is the lack of poor health and education outcomes being associated with this type.

Across fields there are some slight differences. In Lebanon, the first group (those with no employed members) are more closely associated with illness in the household and poor child and youth education outcomes than elsewhere.

In Syria, this group is also identified as being at high risk for poverty, but less distinct in terms of lifecycle and more distinct in terms of location. It is particularly in other than Yarmouk camps and rural areas, and among female-headed households, that we see a clustering of poor housing conditions, children with chronic illness and poor educational achievement among basic education-aged children.

In Jordan, elderly- and female-headed households receive much help in the form of a private transfers, and the young families with no employed members are helped by public transfers.

In the West Bank and Gaza, the difference is primarily between households with no earners and those with at least one or more earner. There are no large differences in living conditions between those with one wage earner and those with two. However, there is a large difference by region, with Gaza residents being at much higher risk for poverty, housing problems and child education problems (dropping out) than the West Bank. And there is a further divide between the northern and central West Bank, with the latter being generally better off.

High income is the main factor associated with multiple positive living conditions' outcomes, which in turn is associated with multiple earners in the household and being in the middle of the family lifecycle (heads aged 40–60 years).

A second sub-group of the well-off are households with UNRWA employees. In all fields where we have data on place of employment (all except the West Bank and Gaza) employment with UNRWA can be seen to be an enormous benefit to the socio-economic situation of households and is associated everywhere with being in the highest income quintile and having relatively higher (secondary or more) education status in the household. It is also associated with multiple working members – usually at least two to three working members, which is probably due to a high proportion of UNRWA employees being women and therefore in many cases, representing an “additional” source of income.

Multiple working members in the late-middle family lifecycle and employment with UNRWA are typical characteristics of well off refugee households

Comparing refugee outcomes and UNRWA allocations

Having discussed the main vulnerable and successful groups, we conclude the discussion on outcomes and service provision by taking a look at how well the results of the two appear to match. Before we can make such assessments, however, we need to transcribe UNRWA budget and expenditure data into something which more closely resembles reality in terms of the actual user population (Figures 8 and 9, overleaf).

UNRWA health expenditure appears to show a high level of investment in both Lebanon and the West Bank and Gaza Strip. However, when we adjust for the fact that it is more common in the West Bank and Gaza to use UNRWA health services than elsewhere, and take into account the different estimated populations across the fields, we estimate that actual UNRWA expenditure is relatively larger in Lebanon and Jordan, and least in the West Bank and Gaza Strip.

In Lebanon, the national health system is dominated by the private sector. Refugees have no access to subsidised care at either government or private facilities unless prior arrangements and approval has been made through UNRWA to reimburse refugees directly. In Jordan, refugees have generally good access to a well-developed, sophisticated health system – and more often use government providers than in any other field. In Syria, the public health systems is very centralised and offers highly subsidised care, but is undeveloped, especially for secondary and tertiary care. This results in very high rates of use of private physicians. In the West Bank and Gaza, national health provision is severely hampered by the fragmentation of the Palestinian territories, lack of skilled health workers, and inability to meet demand.

Given the very high out-of-pocket costs for health care for refugees in Lebanon, UNRWA allocates relatively little of the regular health budget to the field for hospital services, but instead is reported to cover the bulk of hospital cost funding from special programmes. Across fields, UNRWA proposed budget amounts for 2000–2001

Variation in living condition outcomes must be viewed in the context of level of investment in and development of national service systems, and refugees' access to those systems

divided by the actual number of patients admitted in 2000 show that the highest budget resources per patient is in the West Bank at some 275 USD, followed by Gaza at roughly 200 USD per patient per day, Syria at 120 USD per patient per day and Lebanon at 90 USD per patient per day. The only field, therefore, with less hospital service resources allocated from the UNRWA regular budget lower than Lebanon is Jordan, where refugees have good access to insurance coverage and subsidised care from the national system. In fact, 50 percent of the total hospital services budget for 2000–2001 is allocated to the West Bank compared to 20 percent allocated to Lebanon.

While UNRWA shows high coverage rates for basic mother and child care, there are gaps in health provision in the current network of UNRWA, government, private and NGO providers beyond primary care, such as speciality, disability and mental health care. This affects refugees in Lebanon most

These gaps include (1) the lack of long term monitoring, equipment for the detection of, and implementation of treatment protocols for serious illnesses outside of diabetes and heart disease, (2) lack of success in, or lack of programmes focused on facilitating the access of chronically ill or functionally disabled into education, (3) non-existence of home-care programmes for the elderly and severely disabled, (4) insufficient access for the treatment of those suffering from psychological distress or mental illness.

UNRWA education allocations vary considerably across fields

We find that UNRWA budget allocation across the fields also varies considerably. UNRWA investment per pupil is highest in Lebanon and Jordan, and least in the West Bank and Gaza Strip. Host country public investment in education is highest in Jordan and the West Bank and Gaza and least in Lebanon. In the case of Lebanon, the relatively higher UNRWA per pupil investment thus appears to be warranted, but it is unclear why this investment has not been resulted in better outcomes.

There is a declining level of enrolment in UNRWA school in Jordan accompanied by a decline in elementary-level investment and poor outcomes among young camp males in the most recent education cohort

While UNRWA reports stable education outcomes among refugees in Jordan, the living conditions survey data show a deterioration in educational performance among camp males, and higher levels of repetition than reported by UNRWA. One explanation for the discrepancy is that the superior performance of non-camp and female refugee population in Jordan masks the negative trends in UNRWA's aggregated data. However, the main decrease in investment during the 1990s by UNRWA education provision in Jordan is at the elementary level. Here, there has been a decline in investment in facilities, with a reduction of elementary schools accompanied by a decline in enrolment.

Among those who have left UNRWA schools, it appears government schools provide a better alternative with lower pupil to teacher ratios and a development programme able to offer an expanded cur-

riculum that UNRWA has not had the resources to provide. In contrast to the elementary level, there has been considerable investment by UNRWA at the preparatory level, with the addition of some 12 schools during the 1990s and an increase in teaching staff which matches the increase in enrolment.

UNRWA invests more per pupil in the West Bank than in any field except Lebanon. In addition, the West Bank has considerably lower student to teacher ratios than other fields, and lower than West Bank government schools. UNRWA reports higher pass rates on exams than among refugees elsewhere and lower repetition rates. During the 1990s, refugees in Gaza had the lowest pass rates in end of year exams of all fields except Lebanon, the highest student to teacher ratios and the highest classroom occupancy rates.

Education outcomes in the West Bank are better than in Gaza and this is coupled with higher levels of UNRWA investment between the two regions

Figure 8: Per capita health expenditure with estimated cost per UNRWA health user

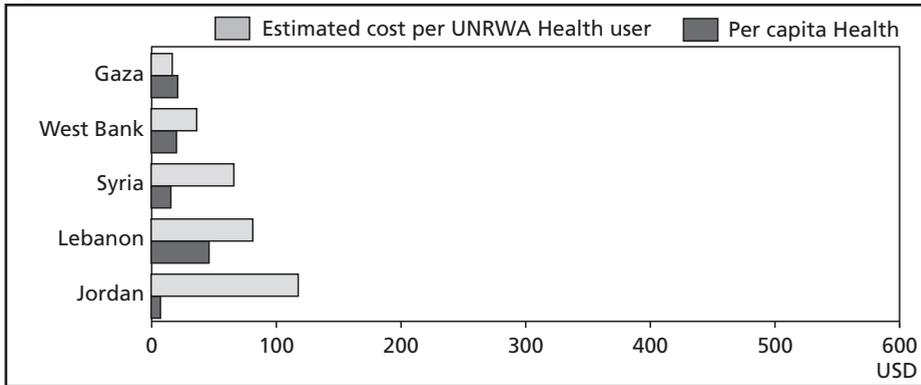
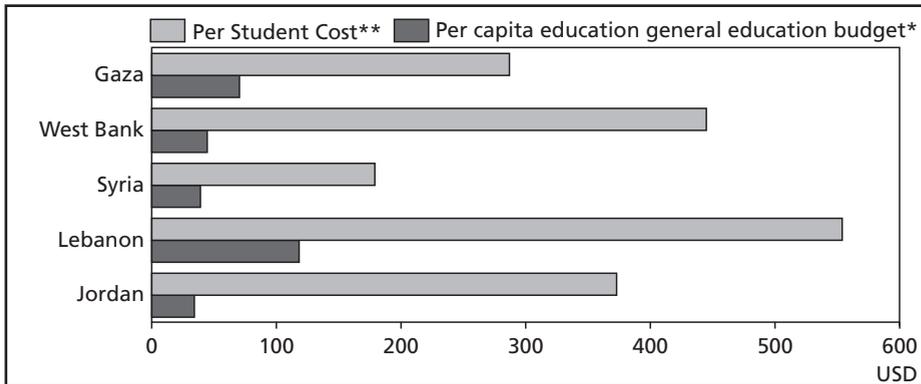


Figure 9: Per capita education expenditure with UNRWA per student cost



*based on Faf0 2002 population estimates

**based on UNRWA reported enrolment

There is a similar level of investment by UNRWA in Syria as in the West Bank and Gaza, but little investment at the national level compared to most host countries.

There are relatively stable and average education outcomes

UNRWA expends the most resources per capita and per pupil in Lebanon, but there were very poor education outcomes during the 1990s. UNRWA reports drastic improvement in 1998/99, but survey data indicate continued poor performance

In Syria, UNRWA schools are viewed positively in comparison to public sector schools and, according to UNRWA data, performance has been stable during the 1990s. This is coupled with lower investment by UNRWA than in Jordan and Lebanon. In addition, all schools have double shifts and quite high pupil to teacher ratios. This raises the question of how UNRWA has managed to mitigate the potentially negative impacts of the learning environment these conditions could have had in this field. In other words, is the Agency getting more for its investment here and, if so, why?

Relatively high levels of resources per pupil and positive level of inputs in the Lebanon field have been couple with poor education outcomes. UNRWA expenditure in Lebanon per pupil is far higher than in any other field. There are relatively fewer schools on double shift compared to in the other fields, and the lowest student to teacher ratios. In contrast, we see quite high repetition and dropout rates throughout the 1990s, although UNRWA reports a drastic reduction in both for the 1998/99 school year.

Conclusions

The following series of points reflect some of the main conclusions in the texts, both here and in the larger volumes of work done in the study. The points listed also build upon more general discussions surrounding various issues that have taken place in workshops with the researchers, UNRWA, and the Editorial Advisory Group.

1. After 50 years of refugeehood, minor differentials exist between the living conditions of the Palestinian refugee population and their neighbours in the host countries. This means that the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the international community and the governments of the host countries have provided adequate assistance to cover their basic socioeconomic needs. Compared to other Middle East and North Africa (MENA) countries, living condition indicators compare well.
2. Although the overall picture is positive, 1.34 million refugees still live in refugee camps in the different host countries. The camp population has somewhat poorer living conditions than those living outside the camps when it comes to poverty, housing standards and income. However, refugees in the camps sometimes have better access to basic health and education services (thanks to the presence of UNRWA in the camps), and in some cases (in Syria, the West Bank and the Gaza Strip), slightly better infrastructure than the average for the nationals of the host countries.
3. The main exception is the case of camp and gathering refugees in Lebanon who experience living conditions which are considerably worse than in almost all other host countries, and certainly worse than those of Lebanese nationals where poverty and poor outcomes across the board in the host country itself are very close (all other factors remaining constant) to those of the refugees. Poverty stands at 35 percent of the camp and gathering refugee population in this country. They are worse off than others in Lebanon and other refugees because they are excluded from the formal labour market, and because their health is poorer. They make up the highest proportion of refugee families in the country with no employed member, and the transfers they receive do not compensate for this. Acute malnutrition and chronic illness among children is relatively high, as is somatic and chronic illness among adults.

4. In Jordan, Syria and the West Bank and Gaza Strip, the main indicators for camp refugees are similar across the different locations. However, the local context in the host countries has a substantial influence on refugee outcomes. These two statements taken together may seem contradictor, but are not because the *reasons* the indicators are the same are different in each field. For example, the combined impact of factors of labour market access, socioeconomic development and the cost of living results in levels of poverty among camp refugees which are quite similar across the locations. One would expect the level of poverty among camp refugees to reflect to some extent the general level of wealth and development in the host country, but this is not the case.
5. The data show that the Palestinian refugee population is vulnerable, and the main causes for this vulnerability are: (1) their relation to the labour market, and (2) the degree to which their social and political rights are on a par with other inhabitants of the host countries. As a group, the Palestinian refugees are poorly integrated in the labour market. They are employed more within the private sector, have less job security, work for lower pay, and have access to fewer work-related benefits than others. Improving relations to the labour market stands out as the one strategy that would significantly improve the living conditions of the refugees.
6. Many refugees use other providers than UNRWA. UNRWA is less used in the countries where refugees have access to governmental and private services. The population using UNRWA services is therefore smaller than the total registered population of refugees in the different fields of operation of UNRWA. In Lebanon refugees rely heavily on UNRWA services because they lack access to other providers. This affects particularly youth negatively, especially in schooling and in health.
7. Donor contributions to UNRWA have remained relatively stable over the last 30 years at about 200 million USD (in constant 1982 USD) annually. The registered number of refugees has increased during the period, but the real number of refugees resident in UNRWA's fields of operations has not increased as fast. UNRWA per capita expenditure in constant terms has fallen during the last decade. UNRWA reports a consistent deficit in the General Fund. Assessing the seriousness of the financial crisis, its scope and magnitude are complicated by a range of demographic, timing, cost and exchange rate issues. Further compounding the issue is the separation of donor funding and UNRWA allocation of these funds across the General Fund, the Projects Fund and PIP programmes. To what degree the General Fund budget is a representation of what is needed to run UNRWA programmes and to what degree it

is “what the Agency thinks it can get” is a point that has been raised by stakeholders.

8. UNRWA has changed its budgetary routines to provide more transparency and to improve dialogue with donors. In response to donor pressure and the financial situation, UNRWA has, since the mid 1990s, embarked on a move from traditional, line-item budgeting to a programme-based budgeting process. It has also engaged in an ongoing effort to more closely involve the donor community and others in decision making about UNRWA allocations. This has resulted in enhanced transparency and trust among donors, but some scepticism still remains.
9. Calculations of the cost of UNRWA services depend on the base population used. In comparing between the fields, this base may be the registered refugee population or the lower estimated number of refugees actually residing in the field. Moreover, when the population of refugees actually using UNRWA services is used as the base the relative costs across the fields change quite dramatically. This is primarily an issue for health care. For example, when the actual proportion of refugees using health services are taken into account, the per capita health cost for Jordan shoots up to 170 USD, compared to 146 USD for Lebanon, 77 USD for Syria and 31 USD for the West Bank and Gaza Strip. Using the estimated population or registered population of the base for Jordan shows this field as having the lowest per refugee health cost. The difference when we factor in the user population is because so many refugees in Jordan use the government health system instead of UNRWA.
10. The users of UNRWA services are markedly different from the non-users. Women and the poor are more likely to turn to UNRWA for services than men and families which are better off. The implication is that UNRWA has a democratising effect by serving as a safety net for vulnerable groups. Over the long term, this has meant that vulnerable refugee groups everywhere except Lebanon have had basic outcomes on par with other, less vulnerable refugees.
11. The general picture of host countries, UNRWA and the international community being able to meet the basic needs of the population masks some areas of inadequacy. The first area concerns poverty alleviation. There are three types of poor: (1) families with the main earner unable to work (the poorest), (2) elderly and retired, or female-headed, households (less poor), (3) families with one working member and many dependents (the largest group of the poor). UNRWA's poverty alleviation programme for cases of special hardship targets only one portion of the poorest of the poor – those families in which there is no possible wage earner. Considering the high proportion that live in

poverty, and the poverty gap across fields, the current level of relief through UNRWA does not come close to meeting the need. The second area concerns education. Recently, good or fair education outcomes among young men have been eroded in camps everywhere. The third area concerns health. The current scope of UNRWA health services is unable to meet the demand for treatment (consultation, medicine and rehabilitation) of those with chronic health failure. Across fields, this problem is most apparent in Lebanon camps and gatherings. However, in camps everywhere, there are a high number of adults and youth who are chronically ill.

12. What is, and what should be the allocation principle of UNRWA is a larger issue that has emerged as a point for further research and discussion from the study. First, it seems that more discussion about what the reference population should be when planning UNRWA's activities may be warranted. In this study we distinguish between two sets of comparisons: between refugee status in each field (camp refugee, non-camp refugee and non-refugee where possible), and between refugees across different fields. Further inquiry into the meaning of the "camp" and its multi-faceted impact on daily life would shed more light on this finding. Second, dealing with the principles behind the allocation of UNRWA resources is a very difficult political issue. The mandate of the Agency is to provide services to all registered refugees at a level which is comparable to the host country. Does this mean that, for example, UNRWA should provide better services in Lebanon because that country is generally more advanced? Whether the Agency should allocate its resources across refugees and fields according to principles of equal treatment, equal opportunity or equal outcome may need to be addressed in the future, given funding and political realities. The final issue is UNRWA's target population. The current use of registered refugees as its population base presents a host of methodological complications when assessing the real expense of providing services. We have in this report tried to shed some light on how using other population bases changes the financial picture of UNRWA, but more technically sound and thorough analysis is called for when estimating the Agency's future financial needs.

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Finding Means

After 50 years of refugeehood, minor differences exist between the living conditions of the Palestinian refugee population and their neighbours in the host countries in which they live. This is in large part due to the health, education and welfare services provided by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the international community and the governments of the host countries.

Since the early 1990s, the budget of UNRWA has faced a significant shortage of resources relative to the level of funding identified by the Agency as necessary to maintain a constant level of basic services to Palestinian refugees residing throughout the region.

This summary report of *Finding Means: UNRWA's Financial Crisis and the Living Conditions among Palestinian Refugees* brings together a wide range of analysis relevant for the policy debate on the present financial situation of UNRWA's impact on Palestinian refugee living conditions, as well as future provision and financing of services. Topics covered include refugee living conditions, poverty and demographics, UNRWA services, and UNRWA budgetary and donor environment. The summary analysis is based upon three volumes of work completed for the project.

The project is funded by the Norwegian Ministry of Foreign Affairs and the Swiss Agency for International Development. Norway has financed a series of living conditions' studies and surveys among the Palestinian refugees in their host countries and the West Bank and Gaza Strip. Building on this original set of studies, Norway commissioned Fafo to produce this study out of commitment to UNRWA and in solidarity with the refugees. Switzerland joined the project with an aim to help create debate among professionals within the Palestinian community on the pertinence and meaning of the findings.

The study represents the first comprehensive overview of the situation among the refugees, and a unique data source for further research.



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Fafo-report 415
ISBN 82-7422-404-3
ISSN 0801-6143