

Annex V
Action Fiche for West Bank and Gaza Strip

1. IDENTIFICATION

Title/Number	Support to Development Programmes implemented through UNRWA		
Total cost	€ 2 million		
Aid method / Method of implementation	Project approach – joint management with an international organisation		
DAC-code	72010	Sector	Aid to refugees

2. RATIONALE

2.1. Sector context

EU financial support to the occupied Palestinian territory (oPt) continues to be governed by the EU's overarching objective to implement the two-state solution and the creation of a viable, contiguous and democratic Palestinian State living peacefully with the State of Israel.

Since its establishment on 8 December 1949, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has been attending to the basic needs of registered Palestine refugees across the region. In the absence of a solution to the Palestine refugees' issue, UNRWA's mandate has repeatedly been renewed, most recently until 30 June 2011.

UNRWA has been diligently carrying out its mandate assisting millions of Palestinians by providing education, health care, social needs and economic productivity of 4.7 million Palestine refugees in Syria, Jordan, Lebanon and the occupied Palestinian territory. In doing so, UNRWA exerts a stabilizing influence among refugees and through them on the communities, the host countries and the region in which they live.

Over the past few years, UNRWA has been implementing its humanitarian and developmental programmes as well as its reforms against a backdrop of extraordinary operational and financial challenges; continued denial of refugees' rights, recurrent armed conflicts creating yet another level of need, changes within the refugee population and inability of donor countries to increase their UNRWA contributions to match the expanding cost of service delivery.

Within this context, this EU support aims to assist UNRWA to install crucial tools such as the Enterprise Resource Planning aimed at making operational policy and framework changes within the Agency, as well as, support UNRWA's summer games for Gazan children widely acknowledged as a powerful tool to combat radicalisation in the Gaza Strip's polarized setting.

2.2. Lessons learnt

Since 2007, UNRWA and the EU have conducted two joint reviews of the Agency's core services - Education, Health and Social Relief services – as well as its reforms plan. Based on a set of indicators established within the framework of the EU's annual contribution agreements between UNRWA and the EU, this review process has proven to be invaluable in identifying specific challenges UNRWA is facing in carrying out its mandate. The structure of this joint review allows opening a broad discussion between UNRWA, interested donors, and host countries on results achieved.

Over the past several years, UNRWA has been working to strengthen its organizational design, policies and resource management practices to create a framework that supports results-based management, accountability and sustainable growth in the quality of programmes and services delivered to Palestine refugees. The goal has been to create an organisational culture of continuous study and improvement and thereby enhance the quality of services provided to Palestine refugees.

The initiatives and programmes launched during UNRWA's Organizational Development (OD) programme were designed to deliver organizational, policy and operational reforms and the achievements realized under OD have been significant, resulting in decentralized decision-making, strengthened human resource management and streamlined processes.

Despite these and many other achievements, critical challenges remain:

- Budgetary pressures facing the Agency today are significant. In every area of UNRWA's operations, the Agency must seek opportunities to optimize resources;
- Many of the Agency's processes and procedures date back decades and combined with limitations to information technology, impact the productivity of staff and ultimately the quality of services delivered to beneficiaries and donors;
- The Agency's core support functions - Human Resources, Finance and Procurement, are supported through stand-alone information management systems, limiting planning capacity. Business information residing in these systems is not readily accessible to managers, it is not comprehensive and it often lacks the information that is most relevant to Field and Programme managers;
- These systems and the processes and procedures they support are heavy and open to error and misuse, leading to excessive controls and rework;
- Substantial systems changes are needed to support critical OD reforms; the functionality of UNRWA's systems, management tools and reporting require dramatic improvement to support decentralization and results-based decision-making.

The close follow-up of the Advisory Commission remains a key mechanism in maintaining momentum for the development of UNRWA's reform plans and sustaining its thrust. EU strong involvement in the Advisory Commission will therefore continue.

2.3. Complementary actions

The European Union is the largest multilateral provider of international assistance to Palestine refugees. Over the period 2000 to 2009, the EU alone, excluding EU member states, has provided more than €1 billion of support to the Agency.

The proposed EU-funded operation is in addition to the non-earmarked contribution of €66 million to UNRWA's General Fund decided under the first tranche of the ENPI 2010 financial assistance to the oPt in December 2009, ECHO-funded humanitarian operations, and other *ad hoc* contributions.

The EU's total contribution to UNRWA in 2009 amounted to more than €166 million, its largest contribution ever. The EU and its Member States provided 62% of support to the General Fund in 2009. The present grant agreement takes into consideration the support UNRWA is receiving from the international community, including EU member states. This action concerning refugees is fully complementary to the PEGASE programmes supporting the PRDP and the PA administration.

The EU is currently developing common EU strategies for the mid-term to pursue clearly defined EU interests and objectives in all important sectors including for Palestine refugees in order to concretely and tactically respond to growing needs within the refugee communities spread over the five fields of UNRWA's operations. This process is being driven and coordinated by the EU with the full association of Member States and will be concluded in during the course of 2010.

2.4. Donor co-ordination

Since 2006 the EU has been an observer of the UNRWA Advisory Commission - the main body, which brings together the main stakeholders of the Agency, including donors and hosts, several times a year to discuss major programmatic and financial developments for the Agency and provides advice and guidance to the UNRWA Commissioner-General, for the final benefit of the refugees. This structure was expanded and reinvigorated and plays a vital role in enhancing the dialogue between the various stakeholders. The EU chairs the sub-committee which prepares the operational work of the annual meetings of the Advisory Commission. Synergies amongst donors and common understanding between them and the Host Countries on UNRWA tasks, missions, challenges and achievements have been greatly improved during the last three years.

Co-ordinated by the EU with the full association of Member States a strategy group dealing with the strategic issue of Palestine refugees will contribute to the assurance of stability and installing necessary strategic foundations for a future Palestinian state.

3. DESCRIPTION

3.1. Objectives

UNRWA's 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 help the Agency attain its stated mission of serving Palestine refugees by providing sustainable, adequate, high quality and cost-effective human development and relief services to registered refugees.

The specific objectives of the Operation are:

- (1) To support UNRWA's Enterprise Resource Planning (ERP) system since the latter is a crucial tool in order to embed and render policy and framework changes within the Agency operational;
- (2) To support UNRWA's 2010 summer games programme of educational and recreational activities across ten weeks for up to 250,000 children and youth in Gaza.

3.2. Expected results and main activities

Enterprise Resource Planning:

With the proper enterprise software in place, UNRWA's ability to operate in and adjust to the current operational environment will dramatically strengthen. An ERP will assist UNRWA in closing the gap between strategy and execution and will dramatically improve the visibility and management of UNRWA's performance, in regards to operations and beneficiary services.

The new software and the re-engineering of the Agency's technology, processes and data will provide for breakthrough achievements in efficiency and effectiveness and result in an Agency that is more transparent, accountable, and refugee centric.

It will provide a critical foundation for the important management reforms underway including staff development, performance management and the exercise of holding staff accountable for the achievement of results.

In particular, the ERP is expected to achieve have the following benefits:

Finance Management

- Improved finance staff efficiency;
- Reduced book closure process time;
- Reduced cost of financial transaction processing.

Supply Chain Management and Procurement

- Improved demand planning and staff efficiency;
- Reduced inventory levels and an accurate view of assets;
- Reduced inventory write-offs;
- Improvement in complete and on-time shipments.

Human Resources Management

- Reduced benefits administration costs;
- Reduced payroll administration costs;
- Improved staff efficiency with desktop tools and self service processing.

Information Technology

- Reduced IT integration costs;
- Reduced IT development costs;
- Reduced IT infrastructure and support costs.

With regard to UNRWA's 2010 summer games programme:

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 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.
- Youth and children are benefiting from recreational activities during the summer break in Gaza. The Summer Games are designed to provide only recreational, educational and sporting activities excluding any political or religious indoctrination of the youth.

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. 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 Organizational and Development Process. 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 this programme are Palestine refugees.

With regards to the ERP in particular, beneficiaries include UNRWA staff both at the Headquarter and Field levels but the final beneficiary will be Palestine refugees as they will benefit better cost / effective services from the agency.

More specifically, direct beneficiaries of the 2010 Summer Games will be children and youth in Gaza aged 7 to 15 across the Gaza strip. Registration will be entirely voluntary and will be open to both UNRWA and PA pupils.

The breakdown of beneficiaries according to 2010 Summer Games tentative participation estimates is as follows:

- All children: 250,000 children to attend
- Special Needs children: 2,203 children to attend
- Employment: An estimated 8,500 jobs will be created for the 2010 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. Method of implementation

Joint management through the signature of a standard contribution agreement with UNRWA.

4.2. Procurement and grant award procedures

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

4.3. Budget and calendar

The total budget of this operation is €2 million indicatively broken down as follows:

ERP: €1 million

UNRWA's 2010 Summer Games Programme in Gaza: €1 million

The overall implementation period is 12 months.

Expenditure for funding of the Summer Games will be considered as eligible from the day following the adoption of the Decision by the Commission.

4.4. Performance monitoring

Achievements will be monitored regularly by UNRWA and the results will be reported regularly to the EU.

UNRWA main programmes have been monitored since 2007 through a Joint Annual Performance Review. The review is based on a predefined set of result-based indicators and targets set to them, as well as milestones identified for implementing the management reforms process within UNRWA.

The EU will rely on the internal department of the Agency for monitoring and evaluation which has been put in place in the framework of the Organisational and Development Process, the ongoing comprehensive institutional reform of the Agency.

4.5. Evaluation and audit

The EU-UNRWA Joint Review process expected to be integrated within the UNRWA Advisory Commission forum 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 Financial and Administrative Framework Agreement.

4.6. Communication and visibility

The European Union will ensure that adequate communication and visibility is given by UNRWA to the EU funding (press conference, brochures/flyers, media reports, etc.) in accordance with the joint EU-UN guidelines on visibility.