

FRAMEWORK FOR COOPERATION BETWEEN UNRWA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR 2012

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 Palestinian refugees. It operates in Jordan, Lebanon, Syria, the West Bank and Gaza Strip on a budget mostly financed by voluntary contributions, and employs almost 29,000 staff to provide education, primary health care, relief and social services, and other assistance to Palestinian refugees in its area of operations. In the 62 years since its inception, the number of registered Palestinian refugees and others assisted by UNRWA in its five operating fields has grown through natural population increase to five million persons. The goal of U.S. support to UNRWA is to ensure that Palestinian 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 Palestinian 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 Palestinian 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 Palestinian 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 Palestinian refugees.

II. Organizational Reform Initiatives:

UNRWA has undertaken significant reform initiatives to improve management capacity and to engage in more strategic planning and needs-based budgeting. The implementation of UNRWA's Sustaining Change Plan, which builds in significant program reform and further integrates the reforms developed during the 2007-2009 Organizational Development Plan (OD), is expected to improve UNRWA's fundraising and reporting capacities, strengthen the Agency's monitoring and evaluation capacity, and further enhance overall efficiency and effectiveness. Implementation of the reform initiatives began in 2010 and will continue into 2012.

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, 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 under the rubric of overall Agency Reform plans;
- D. Continue progress towards the full implementation of all of the Board of Auditor's recommendations for recent biennia, documented through semi-annual updates.

III. Performance Measures and Targets:

The U.S. commends UNRWA for its ongoing implementation of the Medium Term Strategy (MTS) for 2010-2015, which provides strategic direction for the Agency's operations, as well as its strengthening of its monitoring and evaluation functions and development of the Donor Harmonization Plan, which ensures that donor programmatic reporting requirements dovetail with performance measures monitored and consolidated at an organizational level, based on Agency biennium plans. Annex 1 provides milestones on UNRWA's ongoing reform initiatives.

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;
- 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. UNRWA commits to providing financial oversight so that USG funds are expended in a manner consistent with U.S. contribution letters;
- D. In 2012, UNRWA is committed to addressing and reporting to the United States on the harmonized performance measures agreed to by interested donors, as well as the organizational development milestones detailed in Annex 1. Reporting is requested by March 31, 2013, on efforts and results as of December 31, 2012.

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 2 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 will continue to work together throughout 2012 to enhance collaboration and communication on issues related to conformance with section 301(c). The United States supports UNRWA's policy to take all possible measures to ensure that staff members fulfill their obligations, under Agency Rules and Regulations, to refrain from prohibited outside activities. The United States is exploring mechanisms to further support this policy in 2012.
- 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 2012. UNRWA is committed to reporting on U.S.-funded special projects as stipulated by the U.S.-approved project proposals, typically every six months following receipt of funding. 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 tailored financial update on USG Emergency Appeal funding on a quarterly basis with specific reference to how USG funds were expended. UNRWA will continue to report annually on the indicators contained in the Donor Harmonization Matrix and the milestones established in Annex I.

V. Continued Support for UNRWA:

- A. The United States is committed to continuing its partnership with UNRWA to assist five million registered Palestinian refugees and others assisted by 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 2012 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 2011, the U.S. aims to contribute to UNRWA's 2012 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 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 14th day of December 2011.



Filippo Grandi
Commissioner-General
United Nations Relief and
Works Agency for Palestine
Refugees in the Near East



David Robinson
Acting Assistant Secretary
Bureau of Population,
Refugees, and Migration
U.S. Department of State

Annexes:

Annex 1: Organizational Reform Milestones

Annex 2: Activities related to Conformance with Funding Conditions in Section 301(c)

ANNEX 1: ORGANIZATIONAL REFORM MILESTONES

In 2012, UNRWA anticipates that the following milestones and targets will be achieved during the period under review. The United States notes that the milestones listed below may be modified by mutual agreement.

Continued Reform Objectives	Milestones	Target
	The Activity-Based Costing project is completed with an ABC model ready for integration with an UNRWA ERP solution.	Quarter 1 2012
	The Memorandum of Understanding for the Enterprise Resource Planning partnership with WFP and the required contractual agreements with third-party implementation partners are finalized.	Quarter 2 2012
	The Resource Mobilization Strategy is developed and is being implemented.	Quarter 3 2012
	Direct service personnel in health and education use a systematic, result-based performance review process.	Quarter 4 2012

ANNEX 2: ACTIVITIES RELATED TO CONFORMANCE WITH FUNDING CONDITION
IN SECTION 301(C)

	Yes	No	Notes
<i>General</i>			
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.			
<i>Neutrality of staff/personnel</i>			
4. UNRWA checks staff against the UN 1267 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.			

<i>Neutrality of beneficiaries</i>			
9. Checks of registered Palestinian refugees against the UN 1267 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.			
<i>Neutrality of facilities</i>			
11. UNRWA Operations Support Officer programs 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.			
<i>Neutrality of contractors/vendors</i>			
13. Checks of all contractor and vendors against the UN 1267 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.			