

FRAMEWORK FOR COOPERATION BETWEEN UNRWA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR 2010

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 nearly 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 60 years since its inception, the number of registered Palestine refugees in UNRWA’s five operating fields has grown through natural population increase to 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. applauds 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 resource mobilization efforts, including through diversifying the donor base;
- Strengthening engagement with key stakeholders, including donors, host countries, 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 is due to formally conclude in December 2009, has 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 will continue into 2010.

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. 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;
- C. Building upon the Organizational Development Plan and Medium Term Strategy for 2010-2015, develop the Enterprise Resource Planning System, an Agency-wide system to manage and coordinate UNRWA's resources, including financial and human, as well as information flow;
- 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 2010 targets for UNRWA's health, education, relief and social services programs, emergency appeal programs, and efficiency.

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 2010, UNRWA is committed to strengthening its monitoring and evaluation functions, through activities such as standardizing implementation plan reporting and exploring the harmonization of donor programmatic reporting requirements with performance measures monitored and consolidated at an organizational level, based on Agency biennium plans;
- B. Building on the success of its Organizational Development plan, UNRWA intends to continue to strengthen the Agency's program management cycle and its monitoring and evaluation and internal oversight functions for the effective oversight of UNRWA programs and services;
- C. In 2010, 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, 2011 on efforts and results as of December 31, 2010.

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 2010 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.

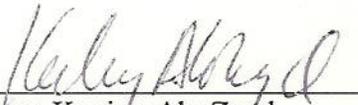
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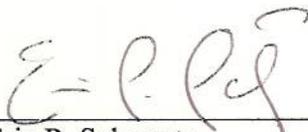
The United States appreciates UNRWA’s ongoing collaboration in 2009 on reporting on identified goals and measures of humanitarian assistance through the U.S. Office of Management and Budget’s Program Assessment Rating Tool (PART), completed in 2007. Reporting is requested by March 31, 2011 on results as of December 31, 2010.

V. Continued Support for UNRWA:

- A. The United States is committed to continuing its partnership with UNRWA to assist 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 2010 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 2009, the U.S. aims to contribute to UNRWA's 2010 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 commendable human rights and tolerance education program, implemented in all five fields.

Signed on the 17th day of November 2009 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: 2010 Indicators and Targets
- Annex 4: Activities related to Conformance with Funding Conditions in Section 301(c)

ANNEX 1: ORGANIZATIONAL REFORM MILESTONES

In 2010, 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.

Key OD Objectives	Milestones	Target
Implementation of a Program / Project Cycle Management (PCM) framework for all interventions	Centralized M&E system as evidenced by the deployment of data warehouse, providing UNRWA with a system to monitor performance against established indicators in FIPs and HIPs	March 2010
Internal Communication	Internal communications review and assessment conducted. Pilot initiatives across UNRWA Fields of Operations and at Headquarters completed.	June 2010
Human Resources	New classification, compensation, and performance management system implemented	November 2010
Enterprise Resource Planning	ERP vendor and system integrator selected.	November 2010
Program Reviews	Reviews of UNRWA Education and Relief and Social Services Programs conducted	January 2010
	Reform initiatives in relation to Education and Relief and Social Services articulated, project plans developed, and, following resource mobilization, reform initiatives underway.	August 2010

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: 2010 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 2010 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, 2011 on efforts and results as of December 31, 2010.

Program Sector	Type of Indicator	Indicator	Baseline/Result	2008 Results	2010 Target
Health	Outcome	Growth retardation for children aged 0 to 3 yrs (% of growth retarded children out of total number of children monitored) and recovery rate (% of children recovered to normal weight out of all growth retarded children ¹)	Prevalence rate in all fields: 2.7% (2006) Recovery rate in all fields: 39.2% (2006)	6.8% 36.5%	3.0% 45%
Health	Outcome	Infant Mortality Rate (IMR): Live newborns dying under one year of age per one thousand live births	22 (2003)	22	20
Health	Result	Percentage of pregnant women who register for antenatal care in first trimester	72.1% (2007)	74.9%	78 %
Health	Output	Medical consultations per doctor per day	96 (2007)	101	93
Health	Outcome	Percentage of late complications among non-communicable diseases patients	Rate in all fields: 14.5% (2006)	N/A	11.0%
Education	Result	Pass rate of students on the preparatory school national exams (Lebanon field only)	45.25% (2006-2007)	46.76%	60%
Education	Output	Percentage of Schools Operating on a Double-Shift	77.1% (2007-2008)	77.11%	70%
Education	Outcome	Percentage of Vocational Training Center Graduates Gaining Employment Within 12 months	81.84% (2005-2006)	77.4% (2007)	85%
Infrastructure & Camp Improvement (Social Services)	Outcome	Percentage of Special Hardship Cases (SHCs) with a shelter in need of rehabilitation, who have benefited from the rehabilitation, extension or reconstruction of his/her family's shelter to meet appropriate standards ²	3.4 % agency wide (2005)	24%	20%
Relief and Social Services	Outcome	Percent Social Safety Net beneficiaries who are abject poor	42% (2008)	42%	48%

Relief and Social Services	Outcome	Number of registration transaction requests processed (e.g. registering newborns, marriages and deaths).	988,189 transactions (2006-7)	988,189 (2006-7)	1,300,000
Relief and Social Services	Result	Number of vulnerable refugees benefiting from CBO services/activities (i.e. CMF, skills training for women and rehabilitation services for persons with disabilities)	30,100 (2007)	28,616	33,500
Emergency programme West Bank/ Gaza	Result	Percentage of daily caloric needs (2,100 kCals) met through UNRWA's emergency food aid programme ³	50% in Gaza, 27% in West Bank (2008)	50% in Gaza; 27% West Bank	61%-Gaza, 27%-West Bank
Emergency programme West Bank/ Gaza	Result	Number of job days of employment created for poor families	3,200,000 job days created (2008)	3,200,000	6,023,500
DIFOTIS (Delivery in Full On Time Specification)	Efficiency	Percentage of assistance deliveries on time and in accordance with specification for the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	71% (2003)	89%	90%

ANNEX 4: ACTIVITIES RELATED TO CONFORMANCE WITH FUNDING
 CONDITIONS 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 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.			
<i>Neutrality of beneficiaries</i>			

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.			
<i>Neutrality of facilities</i>			
11. UNRWA Operations Support Officer programmes inspect each UNRWA facility in Gaza, Lebanon and West Bank 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 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.			