

## FRAMEWORK FOR COOPERATION BETWEEN UNRWA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR 2011

This Framework for Cooperation is undertaken by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (hereinafter referred to as “UNRWA”) and the Government of the United States of America (hereinafter referred to as “the United States” or “U.S.”). It is understood that this document, in its entirety, constitutes policy commitments by UNRWA and the U.S. Government, and is therefore not intended to be legally binding.

### I. Mutual Strategic Goals:

UNRWA was established in 1949 to provide temporary support to Palestine refugees. It operates in Jordan, Lebanon, Syria, the West Bank and Gaza Strip on a budget mostly financed by voluntary contributions and employs almost 30,000 staff to provide education, primary health care, relief and social services and other assistance to Palestine refugees in its area of operations. In the 61 years since its inception, the number of registered Palestine refugees in UNRWA’s five operating fields has grown through natural population increase to over 4.7 million persons. The goal of U.S. support to UNRWA is to ensure that Palestine refugees live in dignity with an enhanced human development potential until a comprehensive and just solution is secured. These objectives match UNRWA’s ongoing goals to:

- Address the needs of Palestine refugees through the provision of basic education, health, relief and social services, microcredit, camp improvement and infrastructure and other assistance;
- Promote the human development of Palestine refugees by improving living conditions, economic potential, livelihoods, access and human rights.

Assisting vulnerable populations through effective provision of humanitarian assistance is a key element of U.S. foreign policy. The U.S. provides humanitarian assistance on the basis of need according to principles of universality, impartiality, and human dignity, and recognizes that provision of assistance requires an integrated, coordinated, and multi-sectoral approach between UNRWA and all its donors to be most effective. All U.S. foreign assistance programs are required to demonstrate performance and accountability, and clearly link programming and funding directly to U.S. policy goals.

The United States commends UNRWA for its work to provide core services to Palestine refugees for over six decades, which has often required UNRWA to work during periods of conflict. The U.S. notes the Agency’s ongoing strategic planning efforts given the highly volatile political environment, unpredictable funding and other unforeseen circumstances that often pose challenges to the effective fulfillment of UNRWA’s mandate. The U.S. strongly supports UNRWA’s efforts to meet those challenges by its undertaking of the three following initiatives:

- Implementing the fifteen objectives of the Medium Term Strategy for 2010-2015, particularly the commitment to improve the quality of core services and accountability in the face of growing budget shortfalls;

- Increasing attention to reducing chronic budget shortfalls through resource mobilization efforts, including diversification of the donor base, and exploring opportunities for program efficiencies while maintaining quality of services and providing critical services for the most vulnerable refugees;
- Strengthening engagement with key stakeholders, including donors, host countries and authorities, and Palestine refugees.

## II. Organizational Reform Initiatives:

UNRWA has undertaken significant reform initiatives to improve management capacity and engage in more strategic planning and needs-based budgeting. The implementation of UNRWA's three-year Organizational Development Plan (OD), which formally concluded in December 2009, resulted in a more transparent and field-based system of budgeting for the Agency's needs, strengthening of the Agency's monitoring and evaluation capacity, and improvements in the organizational structure of UNRWA, which has enhanced overall efficiency and effectiveness. Implementation of certain elements of the reform initiatives began in 2010 and will continue into 2011.

In support of UNRWA's continued reform, the U.S. and UNRWA identify the following strategic objectives:

- A. Continued focus on reform initiatives, particularly in the areas of accountability, program monitoring and evaluation, and internal communication;
- B. Intensified focus on programmatic reform in the areas of education, health, and relief and social services under the rubric of "Sustaining Change";
- C. Development of donor-funded innovative projects that promote qualitative reform within the organization, such as the current education initiatives in Gaza, West Bank and Syria;
- D. Continue progress towards the full implementation of all of the Board of Auditor's recommendations for the biennia ending 2005 and 2007, documented through semi-annual written reports to the Advisory Commission.

## III. Performance Measures and Targets:

The U.S. commends UNRWA for its development of the Medium Term Strategy (MTS) for 2010-2015, which provides strategic direction for the Agency's operations, as well as the development of Field Implementation Plans, which provide a more comprehensive picture of the needs of the Agency's beneficiaries. Annex 1 provides milestones on UNRWA's ongoing reform initiatives. Annex 2 provides general requirements performance indicators. Annex 3 details specific agreed upon performance indicators and 2011 targets for UNRWA's health, education, relief and social services programs, emergency appeal programs, and efficiency, with the aim of moving toward finalized harmonized donor programming reporting requirements in 2012.

The U.S. and UNRWA identify the following goals related to performance measures and targets for UNRWA's programs:

- A. The U.S. and UNRWA remain committed to work with other donors to further refine outcome-based performance indicators, baseline data, and targets for UNRWA's programs. In 2011, UNRWA is committed to strengthening its monitoring and evaluation functions through activities such as standardizing implementation plan reporting and executing the Donor Harmonization Plan to ensure donor programmatic reporting requirements dovetail with performance measures monitored and consolidated at an organizational level, based on Agency biennium plans;
- B. UNRWA intends to continue to strengthen the Agency's monitoring and evaluation and internal oversight functions for the effective oversight of UNRWA programs and services;
- C. In 2011, UNRWA is committed to addressing and reporting to the United States on the performance measures included in Annex 3. Reporting is requested by March 31, 2012 on efforts and results as of December 31, 2011.

UNRWA works in a highly volatile environment where political and military actions frequently place constraints on the delivery of its services. Furthermore, the Agency is dependent for the majority of its funding on voluntary contributions provided by UN member states – contributions which fluctuate beyond UNRWA's control. Therefore, it is important that UNRWA's performance against identified indicators be reviewed in light of constraints imposed by the operating environment and funding made available to the Agency.

IV. The U.S. and UNRWA further identify the following issues of a more bilateral nature:

- A. Conformance with Conditions for Funding in the United States Foreign Assistance Act of 1961, section 301 (c), as amended:
  - i. The United States appreciates the ongoing close consultation with UNRWA regarding section 301(c) of the United States Foreign Assistance Act of 1961, as amended, which states: "No contributions by the United States shall be made to (UNRWA) except on the condition that (UNRWA) take all possible measures to assure that no part of the United States contribution shall be used to furnish assistance to any refugee who is receiving military training as a member of the so-called Palestine Liberation Army or any other guerilla type organization or who has engaged in any act of terrorism." UNRWA is committed to taking all possible measures in conformance with section 301(c). The United States expects UNRWA to maintain constant vigilance with regard to 301(c) conformance.
  - ii. The United States and UNRWA share concerns about the threat of terrorism, including within the context of the United Nation's firm commitment to counter terrorism and section 301(c) of the United States Foreign Assistance Act of 1961. To this end, UNRWA is committed to taking all possible measures to ensure that funding

provided by the United States to support UNRWA is not used to provide assistance to, or otherwise support, terrorists or terrorist organizations.

- iii. The United States and UNRWA intend that UNRWA will continue providing reports every six months regarding actions taken by the organization to ensure conformance with section 301(c) and other issues related to that section of law.
- iv. The United States and UNRWA confirm that the Department of State will use the activities set out in Annex 4 as a way to evaluate UNRWA's conformance with the condition on the U.S. contribution to UNRWA in section 301(c) of the Foreign Assistance Act of 1961 and will use in its evaluation the information provided by UNRWA in the report referred to in sub-paragraph iii.
- v. The United States and UNRWA are to continue to work together throughout 2011 to enhance collaboration and communication on issues related to conformance with section 301(c).
- vi. The United States believes that the Operations Support Officer program in the West Bank, Gaza Strip, and Lebanon is essential in helping to ensure the neutrality of UNRWA facilities, and reiterates its intention to continue supporting these programs, subject to the availability of funding.

#### **B Reporting:**

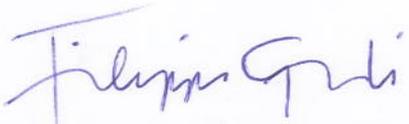
The United States appreciates UNRWA's commitment to provide more consistent and detailed reporting on the use of this funding especially given the importance of this data for shaping evidence-based policies and programs, and the need to satisfy PRM reporting requirements in 2011. UNRWA is committed to reporting on US funded 'special projects' as stipulated by the US approved project proposal. In addition to the biannual report on UNRWA actions regarding 301 (c) of the U.S. Foreign Assistance Act of 1961 (as referred to in paragraph IV.A.iii) and the biannual consolidated report on the West Bank/Gaza Emergency Appeal, UNRWA will provide a financial update on USG Emergency Appeal funding on a biannual basis. Beginning in 2011, UNRWA will report annually on the indicators contained in the Donor Harmonization Matrix.

#### **V. Continued Support for UNRWA:**

- A. The United States is committed to continuing its partnership with UNRWA to assist over 4.7 million registered Palestine refugees with UNRWA until a just solution is achieved and UNRWA's mandate ends;
- B. Recognizing the need for early and predictable funding, the U.S. will strive to provide a large contribution to UNRWA for its 2011 core programs early in the Calendar Year. Subject to the availability of funds, the United States expects to provide 18-20% of General Fund budget requirements. The U.S. will endeavor to maintain or enhance its support to UNRWA's General Fund requirements;

- C. As in 2010, the U.S. aims to contribute to UNRWA's 2011 West Bank and Gaza Emergency Appeals, subject to the availability of funds;
- D. Subject to the availability of funds, the United States will also aim to provide funding for UNRWA's Nahr al Bared relief and reconstruction appeals;
- E. Subject to the availability of funds, the U.S. intends to continue supporting UNRWA's special projects, including UNRWA's human rights, conflict resolution, and tolerance education program in all five fields.

Signed on the 30<sup>th</sup> day of November 2010 at the Dead Sea, Jordan.



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Annexes:

- Annex 1: Organizational Reform Milestones
- Annex 2: General Requirements for and Classification of Performance Indicators
- Annex 3: 2011 Indicators and Targets
- Annex 4: Activities related to Conformance with Funding Conditions in Section 301(c)

## ANNEX 1: ORGANIZATIONAL REFORM MILESTONES

In 2011, UNRWA anticipates that the following milestones and targets are achieved during the period under review. The United States notes that the milestones listed below may be modified by mutual agreement.

<b>Continued Reform Objectives</b>	<b>Milestones</b>	<b>Target</b>
Implementation of a Program / Project Cycle Management (PCM) framework for all interventions	Fully integrated and revised project procedures manual implemented, including redefined roles and responsibilities.	Quarter One
Internal Communication	Internal communications strategy and plan, designed, as an Agency-wide pilot, specifically for the Sustaining Change programme, developed and under implementation	Quarter Two
Human Resources	Administration of justice system established	Quarter Two
Enterprise Resource Planning	UNRWA will have either selected a UN partner with a specific ERP solution for its implementation or will have selected a specific ERP vendor with a system integrator partner for its implementation.	September
Program Reforms	Reform plans in the areas of Education, Health, and Relief and Social Services developed and under implementation	Quarter Three

## ANNEX 2: GENERAL REQUIREMENTS FOR AND CLASSIFICATION OF PERFORMANCE INDICATORS\*

The following represents a list of general requirements for indicators to be used in a developmental context:

- Specific
- Measurable
- Achievable
- Relevant
- Time-bound
- Correlation with the objective
- Availability of information
- Reliability of information (external or internal)
- Effort (time and money) to collect
- Link with ideology of the Agency and donor organization
- Privacy sensitive
- Relevant to Millennium Development Goals

Indicators in Annex 2 are classified according to a clear typology listed below:

**Input indicators** measure the provided financial, administrative and regulatory resources (often called “process”). Example: amount of funds allocated to a specific project.

**Output indicators** measure the immediate and concrete consequences of the measures taken and resources used. Example: number of schools built.

**Result indicators** measure the results at the level of beneficiaries. Example: number of students enrolled.

**Outcome indicators** measure the consequences of the result. Example: literacy rates.

**Efficiency indicators** help to determine whether there are major design flaws in a program that would limit its effectiveness or efficiency.\*\*

\*Source for all but the efficiency indicator: “The Development of Result-Based Indicators for UNRWA’s Programmes Funded by the European Commission, November 2006”

\*\*Source for efficiency indicator: “Guide to the Program Assessment Rating Tool (PART),” Office of Management and Budget, March 2006.

### ANNEX 3: 2011 INDICATORS AND TARGETS

UNRWA agrees to address and report to the United States on the following performance measures and targets for the current year. The reporting framework in Annex 3 may be reviewed during 2011 in an effort to align performance measures with those monitored and consolidated at an organizational level based on biennium plans. Reporting, as outlined herein, is requested by March 31, 2012 on efforts and results as of December 31, 2011. The below indicators are included in the draft Harmonized Donor Indicators Matrix dated November 26, 2010.

Program Sector	Type of Indicator	Indicator	Baseline/Result	2011 Target
Health	Outcome	Improved detection rate of late complications among NCD patients	11.5% (2009)	12.2%
Health	Outcome	Recovery rate of children with growth retardation.	Prevalence rate in all fields: 39% (2009)	54%
Health	Outcome	Infant Mortality Rate (IMR): Live newborns dying under one year of age per one thousand live births	22 (2009)	
Health	Result	Percentage of pregnant women who register for antenatal care in first trimester	77% (2009)	86%
Health	Result	Average daily Medical consultations per doctor	98.5 (2009)	90
Health	Outcome	Percentage of late complications among non-communicable diseases (NCD) patients	Rate in all fields: 11.5% (2009)	12.2%
Education	Result	Learner Dropouts – Elementary Education	Male: .52% (2009) Female: .29% (2009)	Male: .5% Female: .2%
Education	Result	Learner Dropouts – Preparatory Education	Male: 2.97% (2009) Female: 2.05% (2009)	Male: 3% Female: 2.5%
Education	Result	The Mean score obtained by Grade 4 students from MLA testing – Math and Arabic	Math: 45.33% (2009) Arabic: 44.2% (2009)	
Education	Result	The Mean score obtained by Grade 8 students from MLA testing – Math and Arabic	Math: 23.1% (2009) Arabic: 28.3% (2009)	
Education	Result	GFO Pass rates for Math and Arabic	Math: 43.5% (2008/2009) Arabic: 61.3% (2008/2009)	Math 75% Arabic: 85%
Education	Result	Pass rates for Lebanon national preparatory exam	50.4% (2008/2009)	55%
Education	Result	Percentage of Special Education Needs (SEN) children of all children enrolled	New indicator; baseline to be established in 2011	
Decent Standard of	Outcome	Number of Social Safety Net (SSN) refugee families living in substandard	229 (2008)	343

Living: Relief and Social Services		shelters, which have improved living conditions.		
Relief and Social Services	Outcome	Percent Social Safety Net beneficiaries who are abject poor	46% (2009)	49%
Relief and Social Services	Outcome	The Periodic review of social performance of the Microfinance program	Completed social impact assessment for SFO and a social rating assessment of WBFO and GFO	Social impact and rating assessments completed in all Microfinance program fields.
Relief and Social Services	Output	Total number of loans financed to refugee clients through all MD loan products	12,062 (2009)	101,707
Relief and Social Services	Outcome	Technical and vocational training graduates employed after 12 months of graduation	Male: 79% (2009) Female: 74% (2009)	Male: 82% Female: 80%
Human Rights Enjoyed to the Fullest	Output	Percentage of UNRWA schools implementing the Violence Free/Child Friendly Schools Program		100%
Relief and Social Services	Outcome	Percentage of new inscriptions meeting UNRWA standards. (e.g. registering newborns, marriages and deaths).	94% (2009)	97%
Relief and Social Services	Result	Number of vulnerable refugees benefiting from CBO services/activities (i.e. Skills training for women and rehabilitation services for persons with disabilities)	214,419 (2009)	213,419
Emergency programme West Bank/ Gaza	Result	Percentage of daily caloric needs (2,100 kCals) met through UNRWA's emergency food aid programme	60% in Gaza, 27% in West Bank (2009)	GFO: 61% WBFO: 27%
Emergency program West Bank/Gaza	Result	Number of job days of employment created for poor families	West Bank: 1,181,918 Gaza: 2,768,748 job days created (2009)	WBFO: 2,215,200 GFO: 3,808,300
Process Monitoring: OD Program	Result	Biennium plans and budgets produced that are prioritized, evidence based, monitored periodically within the overall Medium Term Strategy (MTS) strategy	2010-2011 MTS - based Resource allocation and Biennium Plans	2012-2013 Resource allocation based on the MTS.
Process Monitoring: OD Program	Result	UNRWA M&E system providing timely and accurate management and program information	A functioning central M&E system is in place	Reports used to monitor progress and to make programmatic decisions.
Agency-wide GBV strategy	Output	Referral systems to detect and refer women victims of violence in all UNRWA fields.	Two functional referral systems in the West Bank and Gaza	Functional referral systems in all 5 fields.
Agency policy on Human Rights, Conflict Resolution, and Tolerance Education	Output	The percentage of education staff that successfully completes the HRCRTE training program (The percentage of teachers trained in the revised HRCRTE toolkit).	New indicator; baseline to be established in 2011	

ANNEX 4: ACTIVITIES RELATED TO CONFORMANCE WITH FUNDING CONDITIONS  
IN SECTION 301(C)

	Yes	No	Notes
<b>General</b>			
1. Agreement by the Agency to conform to, consistent with UN resolutions and rules, conditions on U.S. Contributions in framework and funding agreements with the U.S. Department of State.			
2. Five meetings every six months between UNRWA and relevant State Department officials in which section 301(c)-related issues are discussed.			
3. Written communication between UNRWA and relevant State Department officials on section 301(c)-related issues.			
<b>Neutrality of staff/personnel</b>			
4. UNRWA checks staff against UN1267 Sanctions Committee list once every six months.			
5. Provision of lists of Agency staff members to host governments, the Palestinian Authority, Egypt and Israel on an annual basis and other UN member states upon request.			
6. Communication to staff about appropriate behavior consistent with UNRWA's neutrality rules/regulations at least once per field every year.			
7. Prompt initiation of investigations upon receipt of information about alleged staff/personnel misconduct.			
8. Immediate efforts taken to seek information from authorities when staff are detained/convicted, etc.			
<b>Neutrality of beneficiaries</b>			

9. Checks of registered Palestine refugees against UN1267 Sanctions Committee list every six months.			
10. Conduct of verifications and investigations, as appropriate, upon receipt of information about alleged beneficiary conduct of concern and denial of certain forms of service/benefits, when appropriate.			
<b><i>Neutrality of facilities</i></b>			
11. UNRWA Operations Support Officer programmes inspect each UNRWA facility in the West Bank, Gaza, and Lebanon at least once every six months to ensure appropriate use.			
12. UNRWA immediately investigates incidents of misuse of facilities and takes immediate steps to assure non-recurrence, including, in appropriate cases, through seeking third party assistance.			
<b><i>Neutrality of contractors/vendors</i></b>			
13. Checks of all contractor and vendors against UN1267 Sanctions Committee list every six months.			
14. Inclusion of all appropriate Agency neutrality clauses in Agency contracts.			
15. Details of UNRWA contracts above \$100,000 are made publicly available one month after the end of each quarter.			