

**ANNEX II**  
**Action Fiche for the occupied Palestinian territory**

**1. DESCRIPTION OF THE OPERATION**

Beneficiaries:	Palestine refugees in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip
Implementing Organisation:	United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)
Operation title:	Contribution to UNRWA's 2011 Regular Budget
Amount	EU contribution: EUR 40 million
Implementing Method	Project approach – joint management with an international organisation - European Commission - UN Financial and Administrative Framework Agreement (FAFA)

**2. CONTEXT AND DESCRIPTION OF THE OPERATION**

**2.1. Context of the Operation**

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 2011<sup>1</sup>.

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.

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<sup>1</sup> The General Assembly is responsible for renewing the UNRWA's mandate every three years; 2011 is the next year the mandate will be up for renewal.

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 million. According to UNRWA's projected donor-contribution estimates, a significant portion of this budget is very likely to remain unfunded which would ultimately lead to stringent austerity measures and further cutbacks of basic services. This shortfall would not include funding for emergency appeals, organisational development or specific projects (like Nahr El-Bared)<sup>2</sup>.

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 HR/VP Ashton requesting a further contribution to its 2011 core budget, the EU committed an additional amount of EUR 20 million to help bridge the financial gap of \$177 million (EUR 130 million) within UNRWA's 2010 Regular Budget. This substantial gap was due to several factors:

- The high birth rate in the refugee population means that, even if funding were maintained or even slightly increased, per capita income would drop.
- Reduced donations from a number of donors under the impact of the financial crisis.
- The increase in commodity prices has adversely affected its food aid programme.
- The Agency has been delving into its reserves and effectively living off these in part in recent years. The reserves are gone.
- The situation has been aggravated by exchange rate losses. The Israeli Shekel has gained strength against both the Euro and the Dollar.

In combination with contributions from EU Member States, EU overall contributions in 2009 and 2010 accounted for more than half of the total support to UNRWA. The EU has been a strong supporter of UNRWA since 1971, becoming in time its largest donor. In the last 10 years, the EU has provided nearly EUR 1 billion in support of UNRWA's work.

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<sup>2</sup> The total funding needs of UNRWA for 2009 amount to USD 1,372.9 million, out of which USD 545.6 million were allocated to the Regular Fund.

### 3. RATIONALE OF THE INTERVENTION

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.

The present grant agreement takes into consideration the support UNRWA is receiving from the international community, including EU Member States (EU MS 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 Strip, 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 reserves<sup>3</sup>.

#### 3.1. Overall objectives

The overall objective of the Operation is to provide support to the education, health, relief and social services programmes of the UNRWA.

#### 3.2. Specific objectives

**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

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<sup>3</sup> The Agency has traditionally used its diminishing reserves towards bridging its chronic funding gaps.

members of the refugee community, especially women, children, youth and persons with disabilities.

### **3.3. Expected results**

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

### **3.4. Activities**

The main programmes operated by UNRWA include the following activities:

#### *3.4.1. Education Programme*

Education services are currently provided through 689 UNRWA elementary, preparatory and secondary schools<sup>4</sup> 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.

In the West Bank and Gaza Strip, the education system as a whole has been severely disrupted by the armed conflict, curfews, closures and access problems since the Intifada. Working conditions for teachers have deteriorated, which has an impact in the staff morale and the difficulty to recruit and retain competent staff.

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 2010<sup>5</sup>. 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.

#### *3.4.2. 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 three 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

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<sup>4</sup> Secondary schools (6) in Lebanon only.

<sup>5</sup> 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.

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

Water, sanitation and environmental conditions are poor, particularly in Gaza, the West Bank and Lebanon. For this reason, the Agency is working to improve the environmental conditions in the camps in coordination with local authorities and with special emphasis on wastewater disposal and solid waste management.

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 is leading the Agency to introduce new programmes (mental health, psychosocial counselling) as well as putting in place 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.

#### *3.4.3. Relief and Social Services*

The Agency provides eligible refugees with a range of services including food support, shelter rehabilitation, and selective cash assistance for Special Hardship Cases (SHCs). 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 can not 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. One of these services, the Microcredit Community Support Programme, provides small loans to over 20,000 refugees through group guaranteed lending and individual loan programmes.

## **4. DURATION AND LOCATION OF THE OPERATION**

### **4.1. Duration of the operation**

The overall Operation has an implementation period of 12 months.

### **4.2. Location of the operation**

The Operation will be implemented in all areas of operation, i.e. in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip.

## 5. IMPLEMENTATION ISSUES

### 5.1. Implementation method

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

### 5.2. 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.

## 6. GENERAL MONITORING OF UNRWA PERFORMANCE

A Joint Annual Performance Review of UNRWA's main operations will be conducted in November 2010. The review, as has been the case over the past three years (2007- 2009), 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 process (See table below).

Following the outcomes and results of the 2010 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 the indicators stated below, or, the adoption of UNRWA's programme strategic framework as it has been elaborated within its Medium Term Strategy (MTS) (2010-2015).

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<sup>6</sup> are adequate to ensure coherent, accurate, and analytical reporting to UNRWA's management, donors and hosts on impact and results systematically

Type/periodicity	Indicator	Baseline/results/targets <sup>7</sup>
<b>Health</b>		
Impact/ medium-term	1. Infant mortality rate	03: 22 <b>08: 22</b> (08-09 target: 20)

<sup>6</sup> The Evaluation function was transferred to DIOS by UNRWA's Commissioner General in January, 2010.

<sup>7</sup> In addition to baselines and targets, the above table summarises the initial results of the 2009 external review (achieved in 2008 or during the 2008-2009 school year). New results were marked **in bold** and the respective targets in brackets (revised targets are *in italics*).

		10-11: 20
Result/annual	2. Percentage of pregnant women who register during the 1st trimester	05: 57.5%, 06: 65.8 % 07: 72.1% <b>08: 74.9%</b> (08-09 target: 75%) 10-11: 80%
Result/annual	3. Percentage of newly detected cases of all non-communicable diseases under monitoring and treatment	05: 8% 06: 11.1% 07: 13.0% <b>08: 9%</b> (cumulative target 08-09: 20%) 10-11: 25%
Output/annual	4. Average daily medical consultations per doctor	05: 110, 06: 95 07: 96, <b>08: 101</b> (08-09 target: 80) 10-11: 70
<b>Education</b>		
Impact/medium-term	5. Educational achievement trends (new indicator to be measured by UNRWA Monitoring Learning Achievement Tests)	<b>On Track - To be measured by DoE (Department of Education)</b>
Output/annual	6. Percentage of schools operating in a double-shift	05-06: 77%, 06-07: 77.63% 07-08: 77.11%, <b>08-09: 73%</b> (08-09 target: 70%) <b>On Track in Four Fields</b> 10-11: 65%
Result/annual	7. Pass rate of students in the national exams in Lebanon (preparatory school)	04: 53%, 05: 68.6%, 06: 65.36% 07: 45.2%, 08: 46.76%, <b>09: 50.41%</b> (08-09 target: 50%) 10-11: 65%
Result/annual	8. Percentage of VTC (Vocational Training Centre) graduates in employment 12 months after graduation	05: 78%, 06: 81.9% 07: 81.84%, <b>08: 77.82%</b> (08-09 target: 85%) <b>On Track in Four</b>

		<b>Fields</b> 10-11: 90%
<b>Relief and Social Services</b>		
Impact/medium-term	9. Percent change in poverty gap bridged for the abject poor (new indicator)	<b>Establishment of the new indicator delayed - To be measured by RSSP (Relief and Social Services Programme)</b>
Output/annual	10. No. of refugees (in thousands) who benefit from CBO (Community Based Organisation) services (W: women, D: persons w/disabilities, Y: children & youth)	05: 12.1 W 18.3 D 20 Y 06-07: 17.7 W 30.4 D 97.4 Y <b>08: 9.6 W 16.5 D 49.2 Y</b> (one year)  (08-09 cumulative target: 18W, 35D, 75Y)
<b>Housing and Camp Improvement</b>		
Output/annual	11. Cumulative percentage of SHCs (Special Hardship Cases), whose shelters are in need of rehabilitation, which have benefited from rehabilitated, extended or reconstructed shelters	05: 3.4 % 06: 9 % 07: 19% 08: 24.7% (08-09 cumulative target: 20%) 10-11: 30%
<b>Microfinance and Micro-enterprise</b>		
Output/annual	12. Percentage of loans given to informal sector clients	07: 78% <b>08: 82%</b> (08-09 target 80%) 10-11: 80%

<b>Target</b>	<b>Process indicator</b>
<b>Q1 2010</b>	Results of the <b>first assessment of Organisational Development indicators</b> shared with members of the Advisory Commission. Follow-up action agreed.
<b>Q1 2010</b>	Head Quarter <b>Programme Departments started a reform process</b> in response to the Programme Reviews and in order to align their human resources with the Departments' strategic role.
<b>Q2 2010</b>	The <b>setting up of the UNRWA central Monitoring &amp; Evaluation function</b>

	<b>finalised</b> with a functioning data warehouse solution in place.
<b>Q2 2010</b>	<b>Agency Monitoring &amp; Evaluation framework finalised.</b> Donors interested in measuring performance should agree with UNRWA a simplified indicator framework (e.g. based on revised Annex I of Medium Term Strategy)
<b>Q2 2010</b>	<b>Results of the 2009 MLA (Monitoring Learning Achievement Tests) baseline study used</b> in the design, planning and execution of UNRWA education activities.
<b>Q2 2010</b>	<b>Implementation of the relief reform back on track</b> with registration system RRIS (Refugee Registration Information System) rolled out, measures taken to facilitate transition from Special Hardship Cases to SNN (Social Safety Net), and PMTF (Proxy Means Testing Formula) tool used in all Fields.
<b>Q3 2010</b>	<b>2009 Annual Report of the Commissioner General</b> to comprise more elements of the MTS (Medium Term Strategy), including elements of the <b>Agency Monitoring &amp; Evaluation framework.</b>
<b>Q3 2010</b>	<b>4<sup>th</sup> Joint Donor Review of Programme Performance</b> based on an UNRWA self-assessment, consolidated by an European Commission consultant.
<b>Q4 2010</b>	Results of the <b>external Organisational Development evaluation</b> presented to the members of the Advisory Commission, including a <b>review of PCM (Project Cycle Management) implementation</b> based on the MTS/FIPs (Field Implementation Programme)/HIPs (Head Quarters Implementation Programme) and other recent documentation.