

Action Fiche for the West Bank and Gaza Strip Identification

1. IDENTIFICATION

Title/Number:	2 nd tranche Contribution to UNRWA's 2011 Regular Budget (including earmarked support to UNRWA's 2011 Summer Games in Gaza)		
Total Cost	EU Contribution: EUR 40,000,000		
Implementing Method	Project approach – joint management with an international organisation - European Commission – United Nations (UN) Financial and Administrative Framework Agreement (FAFA)		
DAC-Code	72010	Sector	Aid to refugees

2. RATIONALE

2.1. Sector Context

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) provides education, health, relief and social services, microfinance, housing and infrastructural support to approximately 4.7 million registered Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. Established by the UN in 1949 to carry out direct relief and works programmes for Palestine refugees, the Agency began operations in 1950. In the absence of a solution to the Palestine refugee problem, the General Assembly has repeatedly renewed UNRWA's mandate, most recently until 30 June 2014³.

The last few years have witnessed growing concern among the refugee community and in the region over the decline in UNRWA services. Successive funding shortages and subsequent austerity measures and cost reductions have prevented programmes from expanding in tandem with the growth in the refugee population. This has led to the reduction of ongoing programme activities and precluded certain actions which normally would be part of UNRWA's regular programme of work. It also had a direct impact on the increased class size in UNRWA schools, rising patient/staff ratios in the health services, and higher caseloads for social workers dealing with the poorest refugees.

UNRWA has more than 28,800 staff posts to cover for services provided to 4.7 million refugees. The Regular Budget, including the General Fund and in-kind contributions, is the Agency's primary means of sustaining core services. The planned amount for the Regular Budget for 2011 is USD 591,000,000. According to UNRWA's projected donor-contribution estimates, a significant portion of this budget is very likely to remain unfunded⁴ which would ultimately lead to stringent austerity measures and further cutbacks of basic services. This shortfall would not

³ The General Assembly is responsible for renewing the UNRWA's mandate every three years; 2014 is the next year the mandate will be up for renewal.

⁴ UNRWA's End of Year shortfall within the Agency's Regular Budget is currently estimated at USD 57,000,000.

include funding for emergency appeals, organisational development or specific projects⁵.

The ability of the Agency to provide its services is entirely dependent on sufficient voluntary contributions made available annually from donors while UNRWA's General Fund costs are highly fixed (85% of expenditure is allotted to its labour force of 28,800 staff). The Agency has a very limited margin for manoeuvre when it comes to making decisions over where further cost reductions can be made. Staff numbers have not been increased to reflect the increased numbers of refugees. Any cuts would have an immediate impact on the level of basic services provided.

Following a plea in May 2010 made by UNRWA and addressed to High Representative / Vice President Ashton requesting a further contribution to its 2010 core budget, the EU committed an additional amount of EUR 20,000,000 to help bridge the financial gap of USD 177,000,000 (EUR 130,000,000) within UNRWA's 2010 Regular Budget. This substantial gap was due to several factors including the high birth rate in the refugee population, reduced donations from a number of donors under the impact of the global financial crisis, an increase in commodity prices adversely affecting the Agency's food aid programme, the depletion of all reserves, and exchange rate losses.

Within this context, the Gaza Strip remains the most unstable context for both the safety and security of Palestine refugees as well as for the delivery of essential services. In accordance with UNRWA's wider human development aims, the Summer Games offer children in Gaza an opportunity of relief from the daily hardships of the ongoing Israeli imposed closure on the Gaza Strip and serve as a counterbalance to the backdrop of violence, poverty and lack of recreational and educational opportunities that drive radicalization.

For the past four years, UNRWA has responded to the huge community demand for positive ways to engage children during the summer months. In the midst of livelihoods overwhelmed by the ongoing blockade, and in the wake of the trauma caused by the ongoing conflict, the need for Summer Games remains particularly important.

Earmarked support of UNRWA's 2011 Summer Games amounting to a maximum of EUR 1,000,000 will offer approximately 250,000 children in Gaza a series of educational and recreational activities for six weeks, during which youth and children will be offered a small but significant antidote to the factors – poverty, violence, and lack of education – that drive radicalization. This will be achieved through the use of 156 locations (126 school buildings and 30 purpose-built beach locations).

Each child will participate in a standardized, uniformly high quality two week programme of activities that teaches children concrete skills, develops children's potential across a broad range of activities that stimulate mental, physical and emotional wellbeing, and inspires children, their parents and the wider community.

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⁵ The total funding needs of UNRWA for 2009 amount to USD 1,372,900,000, out of which USD 545,600,000 were allocated to the Regular Fund.

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2.2. Lessons Learnt

Continued Commission support to UNRWA is an essential element of the EU strategy for the Middle-East Peace Process. One of the key elements of this strategy is to confirm the EU commitment to keep a close watch on the refugee issue, including during final status negotiations.

Since 1971, the EU has contributed annually to UNRWA's Regular Budget. This funding is used primarily to cover the Agency's crucial core programme services in the areas of Health, Education, and Social Services and is essentially used to pay salaries for teachers, doctors and social workers active in the refugee camps. Moreover, UNRWA has committed itself to the concept of prioritization, therefore it is expected that the Agency take additional steps to further prioritise services with a clear focus on the most vulnerable Palestine refugees as stipulated in UNRWA's 2010-2015 Medium Term Strategy. However, successive funding shortages and subsequent austerity measures and cost reductions have prevented programmes from expanding in tandem with the growth in the refugee population. This has led to the reduction of ongoing programme activities and precluded certain actions which normally would be part of UNRWA's regular programme of work.

2.3. Complementary actions

The present contribution agreement takes into consideration the support UNRWA is receiving from the international community, including EU Member States (EU Member States provided around 25% of their contributions to UNRWA's Regular Budget in 2009).

An added element of consideration is the increased burden on the Agency imposed by the ongoing crisis in the West Bank and Gaza, the demographic growth rate of the refugee population, and cost increases due to the higher operational charges related to the movement and access restrictions imposed by Israeli authorities as well as the depletion of all reserves⁶.

In combination with contributions from EU member states, overall contributions from the EU in 2009 and 2010 accounted for more than half of the total support to UNRWA. In the last 10 years, the EU has provided nearly EUR 1 billion in support of UNRWA's work.

Overall, this action concerning refugees is fully complementary to the PEGASE programmes supporting the Palestinian Reform and Development Plan and the PA administration, with the Palestinian Authority having responsibility for providing the same services for the non-refugee population.

2.4. Donor Co-ordination

With regard to UNRWA, the EU continues to play a key role within the forum of UNRWA's Advisory Commission (AdCom). This forum has been instrumental thus far in providing guidance to UNRWA, especially on: significant issues related to the Agency's strategic direction and more transparent budget process, as well as cultivating trust and confidence among all stakeholders including Host countries,

⁶ The Agency has traditionally used its diminishing reserves towards bridging its chronic funding gaps.

Donors and within the Agency itself. The specific role of EU Representative Office in East Jerusalem(EUREP) in its capacity of Chair of the Subcommittee since 2007 has been to harmonize the different views of the members of the subcommittee and then present the jointly agreed upon recommendations to the Advisory Commission for endorsement.

Starting from January 1st 2011, Switzerland will assume chairmanship of the UNRWA Advisory Commission Sub-committee with Sweden and Jordan as vice-chairs. Both Switzerland and Sweden were keen on taking up this new responsibility. . Both Switzerland and Sweden have asked us to provide support and guidance in their work. EUREP has also initiated a EU interest group that gathers on a bi-monthly basis and that has allowed the EU Member States to follow a common approach vis-à-vis UNRWA, with strong recommendations pledged at the AdCom held in November 2010 such as: i) widening the donor basis and ii) make the Reform process an actual opportunity to increase UNRWA's internal efficiency and to make its budget more informative and transparent.

3. DESCRIPTION

3.1. Objectives

UNRWA operations focus on the achievement of four Human Development Goals: a long and healthy life; acquired knowledge and skills; a decent standard of living, and human rights enjoyed to the fullest extent possible.

The **overall objective** of the Operation is to provide support to the core UNRWA education, health, relief and social services programmes as well as support the 2011 Gaza Summer Games programme implemented by the Agency.

The **specific objectives** are:

- **Education programme:** to provide, within the framework of the curricula prescribed by the host countries and by the Palestinian Authority, general basic education, teacher education and vocational and technical education for Palestine refugees to enhance their educational opportunities at all levels of the educational system.
- **Health programme:** to protect, preserve and promote the health of the registered Palestine refugees by providing access to comprehensive, quality basic health services.
- **Relief and social services programme:** to provide a social safety net for Palestine refugees most affected by poverty promotes the self-reliance of less advantaged members of the refugee community, especially women, children, youth and persons with disabilities.
- **Summer Games programme:** to support UNRWA's 2011 summer games programme of educational and recreational activities across six weeks for up to 250,000 children and youth in Gaza.

3.2. Expected results and main activities

The main **expected result** of the operation is the sustained delivery of essential public services to Palestine refugees.

In relation to UNRWA's Summer Games, the principal anticipated results of this operation are:

- Youth and children are offered a small but significant antidote to the factors – poverty, violence, and lack of education – that drive radicalization.
- Youth and children are benefiting from educational and recreational activities during the summer break in Gaza and are given the opportunity to acquire concrete creative skills, coping mechanisms and self-esteem and to recognize their own role in creating a more stable future. The Summer Games are designed to provide only recreational, educational and sporting activities excluding any political or religious indoctrination of the youth.

The **main activities** operated by UNRWA and supported by this action will include the following:

Education Programme

Education services are currently provided through 689 UNRWA elementary, preparatory and secondary schools⁷ and ten vocational training centres (in Jordan, Syria, Lebanon, the West Bank and the Gaza strip) staffed by more than 21,000 teachers and attended by around 480,000 pupils.

UNRWA's objectives for the medium term focus on improving the quality of education and ensuring access for all Palestine refugee's children, including those with special educational needs. A comprehensive review of UNRWA's approach to education took place in 2009 and its findings have been shared within the forum of the UNRWA Advisory Commission with host and donors in 2010⁸. Based on this review, measures to enhance the quality of services will be reflected in the Agency's future reform action plans for the upcoming years.

Health Programme

UNRWA's health programme is community-based, with the emphasis placed on primary health care and with a very selective use of hospital services. Approximately 3 million refugees (66% of UNRWA registered refugees) make use of UNRWA health facilities. Primary care is provided through UNRWA's own 137 facilities, serving approximately 9.5 million patient visits per year. Secondary care is provided through contractual arrangements with governmental or non-governmental hospitals or through partial reimbursement of the costs of treatment. Two thirds of the refugee population consist of women of reproductive age and children below 15 years of age, thus making maternal and child health, including family planning services, a priority area.

The quality of service delivery is affected by the excessive workloads borne by Agency staff (e.g. agency-wide average of 96 consultations per doctor per day) and chronic staff shortages and difficulties in attracting and retaining qualified staff, deteriorating health infrastructure and outdated equipment as a result of under investment. The cost of medical supplies and hospital care is also rising. UNRWA

⁷ Secondary schools (6) in Lebanon only.

⁸ Comprehensive reviews have also been carried out for relief and social services, as well as, the health programmes. The reviews will serve as impetus for future quality enhancement plans and reflected in the Agency's plans towards sustaining change and reforms within UNRWA.

aims at reinforcing the staffing of the existing facilities, establishing new ones and renovating and updating existing facilities and medical equipment.

Refugees face the threat of resurging and newly emerging infectious diseases; increased morbidity and mortality from non-communicable diseases; mental and psychological problems; and high prevalence of micronutrient deficiencies. This has led the Agency to introduce new mental health, psychosocial counselling programmes setup an active intervention strategy for surveillance, prevention, early detection and management of these diseases in an effort to avoid the high cost of treating their complications/disabling effects at the secondary/tertiary care levels.

Relief and Social Services Programme

The Agency provides eligible refugees with a range of services including food support, shelter rehabilitation, and selective cash assistance for Special Hardship Cases. Over 263,000 persons are currently benefiting from the cyclical assistance under this Special Hardship Case programme. This assistance is primarily directed to families headed by women, families without a male adult medically fit to earn an income and to the elderly who cannot support themselves.

Moreover, community support services encourages self-reliance in the refugee community through poverty alleviation schemes, and community-based, locally-managed institutions and services concerned with women and development, the rehabilitation and integration of refugees with disabilities, children and youth activities and leadership training.

2011 Summer Games

Summer Games 2011 will build on the strengths of the previous four years by offering a standardised activity programme for all children. This will allow all children to benefit from an equally wide range of activities.

The 12-day activity programme is designed as a rotating schedule of distinct but mutually reinforcing activities leading up to an area-level festival and/or world record attempt. The festival/s, to which parents and wider members of the community will be invited, will engage as many of the children as possible and are designed to display the skills children have learnt over the course of the 2 weeks. Activities will include sports, theatre, folklore, as well as world record attempts.

3.3. Risks and assumptions

Deterioration in the political and security environment could affect UNRWA's operations, especially in Gaza. Although the Gaza Strip is subject to blockade by Israel, and areas of the West Bank can be subject to closure without warning, UNRWA effectively remains the only organisation which can ensure effective delivery of services under such conditions.

3.4. Cross-cutting Issues

Good governance is integrated through the ongoing reforms of UNRWA administration and management. UNRWA is prioritising human development including protection of refugees in its reform. UNRWA is highly committed to mainstreaming gender concerns in all of its activities in particular for the summer games the gender balance is respected as much as possible and in particular all girls volunteering for to participation can find a suitable programme. In the conservative social circumstances of Gaza, this element is particularly important.

3.5. Stakeholders

The end beneficiaries of UNRWA's core education, health, and relief and social services programmes are Palestine refugees.

With regards to the Summer Games in particular, direct beneficiaries of this programme will be children and youth in Gaza aged 7 to 15 across the Gaza Strip. Overall 250,000 children are expected to attend including 20,000 children with special needs, who are orphaned or hospitalised. Registration will be entirely voluntary and will be open to both UNRWA and non-UNRWA school children. Moreover, an estimated 7000 jobs will be created for the 2011 Summer Games.

Indirect beneficiaries will comprise the parents of the children and youth and the wider community, who will be able to participate in locally held festivals.

4. IMPLEMENTATION ISSUES

4.1. Implementation method

The programme will be implemented through the joint management mode by signature of Contribution Agreement with UNRWA and within the framework of the European Commission - UN Financial and Administrative Framework Agreement (FAFA), and in accordance of article 53 (d) of the Financial Regulation. UNRWA complies with the criteria provided in the Financial Regulation.

4.2. Indicative budget and calendar

Indicative breakdown of overall amount:

Component	Management mode, (type of contract foreseen)	Amount (EUR)
Contribution to the UNRWA 2011 Regular Budget including earmarked support amounting to a maximum of EUR 1,000,000 to the UNRWA 2011 Summer Games in Gaza	Joint management through a contribution Agreement with UNWRA	40,000,000
Total		40,000,000

The foreseen overall Operation has an implementation period of 12 months.

The Summer Games component of this action will be implemented exclusively in Gaza whereas core programme components of the operation will be implemented in all areas of operation, i.e. in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip.

4.3. Performance monitoring

A Joint Annual Performance Review of UNRWA's main operations will be conducted in the first quarter of 2011 once technical reports are finalised⁹. The review, as has been the case over the past years, will be based on a predefined set of result-based indicators and targets, as well as milestones identified for the implementation of the Organisation Development process¹⁰.

Following the outcomes and results of the 2011 Joint Review with UNRWA, a decision will be taken regarding future annual performance reviews of UNRWA's core programmes. More specifically, this would entail either a modification of agreed indicators, or, the adoption of UNRWA's programme strategic framework as it has been elaborated within its Medium Term Strategy (2010-2015) and reflected in UNRWA's Harmonised Donor Monitoring and Reporting Framework. This new UNRWA indicator framework, which is proposed to be used for reporting to donors for the 2010-2015 Medium Term Strategy, is composed of around 25 indicators. About half of the indicators are the same as those used in the EU external reviews. Several other indicators are in line with, or a consequence of, recommendations made by the EU external reviews.

The Joint Review with UNRWA will also conclude on whether the institutionalised monitoring and evaluation capacities, frameworks, and functions and the Agency's overall management of Monitoring & Evaluation tools installed within the Agency's Department of Internal Oversight Services are adequate to ensure coherent, accurate, and analytical reporting to UNRWA's management, donors and hosts on impact and results systematically.

4.4. Evaluation and audit

An external final evaluation, covering all the activities of the action, will be carried out in accordance with European Commission procedures. Where appropriate, external audits of specific projects will be undertaken.

4.5. Communication and visibility

The action will follow the visibility guidelines of the European Commission. Each contractor will be responsible for implementing those guidelines in line with the relevant templates.

⁹ An external technical mission was commissioned by the European Commission and conducted in November 2010. The purpose of this assignment was to undertake monitoring visits to prepare technical documentation for the Joint Review scheduled to take place in the first quarter 2011.

¹⁰ Please refer to Annex I which includes both the programme performance and process indicators agreed with UNRWA thus far.