

ANNEX II

ACTION FICHE FOR OCCUPIED PALESTINIAN TERRITORY

1. IDENTIFICATION

Title	UNRWA: 2009 Support to the Organisational Development Plan		
Total cost	EUR 1 million		
Aid method / Management mode	Project approach – joint management with an international organisation		
DAC-code	72030	Sector	Aid to refugees

2. RATIONALE

2.1. Sector context

UNRWA's mission is to help Palestine refugees achieve their full potential in human development terms under the difficult circumstances in which they live

UNRWA's Agency-wide Organisational Development (OD) plan was established in following-up the Geneva Conference held in June 2004. This conference identified how improvements could be made in the responsiveness, effectiveness and efficiency of the Agency's operations in providing high-quality services for Palestinian refugees, consistent with UN and regional standards. Launched in January 2007, the OD reform process is designed to strengthen the Agency's capacity to serve Palestine refugees. The plan for 2007 focussed on implementation planning, foundation-building and fundraising. 2008 has been designated as the year of implementation, and 2009 will focus on consolidation.

This EC support will assist UNRWA in implementing the Organisational Development plan in 2009 and beyond.

2.2. Lessons learnt

This is the second phase of Commission support to the programme, EUR1 million was already contributed in 2008. After 22 months of implementing the OD reform plan, there are clear indications that the reform is on track and gaining momentum across the Agency. In broad terms, most of the planned OD initiatives are being implemented according to plan. Examples include: establishment of the Medium Term Strategy, adoption of programme cycle management, a workforce strategy, improved classification and compensation procedures, a leadership and management development programme, executive coaching, process re-engineering (the way decisions are taken) and ICT.

In parallel, the field offices and many HQ departments have started to re-define their roles and develop their own OD initiatives.

The close follow-up of the Advisory Commission (AdCom) remains a key mechanism in maintaining the momentum for the development of this reform plan. The EC's strong involvement in the AdCom will be therefore continued.

2.3. Complementary actions

Since the Geneva Conference, the EC has been very active in various initiatives in support of UNRWA's management. The EC has chaired the Advisory Commission Sub-committee on Programming since January 2007. This Commission has examined issues related to UNRWA's regular, project and emergency programming as well as issues related to strategic planning, implementation and evaluation of UNRWA programmes. In January 2009 the EC will take over chair of the Sub-Committee dealing with strategic programming and financial planning.

This action concerning refugees is fully complementary to the PEGASE programmes supporting the PRDP and the PA administration.

2.4. Donor coordination

The EC has been an observer of the UNRWA Advisory Commission since 2006, the main body where donors and host countries coordination takes place. This structure was expanded and reinvigorated and has played a vital role in enhancing the dialogue between the various stakeholders, providing advice and assistance to the Agency, for the final benefit of the refugees. The EC is the second-biggest donor to UNRWA, only slightly behind the USA. If Member State contributions are also taken into account, the EU as a whole is the most important donor.

Other EC donors to the OD in 2008 include UK, Sweden, Italy and Denmark.

3. DESCRIPTION

3.1. Objectives

The overall objective to which the project will contribute is to more stable living conditions for the Palestine Refugees in UNRWA's fields of operation.

The specific objective of this project is to support the Agency's management reform process including its Resource Mobilisation Strategy.

3.2. Expected results and main activities

The expected result is to improve the responsiveness, effectiveness and efficiency of the Agency's operations towards providing high-quality services for Palestine refugees. The action will support the implementation of the OD process in its consolidation phase (2009). Specific actions in support of the Agency's Resource Mobilisation Strategy in particular in the framework of the UNRWA 60th Anniversary Events, as well as, conducting a review of the reform of the Relief and

Social Services (RSS) Programme are eligible. There are four main areas targeted by the reform process:

a. **Human Resources**, where the main results expected are to further the development of a classification, compensation and performance-based management system; improving key HR policies and processes; creating a framework for gender equality and developing mechanisms that provide Field Offices and Headquarters with better tools to manage their staff.

b. **Organisational Processes and Systems, Leadership and Management and Programme Management**.- Implementing decision-making frameworks and policies for recruitment and procurement; developing similar decision-making frameworks/policies in the areas of asset management and preparatory work to establish an Enterprise Resource Planning (ERP) system (essential to UNRWA and fundamental for embedding into the Agency a substantial amount of reforms pursued through OD).

c. **Leadership and Management** – Developing the capacity of management teams and individual managers

d. **Programme Management** – Developing a medium-term strategy supported by an associated budget and implementing the strategy.

3.3. Stakeholders

The direct beneficiaries of this programme are Palestine refugees in West Bank, Gaza, Syria, Lebanon and Jordan.

3.4. Risks and assumptions

Deterioration in the political and security environment could affect UNRWA's operations.

3.5. Crosscutting 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 agenda within the OD process. Refugees by definition constitute a vulnerable group, however the strategy should enable UNRWA to refine its approach in order to target the most needy within this group. A large percentage of those requiring assistance from UNRWA are women of child-bearing age. Children's rights to education are also covered through UNRWA's schools.

4. IMPLEMENTATION ISSUES

The programme will be implemented through joint management through the signature of contribution agreements with UNRWA and within the framework of the EC-UN Financial and Administrative Framework Agreement (FAFA).

4.1. Procurement and grant award procedures

For agreements with international organisations, all contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the international organisation concerned.

4.2. Budget and calendar

The overall budgetary requirement for the OD Programme 2007-010 is USD 26 million. The funding requirements for 2009 stand at a little over USD 4 million.

The total EC financial contribution to the project for 2009 amounts to EUR1 million. At this stage the indicative breakdown will be as follows:

Organisational Plan Support:	EUR 880,000
Visibility:	EUR 50,000
External review of RSS programme:	EUR 70,000
Total:	EUR 1,000,000

With regards to visibility, specific interventions will have to be agreed ex ante with the EC. Visibility actions should mainly acknowledge the EC contribution. The implementation of the programme will last for 12 months from the date of the signature of the contribution agreement between UNRWA and the EC.

4.3. Performance monitoring

Achievements will be monitored regularly by UNWRA and the results will be reported regularly to the EC.

4.4. Evaluation and audit

The annual EC-UNRWA Joint Review of performance indicators, initiated in 2007, will cover the evaluation of this action.

All auditing issues related to this project are governed by the Verification Clause annexed to and forming an integral part of the FAFA.

4.5. Communication and visibility

The European Commission will ensure that adequate communication and visibility is given by UNRWA to the EC funding (press conference, brochures/flyers, media reports, etc.).