

**EVALUATION OF THE DG ECHO PARTNERSHIP WITH THE UNITED  
NATIONS RELIEF AND WORKS AGENCY FOR PALESTINIAN  
REFUGEES IN THE NEAR EAST  
(UNRWA)**

**EVALUATION REPORT**

**June 2008-January 2009**

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## ***Acknowledgments***

At the time of finalizing this report, large parts of the areas visited during the evaluation mission are once again in turmoil with unprecedented levels of suffering<sup>1</sup>. Clearly, the involvement of Europe in the peace process and the support given by DG ECHO to partners like UNRWA in the humanitarian effort are vital.

It is in this very difficult context that the evaluation team would like to express its thanks to all those who contributed to making this evaluation a fascinating exercise:

- the different DG ECHO teams in the field and in Brussels;
- the UNRWA teams who did their utmost to ensure that the mission went smoothly from the top management level to the smallest project team in the field;
- the DG ECHO and UNRWA colleagues who provided useful remarks and contributions to the report, especially the DG ECHO Evaluation Unit and UNRWA External Relations Unit and finally;
- all the people we met in Lebanon, Gaza, the West Bank and Jordan.

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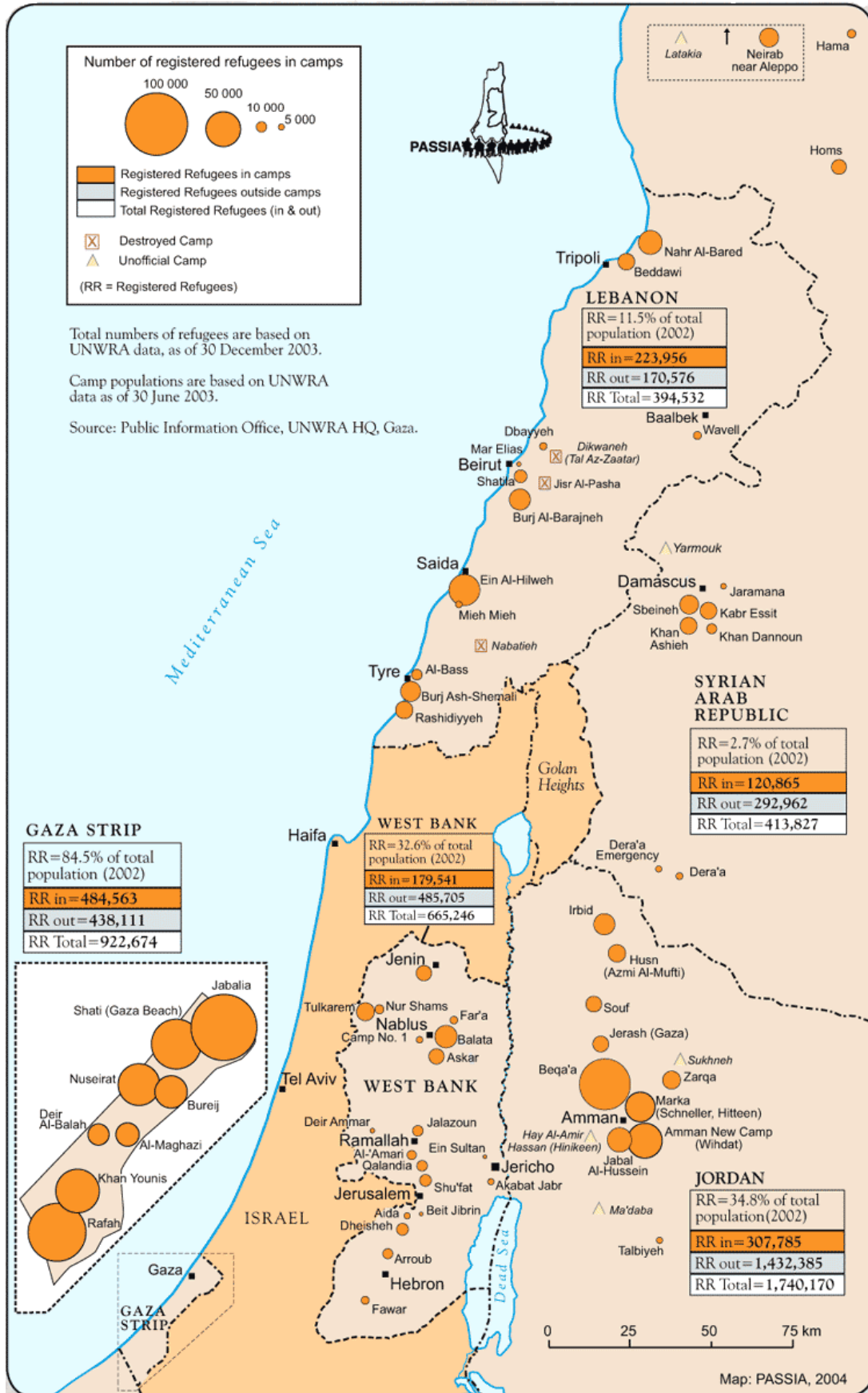
<sup>1</sup> The report does not take into consideration the recent events and humanitarian crisis in the Gaza Strip, and hence reflects the partnership between DG ECHO and UNRWA prior to the 27.12.2008

## ***List of acronyms***

ANSO	Afghanistan NGO Security Organisation
CBO	Community Based Organisations
CCO	Comité de Coordination des ONG
CPA	Conflict and Peace Analysis
DCI	Development Cooperation Instruments
DG RELEX	Directorate General for External Relations
DG ECHO	Directorate General for Humanitarian Aid
EC	European Commission
ENGO	European NGO committee
EPSS	Emergency Programme Staff Service
ERD	External Relations Department of UNRWA
FAFA	Financial and Administrative Framework Agreement
GANSO	Gaza NGO Security Organisation
HWC	Health Work Committees (West Bank)
ICRC	International Committee of the Red Cross
IDF	Israeli Defence Forces
IHL	International Humanitarian Law
IT	Information Technology
LPCD	Lebanese Palestinian Commission for Dialogue
LRRD	Linking Relief, Rehabilitation and Development
M&E	Monitoring and Evaluation
NGO	Non Governmental Organisation
OD	Organizational Development
OECD	Organisation for Economic Cooperation and Development
OHCHR	Office of the High Commissioner for Human Rights
OPT	Occupied Palestinian Territory
PA	Palestinian Authority
PCBS	Palestinian Central Bureau of Statistics
PNGO	Palestinian NGO Network
PMRS	Palestinian Medical Relief Society
PMU	Programme Monitoring Unit
PRCS	Palestinian Red Crescent Society
PWA	Palestinian Water Authority
RAM	Resource allocation mechanism
RAC	Resource Allocation Committee
RBM	Resource Based Management
SFP	Supplementary Feeding Programmes
SHC	Special Hardship Cases
TA	Technical Assistant
TIM	Temporary International Mechanism
UNCCP	United Nations Conciliation Commission for Palestine
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNGA	United Nations General Assembly
UNHCR	United Nations High Commissioner for Refugees
UNRWA	United Nations Works and Relief Agency for Palestinian Refugees in the Near East
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation

# Map of the areas concerned

## Palestinian Refugees - Area of UNRWA Operations



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## EXECUTIVE SUMMARY

### I. INTRODUCTION TO THE EVALUATION

The Framework Partnership Agreements between DG ECHO and humanitarian organizations include the contractual obligation to conduct evaluations of each partnership. Such evaluations are an opportunity to learn lessons and improve overall effectiveness.

This document presents the main results, conclusions and recommendations of the evaluation of the partnership between DG ECHO and UNRWA. The work was carried out between June 2008 and January 2009 by a team of 2 consultants from Groupe URD. The evaluation involved numerous interviews in Brussels, as well as field visits in Lebanon, Jerusalem, the West Bank, Gaza and Jordan.

The evaluation of the DG ECHO-UNRWA partnership took place in coordination with an ongoing external evaluation from an EU Member State, Germany. The coordination between the two processes proved useful and interesting.

### II. A COMPLEX AND HIGHLY SENSITIVE CONTEXT

The creation of the State of Israel in 1948 led to a massive exodus of Palestinians who settled in neighbouring countries. The United Nations Relief and Works Agency (UNRWA) was established by the United Nations General Assembly Resolution 302 of December 1949 to deliver services to these refugees. In 1967, a new war erupted causing another wave of refugees. The wider region has remained extremely turbulent, with many crises linked in some way to the Palestinian issue. The Black September crisis in Jordan, the first and second Intifadas in the Occupied Palestinian Territories (OPT), the Israeli military occupation of Lebanon and the recent war there, the inter-factional confrontations between Palestinian groups, the Nahr El Bared disaster and the ongoing crisis in Gaza are just some of the major events in the last decades. The situation in the Middle East and the Palestinian question regularly make front page news. It is within this context that the DG ECHO-UNRWA partnership operates.

### III. UNRWA: FROM AN OUTDATED TO A MODERN FORM OF MANAGEMENT

Until a few years ago UNRWA's management was often described as 'old-fashioned' by various stakeholders, including donors. In 2004, as a result of an observed decrease in the quality of services it was providing and a worrying level of underfunding<sup>2</sup>, UNRWA began a complex reform process reinforced by a DFID funded management review, an evaluation of its emergency response capacity<sup>3</sup> and the production of a five year Mid Term Plan<sup>4</sup> to reform the organisation. The change process culminated in the launch of a very challenging process: the Organizational Development (OD).

Under its new leadership, the challenge facing UNRWA was to shift from the management style of the 1960s to that expected from large UN institutions in the 21<sup>st</sup> century. Many procedures and processes have changed or are in the process of being improved. One of the biggest challenges is to move from aid allocation according to status to a system which targets the most vulnerable groups. Such a change will be to the benefit of some and the detriment of others and therefore carries a certain level of risk.

<sup>2</sup> Speech of Peter Hansen at the Geneva 2004 Conference, UNRWA web site

<sup>3</sup> "Review of UNRWA's emergency activities in the Occupied Palestinian Territories 2000-2005, ODI/HPG; London, November 2006

<sup>4</sup> A better future for Palestine refugees: UNRWA five year Mid Term Plan 2005-2009



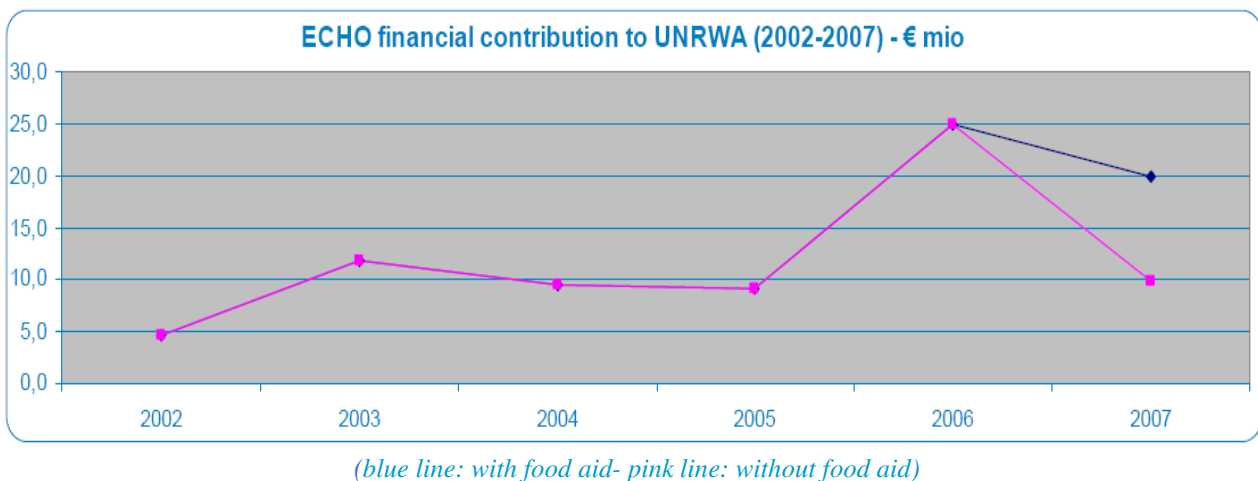
The main governance mechanism for UNRWA is the Advisory Commission (AdCom), which comprises among its members the representatives of the countries in which UNRWA operates (Jordan, Lebanon and Syria) as well as donor representatives (USA, EC, etc.). The AdCom is currently very involved in monitoring the OD process.

It is important to underline that the contexts in which UNRWA operates vary a great deal and present challenges of different kinds. Coordination and collaboration with other aid sector stakeholders differs from one field of operations to another. For example, until recently, UNRWA Lebanon was very reluctant to collaborate with either UN agencies or NGOs. On the other hand, UNRWA Gaza and West Bank were much more open to and engaged in inter-agency coordination.

#### IV. THE DG ECHO-UNRWA PARTNERSHIP

The European Union is involved in a number of ways the area where UNRWA is active: participation of the European Council in the Quartet, economic relations between the EU and the region (especially the special economic agreements with Israel) and assistance to the Palestinian Authority through various aid mechanisms. The European Union's support for UNRWA takes place via a number of mechanisms, the main ones being connected to External Relations (Directorate General for External Relations-DG RELEX and **DG AIDCO**<sup>5</sup>). This is complemented by the DG ECHO-UNRWA partnership. This partnership, which takes the form of a Financial and Administrative Framework Agreement (FAFA)<sup>6</sup>, was initiated in 2005. It was first signed in 2000 and gives duties and responsibilities to each of the partners.

DG ECHO has given UNRWA regular support since 2002 (beginning of the 2<sup>nd</sup> Intifada) and particularly in terms of humanitarian aid following conflicts in the region. DG ECHO is the second major donor (after US' State Department's Bureau of Population, Refugees and Migration –PRM) in terms of response to UNRWA Emergency Appeals. Between 2000 and 2007 it contributed up to 14% of total funds for emergency appeals<sup>7</sup>.



*Financial Contributions of the Humanitarian Aid Department (DG ECHO) of the European Commission to the United Nations Works and Relief Agency from 2002 to 2007, Directorate B Support to operations, Unit B/1*

<sup>5</sup> DG AIDCO (EuropeAid) is the Directorate-General of the European Commission that is responsible for implementing external aid programmes and projects across the world

<sup>6</sup> The FAFA is a framework agreement between the European Commission and UN agencies entitled "the *Financial and Administrative Framework Agreement (FAFA)*". This Agreement fixes the general legal framework for the relations between the Commission and the signatory UN organisations in the domain of humanitarian aid.

<sup>7</sup> See Pledges to UNRWA's emergency appeals from 4 October 2000 up to 31 March 2007 annexe n°3

Certain programmes have a long history, such as the shelter programme, which provides for the rehabilitation of vulnerable people's houses. Others are more recent, such as the programmes linked to the Nar El Bared crisis. DG ECHO's support to UNRWA includes economic support to vulnerable groups via various mechanisms to inject food and cash at the family level.

One of these mechanisms is the Special Hardship Cases (SHC) Programme. This programme however, while extremely useful, is more of a regular social assistance safety net than emergency humanitarian aid. DG ECHO also helped to enhance the capacity of UNRWA in different ways, for instance in the communication and shelter sectors where DG ECHO funds key specialised staff within UNRWA.

There is regular dialogue between the two partners on operational issues. Exchange also takes place as part of the FAFA by means of mechanisms such as the "verification process"<sup>8</sup>.

## V. RECOMMENDATIONS FOR THE TWO PARTNERS

**There is no doubt that this partnership is important, healthy and should be continued. There is also room for improvement. This is presented in the section below.**

A series of recommendations have been drawn up which deal with the following areas:

- improving the response to identified needs;
- improving UNRWA effectiveness, efficiency and capacity to deliver quality;
- improving the communication between DG ECHO and UNRWA;

Many of the recommendations here are very much in line with the Organizational Development (OD) process and its various expected institutional changes.

As requested in the evaluation Terms of Reference, a strategic evaluation matrix has been prepared. It underlines the main conclusions, lessons learnt and recommendations and facilitates cross referencing with the main report by indicating as "ref" the number of the concerned paragraph in the text.

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<sup>8</sup> The verification process is the mechanism that is used as a substitute to the classical audits in the framework of the FAFA

MAIN CONCLUSIONS	LESSONS LEARNT	Ref.	RECOMMENDATIONS	Ref
<p>The DG ECHO-UNRWA partnership makes sense, is healthy and should be continued. It forms an essential part of the EU involvement in the response to the crises in the Middle East.</p>	<p>A protracted and highly sensitive crisis creates a wide variety of needs amongst which there are ongoing acute humanitarian needs.</p>	<p>§20 §28</p>	<p>The DG-ECHO UNRWA partnership should remain in place.</p>	
	<p>The UNRWA/DG ECHO partnership is a way to ensure a constant flow of humanitarian information to other EU levels. This flow of information is fundamental to the EC's humanitarian and IHL-based discourse and allows it to put more pressure on parties to the conflict to respect IHL and on Israel to fulfil its responsibilities as an occupying power.</p>	<p>§71 §126</p>	<p>This should be continued and the DG ECHO staff involved should be offered encouragement in what is an often frustrating exercise.</p> <p>The DG ECHO/UNRWA partnership should provide opportunities for key European representatives to come and assess the situation first hand, including in Gaza.</p>	<p>§126 §79</p>
	<p>The problematic question of closure and restriction of movement and the direct links with the use of European resources should be considered a question of accountability towards 'tax payers'. The EC as a whole (including DG ECHO) and the EU Member States should not accept the level of losses incurred (in terms of quantity and quality) due to import practices and access restrictions regarding aid for Gaza and the West Bank.</p>	<p>§111 §112</p>	<p>This issue should be addressed regularly at different levels (including Brussels and European capitals when needed).</p> <p>UNRWA should prepare a consolidated report on losses incurred in the process of crossing the Gaza crossing points and make it available to donors, including DG ECHO.</p>	<p>§121</p>
	<p>Internal EC coordination processes are essential when dealing with such a partnership, involving various instruments in different locations.</p>	<p>§96</p>	<p>Efforts such as the Dead Sea Retreat to enhance internal communication within DG ECHO, with the EC delegations, and between DG ECHO HQ and the different field offices should be continued in order to establish a more structured and regular communication system. This will also facilitate a regional approach to the crisis and a more coherent approach to UNRWA.</p>	<p>§126</p>

MAIN CONCLUSIONS	LESSONS LEARNT	Ref.	RECOMMENDATIONS	Ref
The impact of the OD is clear and contributes significantly in making UNRWA more effective and efficient.	<b>Lessons learnt linked to relevance</b>		<b>Responding to needs</b>	
	A protracted crisis creates a large diversity of needs in which developmental needs are interlinked with acute humanitarian needs.	§53	To make the most of their added value, DG ECHO funds should be used preferably to cover: - Emergency/ humanitarian needs linked to crisis situations, such as emergency preparedness, emergency food aid/cash for work, protection issues, etc. - vital needs which are not being covered... until they can be covered by other longer term and sustainable mechanisms.	§123 §126
	For many historical and political reasons, no international institution is <i>explicitly</i> in charge of the protection of Palestinian refugees (neither UNHCR nor UNRWA). This situation creates some very serious protection gaps, e.g. in Lebanon.	§83 §60	UNRWA should continue to develop a comprehensive protection strategy, and ensure that it becomes operational in collaboration with all stakeholders involved (UNHCR, OHCHR, NGOs, and ICRC). DG ECHO should further support UNRWA and other DG ECHO partners to ensure that protection of Palestinian Refugees improves (option of either specific Capacity Building programmes or integration of these projects in geographic funds).	§119
	Identifying, defining and responding to humanitarian needs, without creating negative effects, can become difficult in such a protracted crisis with long term assistance.	§71 §72 §73	DG ECHO could propose the creation of an emergency appeal and crisis management process within Ad Com. This could either take the form of a special subcommittee or a regular agenda item.	§125
	In protracted crises, social safety nets are essential to support the less resilient people. However, they require a sustained and durable commitment which is more likely to be provided effectively by instruments with a long term perspective.	§59	The budget for the Special Hardship Case programme should be more logically handled by long-term EC instruments rather than by DG ECHO	§126 §40
	The ‘status based’ or ‘rights based’ approach can create problems (unfairness, inequity, etc.) if it is not complemented with a ‘needs based’ approach. The transition from one to the other is extremely sensitive and requires vision, pedagogy and leadership, if security incidents are to be avoided.	§54 §56 §58	UNRWA should continue to invest in targeting. DG ECHO should continue to support socio-economic surveys, the improvement of databases for the identification and targeting of beneficiaries and monitoring of the economic situation through allocation of resources to its partners.	§118
	Pre-crisis preparedness measures such as surge capacity with other UN agencies and NGOs, clarification of procedures to move from “normal” mode to “crisis response” mode in terms of HR, stock mobilisation, etc. are essential for proper response.	§89	UNRWA should develop its disaster management capacity; DG ECHO should allocate resources and expertise for crisis preparedness (option of either specific Capacity Building programmes or integration of these projects in geographic funds).	§119

MAIN CONCLUSIONS	LESSONS LEARNT	Ref	RECOMMENDATIONS	Ref
	<b>Lessons learnt linked to effectiveness, quality and efficiency</b>		<b>Improving UNRWA effectiveness, capacity to deliver quality and efficiency</b>	
	When there is no external pressure or extreme challenges, the quality of the coordination of the crisis and post crisis responses is not always optimal, while it is often a very critical factor. Coordination has not been the strongest point of UNRWA, especially in Lebanon.	§33 §94	Support the creation of an Inter-Agency coordination post in UNRWA (senior inter-agency liaison officer who could increase the capacity of UNRWA to better interact with other agencies).	
			Support the strengthening of the NGO coordination mechanism in Lebanon through the allocation of resources to one of the NGO partners.	§122
	Working in turbulence requires special set ups, teams and procedures. UNRWA's capacities differ from one area to another, which can create difficulties. This diversity, which could be an asset if it is the result of a strategy to deal with complexity, requires special attention.	§88 §89	UNRWA should continue its efforts in streamlining procedures and enhancing its capacity to use Project Cycle Management (PCM).	§124
			UNRWA should pursue its investment in quality management.	
			DG ECHO should support technical activities aiming at improving the quality of the programmes.	§98
	The importance of proper managerial systems has been once again demonstrated by the OD process.	§109	The EC, including DG ECHO, should continue to support the OD process and find innovative means to contribute to it.	
There is room for improvement on both sides.	<b>Lessons learnt linked with communication between partners</b>		<b>Make the relations between the partners more fluid and strategic</b>	
	Communication processes between partners are essential in partnerships like these which involve so many locations (different fields of operation, different HQs for both partners).	§88	Pursue the improvement of communication between DG ECHO and UNRWA. - <u>at the field level</u> : in terms of day-to-day operations, DG ECHO staff and UNRWA personnel should pursue technical operational discussion, under the supervision of the External Relation Department and its Donor Liaison Units as recently created within UNRWA Lebanon.	§124
		§108	- <u>at the strategic level</u> : While a lot of issues are discussed in the wider context of the AdCom, a strategic dialogue framework should be established between DG ECHO and UNRWA ("SPD type" mechanism),	§125
	<b>Lessons learnt linked with external communication</b>		<b>Improve communication and visibility</b>	
	The specificities of the Palestinian crisis within the current international context and the growing tension between the western and Arab-Islamic worlds make communication about Europe's support to UNRWA critically important	§79	Communication aimed at Palestinian populations and the Arab world should be further developed	§128
		§127	Communication aimed at the European public should be enhanced	
			DG ECHO should provide UNRWA with support for its 60th anniversary commemorations	

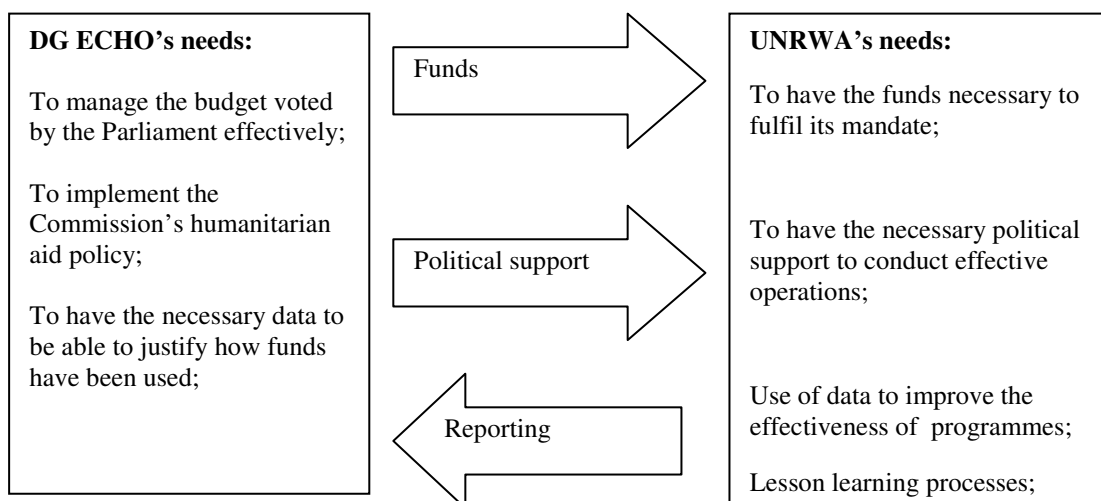


## MAIN REPORT

### 1. INTRODUCTION

1. The partnership evaluations are the result of contractual commitments between DG ECHO and its main partners. This first evaluation of the DG ECHO-UNRWA partnership was planned in the Financial and Administrative Framework Agreement (FAFA). It is also part of contractual obligations in European Council Regulation N°1257/96 which states that the humanitarian aid financed by the European Union should be regularly evaluated to check that it is effective and to make recommendations to improve it.
2. It is important to underline that this is not an evaluation of UNRWA as an organisation or a series of evaluations of its operations in the field but an evaluation of the contractual relationship between DG ECHO and UNRWA. The objective of this evaluation is to improve the partnership for the benefit of the Palestinian refugees by identifying its strengths and weaknesses.
3. The origins of the word ‘partnership’ are linked to the notion of sharing: sharing objectives, values, means, etc. In more up to date terms, the DG ECHO-UNRWA partnership is a contractual relationship which encompasses:
  - A set of common general goals and specific objectives;
  - The respective duties and responsibilities of the two partners;
  - The flow of means and information between the two partners;
  - A jointly agreed mechanism to verify if the partnership functions and achieves its objectives.
4. This partnership can be seen as a two-way client-supplier relationship where each of the partners is both ‘client’ and ‘supplier’:

#### The shared interests of the DG ECHO-UNRWA partnership



5. The aim of the Partnership evaluation is to analyse this special relationship and its impact on the people that both institutions aim to assist.

## 2. METHOD

### 2.1. "Partnership evaluation": an exercise requiring a specific method

6. This evaluation looks at how the partnership, with its related duties and responsibilities, contributes to the objectives of both parties. The Terms of Reference of the mission can be found in Annex N°1 of the present report. For DG ECHO and UNRWA, this means judging whether it helps to:

- alleviate the suffering of the Palestine refugees affected by the ongoing crisis or living in especially appalling situations;
- ensure that the resources that UNRWA received from the European Commission via DG ECHO under the Financial and Administrative Framework Agreement (FAFA) are used in the best and most accountable manner.



7. An evaluation of this kind requires constructive dialogue between the evaluation team and the two partners. In order to establish this and in view of the complexity of the task, the Evaluation team used the Quality COMPAS, a quality approach centred on the affected populations, to evaluate the partnership. The Quality COMPAS is presented in Annex N°4.

Feed back session with UNRWA (photo Groupe URD)

### 2.2. The Evaluation team

8. The evaluation team from Groupe URD was comprised of two experienced evaluators already accustomed to the difficulties of partnership evaluations (having carried out the evaluation of the DG ECHO-ICRC partnership in 2005-2006) and familiar with the region's complexity as a result of earlier work in the area. The team was also able to respond to the partners' requirements with maximal flexibility and was able to coordinate effectively with the German UNRWA evaluation process.



The evaluation team with UNRWA staff in Nahr El Bared camp in Lebanon

9. Gender balanced (a man and a woman), the team was also able to meet both men and women among the beneficiary population, and to ensure that all points of view could be taken into account.



### 2.3. Data collection and analysis

10. The two consultants visited various projects, from emergency projects (food distribution, job creation programmes) to regular UNRWA projects (Health and Education), in different fields of operation (Gaza, West Bank, Lebanon). They had meetings with field and management staff in the different Field Offices, as well as with UNRWA HQ (in Jerusalem, Gaza and Amman).

11. The data collection method comprises different components:

- **Desk review:** While DG ECHO provided a lot of information about the operations and issues related to the partnership, the evaluation team explored other sources, including sources from Palestinian NGOs, UN institutions, international NGOs and research institutes, in order to broaden its perspective. During the course of the mission, additional documentation, including UNRWA documentation gathered in the field, was collected and taken into account. Annex N°5 presents the bibliography of consulted sources.

- **Field work:** The evaluation mission visited four out of the five UNRWA fields of operation: Lebanon, Gaza, the West Bank and Jordan. The itinerary of the mission is presented in Annex N°2. The field work included:

- **Interviews with key informants:** DG ECHO field experts of DG ECHO, staff from the different EC delegations and from UNRWA and representatives from NGOs, the ICRC and UN organisations were met. Specific Member States, especially Germany, which is currently conducting a similar evaluation of its own partnership with UNRWA, were met in the field. When appropriate, Lebanese and Palestinian Authorities were also met.
- **Direct observations and interviews with beneficiaries:** This is a standard operating procedure in any evaluation carried out by Groupe URD in the course of field visits, and took place in all the fields covered by the mission. Key inputs to the evaluation come from the interviews with UNRWA beneficiaries in the field, encountered either on operation sites (food distribution, watering points, etc.) or picked out at random in the street or at their homes.
- **Production of an “Aide memoire” at the end of each field visit:** This exercise proved very useful both as a stock taking exercise and as a transparency/dialogue tool between the evaluation team, DG ECHO and UNRWA. The analysis of all information collected was done using the Quality COMPAS method and its quality criteria reference system (see annex N°4)

#### **Upon return from the field:**

- **A first feedback session upon return and additional interviews within DG ECHO** to fine tune analyses and the drafting of recommendations. This session allowed for additional discussions with the staff from DG ECHO who carried out the verification mission and to review a few points with DG ECHO’s Communication Unit and Capacity Building manager.
- **Production of the draft after a first debriefing with DG ECHO and UNRWA:** In order to ensure proper feed back from all stakeholders involved, an iterative process took place. A first draft of the report was then produced and circulated, revised and further reviewed.
- **Production of the final report:** On the basis of all the comments collected, the Evaluation team finalised the report.

## 2.4. Coordination with other ongoing evaluation or verification processes

12. Coordination with the German evaluation process: As Germany had launched a relatively similar process with UNRWA, it was felt that coordination between the two processes, which had already been initiated between the two HQs, should continue. This took the form of a joint briefing prior to departure, a telephone conference on the 8th of July, regular contact between the two teams in the field, a briefing in Lebanon involving both DG ECHO and German diplomatic representatives and exchange of notes and information on other areas by phone (as the German team completed its work earlier in the OPT). This coordination process continued with a series of exchanges which permitted a joint DG ECHO- German Government statement at the Ad Com in November 2008 and an additional meeting in Berlin in early December 2008 between the evaluation manager of the DG ECHO Evaluation Unit, representatives of the German Ministry of Foreign Affairs and the two evaluation teams.
13. Coordination with the ongoing DG ECHO verification mission: Undertaken in connection with the FAFA, the verification mission took place between the end of July and the middle of August. In order to limit the burden on staff in operational areas and ensure that collaboration was possible, contact was established between the two processes at both the initial briefing and post-field mission stages.

## 2.5. Constraints and limits

14. Despite the complexity of the region and the delicate security situation, the mission encountered no major limits other than those encountered in most evaluation exercises. Time constraints, delays during movements (7 hours waiting at Erez Checkpoint, 4 hours at the King Hussein Bridge, etc.), and the number of programmes to visit made it difficult to have long discussions with beneficiaries. The timing chosen (summer) for the mission could have created some difficulties as this is the holiday period, but as most of the evaluation's stakeholders were present in the field, this choice did not create any major constraints.

### 3. UNDERSTANDING THE CONTEXT

#### 3.1. A long-lasting and multiple phase crisis

UNRWA's fields of operation are marked by long-lasting instability.

##### 1948: The creation of the Palestine refugee problem:

15. The creation of the State of Israel is the result of a long historical process which started at the end of the 19<sup>th</sup> century. Following the Balfour Declaration of 1917, the terrible events of WWII and the 1947 UN Partition Plan, the State of Israel was created in 1948, incorporating large territories occupied by Arab populations and Bedouin tribes. A series of dramatic events, which culminated in the Der Yassin massacre, induced a sudden exodus of this population – the 1948 refugees. They moved from what had previously been Palestine, under British mandate, to nearby Jordan, Egypt, Lebanon and Syria. At that time, it was imagined that these Palestine refugees would return to their homes and the United Nations General Assembly (UNGA) Resolution 194, adopted in December 1948, clearly made this right of return official.

##### 1967: New war, new waves of displacement:

16. On June 5, 1967, Israel attacked Egypt. Following the “6 Day War”, Israel occupied the Sinai desert (taken from Egypt), the Golan Heights (taken from Syria), the West Bank (taken from Jordan), Gaza (taken from Egypt) and East Jerusalem (taken from Jordan) inducing a second wave of refugees. UN Security Council Resolution 242 of November 1967 called on Israel to withdraw its army from the Occupied Territories, i.e. the West Bank and Gaza. Once more, Palestinians had to leave their villages, moved to various different areas and acquired different statuses.

##### The protracted and multi-phase Palestinian crisis

17. Since 1967, there has been a long period of confrontation between a resistance movement with artillery capacity to defend their cause, and one of the most sophisticated armies in the world. This crisis has gone through several different phases:

In neighboring countries:

- the events in Jordan in 1970, Black September and its aftermath;
- the Lebanon crises, the various Israeli military operations (1980, 2006), the events in Sabra and Chatilla and the latest Nar El Bared disaster;

In the Occupied Territories:

- The first Intifada (1987-1993);
- The Oslo agreement period and the establishment of the Palestinian Authority (September 13<sup>th</sup>, 1993),
- The second Intifada (2002-2004), the “closure policy” and the building of the Wall (2004),
- The unilateral withdrawal of the Israeli troops and settlements from the Gaza Strip,
- The post 2006 election and the Hamas-Fatah split.



Gaza strip: impact of 2007 military operation (photo Groupe URD)

### 3.2. A wide diversity of situations

18. The Palestinian refugees currently find themselves in a number of different situations. This diversity is the result of:

- different national contexts in which the Palestine refugees now live;
- new borders which have been established following conflicts in the region since the 1948 exodus (1967 war, Israel invasion of Lebanon in 1982, the negotiations for the return of Sinai to Egypt, etc.);
- the different phases of the exodus and the subsequent settlements which have meant that a population that was once relatively homogenous is now scattered in different countries under different statuses and different living conditions.

#### Typology of the Palestinians Refugees

	<b>Lebanon</b>	<b>Gaza</b>	<b>West Bank</b>	<b>Jordan</b>
Descriptions	<p>There are different categories depending on the date of the exodus and the location where they live:</p> <ul style="list-style-type: none"> <li>- 1948 Palestine refugees living in camps</li> <li>- 1967 Palestinian refugees living in camps</li> <li>- 1967 Palestinian refugees living outside the camps (Gatherings)</li> <li>- 1971 Palestinian refugees.</li> </ul>	<p>60 to 80 % of the Gaza strip population is made up of what are known as 'Palestine' refugees as they moved from what is now Israel to Egyptian-controlled Gaza during the Nakbah in 1948-1949.</p>	<p>The West Bank comprises a certain number of camps created just after 1948. It also hosts UNRWA registered 1948 refugees who have either not settled in camps or who have left them. These "1948 Palestine refugees" live among non-refugee Palestinians.</p>	<p>The 1948 refugees live either in Jordanian cities or in camps and have access to all the services provided by UNRWA as well as those provided by the Jordanian government to its citizens. The 'Gazeans', who lived in the Gaza strip under Egyptian rule up to the 1967 war and then fled to Jordan.</p>

### 3.3. Resilience stretched to the limit

19. If a few words were used to describe UNRWA's different fields of operation and the population it supports, they would be: sensitivity, diversity, volatility, unpredictability, complexity, resilience, endurance, and the protracted nature of the crisis.

20. The events described above have led to the dispersal of the Palestine refugees but also to a sense of unity. However, the protracted nature of the situation has meant that the Palestinian population has had to demonstrate an incredible level of resilience. The events since 2002 and the beginning of the second Intifada in the WestBank and Gaza and to a greater extent since 2006 (post Hamas elections in the OPT, war in Lebanon and Nar El Bared crisis) are now eroding this resilience considerably, in terms of society in general, and on an individual level.

21. The United Nations' Relief and Work Agency (UNRWA) and the donors behind it, including the EC, have played a critical role in supporting this resilience over what is now nearly six decades of the "Palestinian refugee crisis". DG ECHO plays a specific role among the EC instruments as it focuses on the response to needs arising from disasters and crises.

## 4. UNRWA: A UNIQUE AGENCY FOR A UNIQUE SITUATION

### 4.1. UNRWA: the agency created to support the 1948 Palestine refugees

22. The United Nations Relief and Work Agency (UNRWA) was created by UNGA resolution 302 of December 1949 to deliver services to 914,000 Palestine refugees and began operations in May 1950. Its mandate, to provide essential education, health and relief services to registered Palestine refugees, has been renewed repeatedly ever since.

23. Since this period, the Palestinian population has grown significantly. There are now over 4.6 million UNRWA registered Palestine refugees, although not all of them live in camps. Many have migrated overseas, or have settled outside camps when this has been allowed by the Host Countries, but have remained registered with UNRWA. It is estimated that only one third of the Palestine Refugees live in camps. Others lost their UNRWA registration cards when they married non 1948 refugees.



24. While UNRWA's mandate was relatively well defined in the UNGA Resolutions, the fate of the Palestinian population and the geopolitical characteristics of the region have gone through major changes. Establishing what is under UNRWA's responsibility and what is not has become more problematic.

Streets in Gaza refugee camp (photo Groupe URD)

### **25. Basic "care and maintenance" package in health and education**

- Providing healthcare has been a critical part of UNRWA's work since the early 1950s. The 122 health clinics in the camps in Lebanon provide mainly preventive and first line curative care. They are part of a larger pyramid-structured health system within which national hospitals have signed special agreements with UNRWA to manage serious cases. This reference system functions with assistance of the Palestinian Red Crescent with the help of the Lebanese and Norwegian Red Crosses (the later supported by DG ECHO under a specific project). In the camps in Jordan, health care is also partly provided by UNRWA supported structures and partly through the Jordanian Health system. In Gaza, the UNRWA supported hospitals and health centres represent the major part of the broader health care system in the Strip, complemented by the activities of the Palestinian health public service, the Red Cross and Red Crescent movement, several other DG ECHO partners and Palestinian NGOs. Though a lot is free, there is a certain level of cost recovery for certain health services. It is important to realise that the health profile of the population has evolved with time. There has been an increase in non-communicable diseases due to an ageing population, confinement and camp syndrome. These require treatment which is far too costly to be covered by UNRWA.

- Providing education to refugee children is by far the most important “long term responsibility” given to UNRWA in terms of the future of each individual and the Palestinians as a people. It accounts for half of the Agency’s annual budget. Free elementary and preparatory education is provided in more than 660 schools across the 5 fields of operation. In addition, special education programmes exist, such as the secondary education programme in the camps in Lebanon, in the Gaza Strip and in West Bank.

Under the supervision of UNESCO, UNRWA has harmonized its curricula with that of the host countries in each of its fields of operation. Particular effort has been made in recent decades to cover the educational needs of girls and to deliver high quality educational services. However, this has been counterbalanced by rapid growth in the number of pupils which has not been matched by parallel growth in educational resources, and by the negative impact of the economic and access situation.



## 26. Relief, social and economic services for vulnerable groups

UNRWA’s activities in support of the different vulnerable groups within the Palestine Refugees are numerous:



Interview with beneficiaries of the SHC programme (photo Groupe URD)

- The Special Hardship Case programme (SHC)<sup>9</sup>. Targeting the most vulnerable Palestine refugees (approximately 6%), the SHC programme is a “social safety net” programme that would be the responsibility of a Ministry of Social Affairs in an ordinary country. The beneficiaries of the programme receive cash and food assistance. All the beneficiaries of the SHC programme spoken to in interviews – often elderly, handicapped women responsible for large families where most children are too young to work - underlined how vital this programme is for them.

- The Special Feeding Programme (SFP). This programme targets pregnant and breastfeeding women, with the distribution of additional food rations. In most cases, SFPs have a nutritional objective, i.e. to improve the quality of the diet of specific populations in terms of protein and micro-nutrients. UNRWA’s SFPs are not designed in this way and simply provide additional support in kind. There is some doubt about whether it should remain this way or whether it should be modified to either make it a real ‘nutritional programme’ (to respond particularly to the high rate of anaemia), or to make it a real cash support programme.
- Microfinance. UNRWA’s microfinance and microenterprise programme is an original attempt to help groups gain access to financial resources through group lending schemes. Since its inception in 1991, over 163,000 loans worth US\$177 million have been critical in limiting the deepening of the economic crisis for its beneficiaries.

<sup>9</sup> Several stakeholders assisting the Palestinian people have different programmes with the acronym SHC. See Annex N°8 for further clarification.

27. **Specific projects** which are required because of the poor state of certain buildings and infrastructure after years of neglect, little or no maintenance and demographic pressure due to the growth of the Palestinian population, notably:

- The Camp improvement initiative: First launched in Lebanon, this operation now concerns all the camps.
- Water/sanitation maintenance work: The growing population in the camps and changing behaviour has made the maintenance and improvement of water and sanitation infrastructure a basic public health issue. People interviewed underlined how critical these activities are, in view of the overcrowding in almost all the camps.
- The Shelter Programme: While most people have managed to improve their own houses in the camps, a certain number of very vulnerable individuals or families still live in appalling conditions. UNRWA supports the rehabilitation or, if needed, the complete reconstruction of these houses. Local Palestinian entrepreneurs are involved, to provide employment opportunities in the camps.

28. **Emergency programmes**<sup>10</sup> to respond to changes in the socio-economic situation caused by a deterioration of the political situation or to needs arising from military operations.

- The Emergency food aid programme: This programme is one of the ways UNRWA responds to the increasing difficulty many families face in accessing or buying food due to the deterioration of the economic situation caused by the conflict and the West Bank/Gaza closures. Food such as flour, rice, lentils, sugar, whole milk and sunflower oil is distributed in parcels. The targeting system for this food aid is currently being improved.

The Emergency employment programme: Initiated as a result of the “closure policy” and the related loss of job opportunities, this programme aims to inject cash into local economies and family livelihoods under “economic stress” in Gaza and the West Bank. Indeed, joblessness has now reached huge proportions in both Gaza (80 %) and the West Bank (68 %) <sup>11</sup>. This is having a terrible economic and psychological impact on Palestinian society and the resilience of its people’. The Emergency employment programme helps specific categories of people to access short term job opportunities on a rotating basis.



<sup>10</sup> The use of the word “emergency” is misleading. What UNRWA wants to underline with this specific categorisation is that these programmes are of a clear humanitarian nature, as opposed to more developmental and regular programmes, which should be under the regular budget. They either respond to crisis peaks (military operations, etc.) or the increased deterioration of people’s living conditions due to the economic blockade in Gaza and movement restrictions imposed on all OPT. They are more “humanitarian” than “emergency” programmes.

<sup>11</sup> Source : Palestinian Centre Bureau for Statistics (PCBS)

There are several modalities depending on the type of job (casual labour, more technical or specialized professions) and the location:

- In the Gaza strip, UNRWA directly employs Palestine refugees to ensure proper staffing in health and education institutions. This represents more than 4.5 M job days of employment for roughly 55 000 UNRWA registered refugees.
- In the West Bank, there are two modalities: (a) UNRWA directly hires Palestinians to staff schools and health centres (b) UNRWA support local institutions (women centres, municipal administrations) so that they can hire the staff they need (indirect hiring).

29. While this programme is very useful, as it provides hope and facilitates some infrastructure maintenance, it probably has a limited economic impact: beneficiaries explained that one month of a relatively low salary every 6-12 months cannot really get a family out of the poverty trap (as participation to this programme is limited to one month per year and is remunerated 360 USD). The main limit to this programme is the availability of funds: more resources would mean more people were employed, which would mean faster rotation between periods of employment and would have a greater economic impact for families.

30. There are, nevertheless, non-measurable impacts. By providing professional experience, the employment programme helps specific sections of the Palestinian population to access better jobs. For example, it increases opportunities for women's employment, thus limiting their isolation. Some young staff met during the mission underlined how this first experience was instrumental in finding their second job.

31. The purpose of the emergency job creation programme is to ensure that the most vulnerable can ensure, at least for a short time, some income in order to inject cash into the household. Moreover, the rehabilitation done should be useful to the community. While there is no doubt that there is a need for recreation parks and police stations, using humanitarian funds for this purpose (as has been done in Nablus via indirect hiring in the context of the Emergency Employment Programme) may not be the most appropriate choice.

32. The main governance mechanism for UNRWA is the Advisory Commission (AdCom), which comprises among its members representatives of the countries where UNRWA operates (Jordan, Lebanon and Syria) as well as representatives from donors (USA, EC, etc.). The AdCom meets twice a year at the plenary level and there are extra-ordinary meetings. A series of 'working groups' were initially planned, but only one sub-committee exists in practice.

33. Coordination and collaboration with other aid sector stakeholders differ greatly from one field of operation to another. Until recently in Lebanon, UNRWA was not very open to collaboration with either UN agencies or NGOs. On the other hand, UNRWA in Gaza and the West Bank are engaged in a great deal of inter-agency coordination, especially with UNOCHA, which is in charge of a very crucial "advocacy role".

#### 4.2. Organizational Development: UNRWA in transition

34. Created nearly 60 years ago, UNRWA's organisation has increasingly appeared old-fashioned. In 2004, as a result of an observed decrease in the quality of the services and a worrying level of underfunding<sup>12</sup>, UNRWA engaged in a complex process of reform. A DFID funded management review, followed by an evaluation of the emergency response capacity of UNRWA<sup>13</sup> and the production of a five year Mid Term Plan<sup>14</sup> to reform the organisation led to the very challenging Organizational Development (OD).

<sup>12</sup> Speech of Peter Hansen at the Geneva 2004 Conference, UNRWA web site

<sup>13</sup> "Review of UNRWA's emergency activities in the Occupied Palestinian Territories 2000-2005, ODI/HPG; London, November 2006

<sup>14</sup> A better future for Palestine refugees: UNRWA five year Mid Term Plan 2005-2009



35. The OD process focuses on three critical areas:

- **The introduction of good practices in programme management:** it was decided that the way UNRWA managed its programmes and projects had to be significantly revised:
  - Revision of the way programmes were designed, implemented, monitored and evaluated through the use of the project and programme management cycle. Training in Project Cycle Management is now implemented in all fields of operations.
  - Project Management Units have been created and have already had a positive impact, as seen in Nar El Bared and Tripoli in Lebanon.
  - Changing the way aid is allocated from the established system based on status to one which targets the most vulnerable groups is one of the biggest challenges. As this will create ‘winners’ and ‘losers’, it brings certain risks and dangers as shown by recent strikes in the West Bank camps where changes have been made or being planned.
  - Project monitoring and reporting capacity has been enhanced, and the M&E unit based in Amman has a reasonably well-developed Evaluation plan.
- **Reform in the Human Resource management sector:**
  - At every level of the hierarchy the motto is “better leadership leads to better action”.
  - There is real diversity (political, in terms of status of the Palestinians, in the nature and acuity of the conflict) in the different UNRWA fields of operation which is directly linked to how challenging they are. When a context is challenging, a relatively high level of alertness and responsiveness is necessary, whereas if it is calmer, management and operations tend to be less attentive to risks and less reactive.
- **Revision of all administrative processes and systems in all sectors:** Many procedures and processes have changed or are in the process of being upgraded in all support sectors: administration, recruitment, procurement, financial management, etc.
  - The accounting and financial tracking systems that have been in place for a long time are not very efficient and make it difficult to assign incurred expenditures to projects and donors simultaneously. The transformation of the current system into a more RBM type of financial system is a rather complicated and time-consuming process. While the current system has to remain in place to cater for existing operations, new software is being introduced. The coding system is thus being changed in line with the way cost centres are now defined.
  - The introduction of the new Resource Allocation Mechanism (RAM) with a computerised system to allocate funds and which is overseen by the Resource Allocation Committee (RAC) appears to be effective in allowing resources to be allocated on the basis of needs.

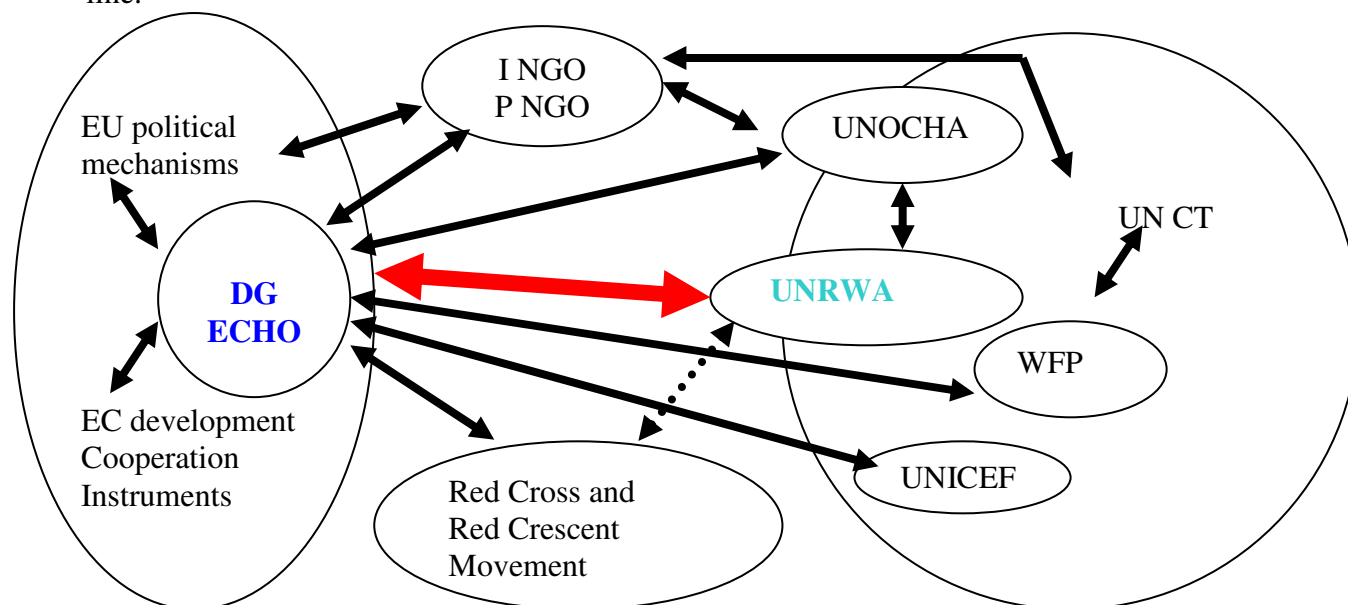
36. For DG ECHO, these changes are very important and are very much in line with how it wants the partnership to develop:

- responses should be more needs based;
- the focus should clearly be on humanitarian issues;
- operations should be result oriented;
- management should be more efficient, transparent and accountable and;
- the partnership should contribute to making UNRWA more reactive to its turbulent environment.

## 5. DG ECHO SUPPORT TO UNRWA OPERATIONS

### 5.1. The DG ECHO-UNRWA partnership in its institutional context

37. The DG ECHO-UNRWA partnership has to be looked at in its wider institutional context where the interactions between players are complex and their relations not necessarily harmonious. DG ECHO funds other players in the Palestinian context and sees its partnership with UNRWA as one part of this multi-actor operation, while UNRWA receives funds from more than one EC budget line.



38. DG ECHO has to coordinate its activities with the other mechanisms that the European Union has established to deal with the Palestinian crisis:

- Political mechanisms, with a presence in the Quartet and active involvement of the II Pillar (Office of the Secretary General of the Council of the European Union – Javier Solana);
- Economic mechanisms, via the Paris Agreement on the trade of Palestinian products and a special economic relationship with Israel;
- Humanitarian and development assistance to a wide range of UN, Red Cross and NGO actors;
- The establishment of special funding mechanisms to support the Palestinian Authority (TIM and PEGASE).

### 5.2. The financial aspect of the partnership

39. Over the years, the EC has provided sizeable financial resources to UNRWA in various sectors. During the period 2000-2007, the European Commission provided UNRWA with €743.59 million of which €104.18 million was for humanitarian assistance. In 2008, DG ECHO has given UNRWA €37.5 million. The EC and its different financial instruments contribute to UNRWA through the three funding pillars of UNRWA.

- the General Fund;
- the Special projects portfolio;
- the Emergency Appeal.

40. Contribution to the General Fund: The EC is a key donor to the General Fund<sup>15</sup> The General Fund is the main source of financial resources for UNRWA's health, education, relief and social programmes, while a minor part goes towards the maintenance of UNRWA offices and installations. With the transfer of the food aid budget line from DG AIDCO to DG ECHO, DG ECHO had to allocate funds to the Special Hardship Case (SHC) programme. In view of the long term aspects of this "social safety net" programme, there is a debate whether this is appropriate for a short term oriented body such as DG ECHO rather than another body with a longer term perspective.
41. Response to the Special project appeal: The EC has invested resources in improving camp infrastructure, drainage and sewage in almost all UNRWA fields of operation.
42. Response to the Emergency Appeal: DG ECHO is the second biggest donor (after the US State Department's Bureau of Population, Refugees and Migration –PRM) to the Emergency Appeal, contributing as much as 14% of total funds between 2000 and 2007:
- **Response to the aftermath of the Nar El Bared crisis:** In 2008, DG ECHO's involvement increased with the response to the Nar El Bared crisis and the need to rebuild the camp. This is planned as a multi-agency initiative where UNRWA has a leading role with other UN agencies such as UNDP.
  - **Shelter programmes:** DG ECHO is also present in the camp infrastructure sector through its family-focused shelter programmes. Improvement of unsafe shelters is important to reduce risks for vulnerable people and their communities. The staff financed by DG ECHO in the UNRWA Infrastructure Department provides technical support and opportunities for collective learning as demonstrated by the joint UNRWA-DG ECHO workshop on Shelter in August 2007.
  - **Food and Cash:** Within the framework of the Emergency Appeal, DG ECHO supports the emergency food aid programme (distribution of a multi-items food parcel) and the Supplementary Feeding Programme (SFP).



<sup>15</sup> This is one of the reasons DG ECHO decided this year that UNRWA is no longer eligible for the 7% overhead costs on DG ECHO funded emergency programmes.

43. The table below, which compiles the available data on EC support to UNRWA, shows how substantial the fund transfer is.

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Contribution to General Fund	40,24	57,25	55,00	57,75	60,64	63,67	64,40	66,00	66,00
Food aid/Food security (DG ECHO in 2007- 2008)	13,14	14,05	14,24	14,91	13,00	14,00	15,00	4,00	9,00
Humanitarian assistance (DG ECHO)	15,78	18,77	2,19	11,76	8,63	8,50	21,40	17,15	27,34
Contribution to OD									1,00
<b>Ad Hoc Support projects</b>									
Camp improvement projects	14,60			7,43				4,00	
Emergency Gaza Package					20,00				
Refugee records and data collection					1,00		1,00		
Employment opportunities (Leb, Syr, Jor)						10,00	10,00		
Scholarship programmes (Lebanon)						1,09		3,00	
Nar El Bared –Lebanon								6,4	5,00
<b>TOTAL ANNUAL</b>	<b>83,76</b>	<b>90,07</b>	<b>71,43</b>	<b>91,85</b>	<b>103,27</b>	<b>97,26</b>	<b>111,8</b>	<b>100,55</b>	<b>113,60</b>

(Source: EC Delegation, Jerusalem, August 2008)

44. As the EC contributes to the General Fund, EC regulations stipulate that DG ECHO can no longer cover indirect costs (7%). This appears to be better understood in UNRWA now. The implications for programmes is that when UNRWA uses the new Single Form, they have to be much more careful that they properly identify different costs associated to each objective (HR, transport, % of administrative and technical support,...) and ensure that these are properly reflected in objective-specific budgets.

### 5.3. The functioning of the partnership: dialogue and flow of information

45. DG ECHO's financial contributions to UNRWA's budget implies the following:

- Single Form documents should be used at the budget submission, intermediate reporting and final report stages;
- Verification missions have to be carried out in accordance with the FAFA;
- Regular dialogue must take place at Brussels and field levels.

46. Over the years, the quality of the project and reporting documents presented to DG ECHO by UNRWA has improved considerably. This is largely the result of interaction at the field level, especially the work done by the UNRWA External Relations Department. It is only recently that the EC Project Cycle approach has started to make its way into UNRWA internal procedures. The newly created Donor Liaison Unit within UNRWA Lebanon is a very promising development in this direction.

47. In accordance with the FAFA, verification missions are carried out to provide information about internal controls placed on the use of Commission funds and to certify the expenditure of projects. The Terms of Reference used in these verification missions are negotiated in the annual FAFA working group meetings between the UN and the EC, but fixed terms of reference have not yet been established. The recent verification mission appears to have gone well, with UNRWA demonstrating a high level of collaboration and openness.

48. The dialogue between DG ECHO and UNRWA takes place both:

- in the field, with regular contact between DG ECHO field experts or visiting DG ECHO HQ visitors and various levels of UNRWA staff;
- at HQ level during the visits of high level UNRWA representatives and through the recently created UNRWA-EC Liaison Office in Brussels.

49. Though very frequent, contact at these levels may not be strategic enough. The genuinely strategic level at this stage is EC representation at the AdCom and it is unclear whether the views of DG ECHO are sufficiently represented within the AdCom.

50. In addition to these financial contributions, DG ECHO provides:

- Technical support in the form of dialogue between DG ECHO field expert and UNRWA staff: While there is no official “blockage” in the technical dialogue between DG ECHO and UNRWA, there is a perceived “shyness” in many UNRWA staff to enter into discussion with DG ECHO field experts.
- Financial support to UNRWA for the mobilisation of specialised human resources: This specific support in areas of joint interest (staff for UNRWA Jerusalem Communication office and for the shelter sector in Amman HQ) is new for DG ECHO and is very much appreciated by UNRWA;
- Dynamic coordination with NGOs. This is especially the case in Lebanon, where the DG ECHO office played a critical role in improving UNRWA-NGO relations at a point when UNRWA/NGO/UN agency relations were very strained.

51. Visibility is also one important area where dialogue has been important and is already having a positive impact on the UNRWA-DG ECHO partnership. Significant effort has been made by UNRWA in the area of communication (rather than just visibility), together with the DG ECHO regional communication expert.



Visibility for DG ECHO (Photo Groupe URD)

Targeting the upper and middle classes in the region can be very effective in improving how Europe is perceived in the region. The 60<sup>th</sup> anniversary of UNRWA next year will provide opportunities for communication that should be explored.

## 6. EVALUATION ANALYSIS

As mentioned in the methodology, the evaluation analysis is carried out on the basis of a quality reference system derived from the Quality COMPAS which has 12 criteria (see annex N°4).

### ***Criterion A. Does the DG ECHO-UNRWA partnership respond to demonstrated needs?***

52. The issue at stake here is the relevance of the DG ECHO-UNRWA partnership in its capacity to contribute to the alleviation of the Palestine refugees' suffering in the context of a protracted crisis and resource constraints.

53. Like any population group, Palestinian refugees have many different needs such as health care, food security, a social safety net, security, education, culture, etc. As described earlier, UNRWA was created to provide relief and employment to the "Palestine" refugees from 1948, who were its target beneficiaries. This 'status based' approach gave all Palestine refugees access to UNRWA services. Some non-1948 refugees were also given access to some services on a case by case basis.

54. The 'status-based' approach means that some essential needs were not covered (e.g. for non 1948 refugees) and some people continue to have access to assistance when they do not need it anymore (e.g. some Palestine refugees in Jordan), leading to unfairness linked to status (ID or non ID; 1948 or 1967 refugees) and settlement location (in camps, adjacent areas or gatherings).

55. So, even if all Palestinian needs are linked in one way or another to the Israeli-Palestinian crisis (and can therefore be seen as humanitarian) and even if UNRWA requires more and more financial support (the population is growing, needs are increasing and UNRWA continues to be chronically under-funded) only a few of these needs can be covered by the DG ECHO-UNRWA partnership.

56. For a long time it was taboo to talk about targeting as it was seen as a challenge to the "status based" approach defended by host nations who were worried that UNRWA might no longer take care of all the Palestinian refugees. But as part of the OD process, UNRWA has begun to shift to needs-based targeting. The preliminary study (to identify the thresholds and cutting points for the drawing of the poverty lines) has been completed and the subsequent targeting reform implemented for SHC in Gaza. In the West Bank progress has been much slower due to a great number of difficulties including strikes in the camps.

57. Considering the advantages and disadvantages of the DG ECHO mandate and procedures, and the existence of other mechanisms, the DG ECHO-UNRWA partnership is relevant for:

- emergency needs linked to specific crisis situations and;
- vital needs which are not being covered, until they can be covered by another mechanism.

58. In Lebanon, the issue of targeting versus coverage represents one of the most critical points in the DG ECHO-UNRWA partnership. UNRWA Lebanon tends to be very restrictive and targets population in a strict adherence to its 1948 mandate rather than according to their needs. While there are various explanations given to support this position (financial difficulties, political specificities of the Lebanon context, etc.), it leads to people in very difficult situations being left out of the aid system and it creates feelings of injustice. DG ECHO has been trying to cover some of these unmet needs through other partners while lobbying UNRWA to improve the coverage of needs that are within its mandate. As mentioned in the OD process, the question of targeting criteria and prioritization of needs is crucial in this specific partnership as well as with all other DG ECHO and UNRWA partners.

59. The Special Hardship Cases programme (recently renamed “Social Safety Net”) is a useful and relevant programme, covering the needs of highly vulnerable Palestinian refugees through the distribution of food and cash. This is a social welfare programme which establishes a form of safety net. However, as it requires certain predictability and a long term commitment in terms of funding, it probably should not be part of the DG ECHO portfolio.

60. UNRWA is also starting to develop and implement a protection strategy. This is a crucial development in the oPt context, which can be defined as a ‘protection crisis’ as the majority of needs are the result of violated rights. In Lebanon, the vacuum in the protection sector is a critical challenge that UNRWA is currently trying to meet. UNRWA’s involvement in this sector could provide opportunities for DG ECHO to engage more vigorously in protection issues.

### **Criterion B. Is the DG ECHO-UNRWA partnership achieving its objectives?**

61. In terms of its strategic objective - to cover emergency needs when there is a crisis peak (e.g. Nar El Bared or the siege of Gaza) as well as vital needs when these are not covered by another mechanism (see criterion A above) – the partnership is effective for the following reasons:

- DG ECHO is an important contributor to UNRWA’s emergency appeal;
- There is frequent dialogue between UNRWA and DG ECHO when important humanitarian issues are at stake and;
- DG ECHO is regularly involved in inter-donor coordination in order to ensure the optimal coverage of UNRWA’s emergency appeals.

62. In Lebanon, the recent crises (the 2006 war, the Nahr El-Bared 2007 events) have not been followed by any major deterioration in morbidity or nutritional status. Affected people were provided with a form of temporary shelter relatively quickly and disruption to schools was contained so that the whole school year was not lost. A sizeable proportion of the funding for UNRWA’s response to this crisis was provided by DG ECHO. The DG ECHO team in Lebanon played a critical role in ensuring that coordination between UNRWA and NGOs could be optimized in order to better meet the needs of affected people.



63. In the Gaza strip, Emergency Food Aid is provided to 700.000 people in siege-like conditions where military operations are regularly conducted. 54.7 % of the Gaza population report<sup>16</sup> that aid is their second source of income (71 % for refugees), which shows the critical importance of this programme.

64. In the West Bank, the Emergency employment programme is a way of injecting cash into vulnerable households through labour work. Of course, at individual level, this produces

very little income (participation to this programme is limited to one month per year and is remunerated 360 USD) but at municipal level this represents a significant source of labour. The achievements (public squares, clean medical centres, etc.) are significant.

<sup>16</sup> Joint Rapid Food Security Assessment of UNRWA/WFP/FAO, April 2008

65. However, certain programmes could be more effective. Thus, if the objective of the Supplementary Feeding Programmes (SFP) is to cover the specific nutritional needs of pregnant and breast-feeding women, it is not effective because the women share their rations with their families and because the rations do not address micronutrient deficiencies. The stated objective of this programme perhaps needs to be revised without losing sight that there is a genuine need for complementary nutrition for these population groups<sup>17</sup>.
66. Also, by strengthening emergency preparedness, UNRWA could be more effective in meeting emergency needs following crisis peaks in this turbulent context.
67. The question of the relative effectiveness of ‘cash’ versus ‘food’ distribution in this context is complex. To understand the effectiveness of cash distribution programmes it is necessary to take into account the price of raw materials and exchange rates. Certain beneficiaries pointed out that they would have preferred to receive food rations directly because the rate of exchange was very poor and food commodities are very expensive.
68. Project implementation is very difficult in Lebanon, Gaza and the West Bank due to different kinds of constraints:
- access restrictions imposed by Israel (both in Gaza and the West Bank, though on different scales);
  - polarization of the Palestine refugee ‘communities’ (strikes in West Bank camps against the targeting reform);
  - internal political tension in Lebanon and;
  - to some extent, the politicization of some UNRWA staff.

This leads to delays, financial problems, etc., and therefore affects the effectiveness of activities.

69. Finally, the monitoring of activities is a key part of the OD process, which should lead to the improved effectiveness of programmes. Significant progress has been made on the monitoring of outputs but work is still in progress on performance indicators.

***Criterion C. Is the DG ECHO-UNRWA partnership avoiding or reducing negative impacts?***

70. Responding to the humanitarian needs of Palestinian refugees involves a series of dilemmas and limits that UNRWA and DG ECHO need to manage as best they can, both individually and within the partnership.
71. In the Gaza strip, where a genuine crisis would not be acceptable for either the Israeli authorities or international public opinion, it is clear that maintaining an ‘acceptable’ situation by means of humanitarian aid is contributing to maintaining the status quo. Due to its partnership with UNRWA, it is very important that DG ECHO takes a very clear position on the limits and mandate of humanitarian aid, which can not resolve a crisis, whilst encouraging a negotiated political solution in which Europe would play its part. Despite its positive impact on the population, humanitarian aid can be seen as a mechanism that absolves the occupying power of its responsibility towards the occupied population, as stipulated in the 4<sup>th</sup> Geneva Convention. The only way for aid agencies to prevent this situation from turning against them is to constantly remind the occupying power of its responsibility, as Commissioner Louis Michel has done in the past. For these different forms of advocacy, means could be made available within DG ECHO to support UNRWA to develop its strategy in terms of communication, expertise, human resources, training in public speaking, etc.

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<sup>17</sup> In view of the revision of the selective feeding guidelines for the management of malnutrition in emergencies under UNHCR leadership in collaboration with WFP, WHO and SCN – due in December 2008.



72. In all the fields of operation there is a high level of aid dependency. The problem of access limits the options available for responding to the needs of vulnerable Palestinians in the oPt. Distribution (of food, or cash –whether for work or not) is often the only solution. This may create dependency where other strategies would have been possible (e.g. micro credit). Managing the “dependency syndrome” is one of the most difficult challenges for UNRWA. It is commonly assumed that assistance will continue as long as there is no political solution to the situation. However, some strategies are less prone to inducing dependency (Emergency Employment Programme versus free distribution). Whenever possible it is very important to consider all the options and to choose the one which creates the least dependence.

73. The negative economic impact of food aid has been a subject of concern which is monitor through market surveys. Though very important, the environmental issues connected to the Palestinian question (for example, sewage water from refugee camps pumped into the Mediterranean) are difficult to address due to the large number of different actors involved. In the long term though, the environment could become increasingly crucial in a conflict where access to water and land, which are rare resources, is already an important issue.

**Criterion D. Does the DG ECHO-UNRWA partnership aim for positive impacts beyond implementation?**



74. The issue at stake is whether the efforts undertaken under the DG ECHO-UNRWA partnership contribute to improving the Palestine Refugees’ long term prospects. Analysing the long term options for resolving the Palestinian refugee crisis<sup>18</sup> is not only a highly-charged political issue, it is also a complex legal question subject to many interpretations<sup>19</sup>. DG ECHO’s mandate focuses on humanitarian issues and its contribution to UNRWA’s budget is restricted to the emergency budget. But as this criterion has to do with LRRD, it seems crucial to consider the role played by DG ECHO alongside that of the other EC instruments which support UNRWA.

Emergency Employment Programme in Naplus, for the creation of community infrastructures (Photo Groupe URD)

75. Some authors claim that the 1951 Geneva Refugee Convention applies fully to the fate of the Palestine refugees and thus offers the choice of the three classic UNHCR durable solutions (return, settlement in a third country or integration in the host country). The most common interpretation however is that Palestine refugees are not covered by the Geneva Refugee Convention. The mandate for their protection and the exploration of possible durable solutions was given to the UN Conciliation Commission for Palestine (UNCCP) and UNRWA was created to provide them with assistance.

<sup>18</sup> UNHCR, Palestinian Refugees and Durable Solutions, BADIL, Information and Discussions Brief, Issue N°7, August 2002; [www.badil.org/Publications/briefs/brief-No7.html](http://www.badil.org/Publications/briefs/brief-No7.html)

<sup>19</sup> Reinterpreting Palestinian refugee rights under international law and a framework for durable solutions, S. Akram, Badil , [www.badil.org/publications/briefs/brief-No-01.htm](http://www.badil.org/publications/briefs/brief-No-01.htm)

76. Therefore and in view of Article 1D<sup>20</sup> of the above mentioned convention, as their needs are covered by a UN body, these Palestine refugees do not fall under the UNHCR umbrella. Since the collapse of the UNCCP in the mid 50s, no international body has been explicitly in charge of protection (and thus exploration of durable solutions) for Palestinian refugees. However, the main difficulty is not legal but political and is the responsibility of political actors. *“UNRWA’s role is to highlight the urgent need for that solution and to help ensure that in that elaboration the rights and interests of the refugees are safeguarded, with particular reference to those areas where UNRWA’s long experience with and knowledge of the refugees are relevant.”*<sup>21</sup>
77. The views of the different stakeholders in the crisis and in UNRWA’s AdCom are quite diverse: *“Arab states have also expressed concern that in the context of continued Israeli opposition to the return of refugees, UNHCR and donor states may push for a more ‘pragmatic’ approach to durable solutions focused primarily on resettlement. More recently, some Israeli officials and commentators have suggested that UNHCR should replace UNRWA, in part, because it is thought, incorrectly, that significant numbers of Palestinian refugees registered with UNRWA who have acquired a second nationality (primarily in Jordan) would no longer be considered refugees”*<sup>22</sup>.
78. With UNRWA commemorating 60 years of existence in 2009, there is still a stalemate in the region and the future appears bleak. In this context, talking about durable solutions is more sensitive than ever, and the return of all these refugees, most of whom do not know the land of their origins, is becoming less and less realistic as time passes. This means that a core positive long-term impact which can be envisaged for UNRWA operations is that the health situation does not deteriorate, that generations of Palestinian refugees do not grow up uneducated and that Palestinian society does not fade away. The work of UNRWA, with the support of DG ECHO, contributes to this long-term impact. More specifically, the support given to UNRWA by DG ECHO goes towards two of the Human Development (HD) goals: “A decent standard of living” and “Human rights enjoyed to the fullest extent possible”.
79. There is indeed great uncertainty about the future. Questions remain about whether it will be possible for some of the refugees to integrate or settle permanently in third countries, for their own good, and without compromising a just settlement of the situation.
80. Finally, as described above, it is crucial to communicate on humanitarian issues to enhance the positive impact of DG ECHO-UNRWA partnership. There is a need to communicate developments and actions taken in this region, both at regional and international levels. Communication about DG ECHO-funded UNRWA activities would be a way to counter the perception that the European public is not concerned about the plight of the Palestinian people. This partnership can also be an ‘alibi’ for representatives of the European Commission and Member States to visit places like Gaza and therefore break the silence that has been imposed by the Israeli blockade of late.

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<sup>20</sup> Article 1D states: “This Convention shall not apply to persons who are at present receiving from organs or agencies of the United Nations other than the UNHCR, protection or assistance. When such protection or assistance has ceased for any reason, without the position of such persons being definitively settled in accordance with the relevant resolutions adopted by the UNGA, these persons shall ipso facto be entitled to the benefits of this Convention”.

<sup>21</sup> Morris Nicholas, 2008, What protection means for UNRWA.

<sup>22</sup> In “UNHCR, Palestinian Refugees and Durable Solutions », op cit.

**Criterion E. Does the DG ECHO-UNRWA partnership respect the mandates and principles of the two partners?**

81. It is important, at this stage, to clarify the specific characteristics of the DG ECHO-UNRWA partnership compared to the other forms of support that UNRWA receives from other European Commission bodies and Member States. The three following factors give DG ECHO added value:

- First of all, its reactivity. DG ECHO can respond to UNRWA's emergency appeals more quickly and more flexibly than other Commission bodies;
- Secondly, it has expertise in emergency-related questions. DG ECHO field teams can be operational partners for UNRWA (for the analysis of needs, standard emergency response techniques, etc.) and;
- Thirdly, it is independent with regard to political decisions. Political decisions and the humanitarian agenda should remain separate and this is a clear advantage of DG ECHO funds compared to other EC instruments. The fact that DG ECHO is able to continue to support the people of Gaza even since Hamas' election victory is consistent with its mandate.

82. To make the most of this added value, as mentioned for criterion A, DG ECHO funds should be refocused on emergency/humanitarian needs (emergency preparedness, emergency food aid/cash for work, protection issues, amongst others elements) and used preferably to cover:

- emergency needs linked to specific crisis situations;
- vital needs which are not being covered, until they can be covered by another mechanism.

83. As far as UNRWA is concerned, this will also be coherent with the June 08 AdCom recommendations which specified that UNRWA should not use emergency funds to cover recurrent needs. Other EC instruments or other donors are better placed to cover these needs.

84. Concerning the protection role of UNRWA, there is still a lack of understanding, both internally and externally, of what UNRWA's protection role could or should be. The mandate for the protection of Palestine refugees was given to the UN Conciliation Commission for Palestine (UNCCP) at the time of UNRWA's creation. In view of Article 1D of the 1951 Refugee Convention, no international body is in fact *explicitly* in charge of protection for Palestinian refugees. Nevertheless, UNRWA's top management has been concerned about this issue for a long time. It was raised by Peter Hansen, UNRWA's previous Commissioner, in a speech he made in 2004<sup>23</sup> and it is dealt with in the interim Programme Strategy for 2008-2009<sup>24</sup>. In order to develop the most appropriate approach for the context, UNRWA asked a former high-level UNHCR staff member to review the situation and to help develop an understanding of what protection means for UNRWA<sup>25</sup>. His report defined protection as "*what UNRWA does to safeguard and advance the rights of Palestine Refugees and thereby achieve its vision of every refugee feeling assured that his/her rights are being protected, defended and preserved*". These recommendations have yet to be put into practice. UNRWA's protection role also needs to be clarified in relation to other actors such as the ICRC, the Office of the High Commissioner for Human Rights (OHCHR) and UNOCHA (especially in the context recent establishment of Protection Cluster). It is of great importance to DG ECHO that such efforts are being made.

85. There is a great risk of aid being manipulated, so relations with the different actors and the positioning of both UNRWA and DG ECHO with regard to the crisis are both crucial and extremely sensitive. In Gaza, UNRWA relations with the de facto government are limited to an operational level to permit the implementation of programmes.

<sup>23</sup> Speech to the Second International Academic Conference titled: "An end to occupation, a just peace in Israel-Palestine: towards an active international network" East Jerusalem, 4th January, 2004,

<sup>24</sup> UNRWA's Interim Programme Strategy, 2008-2009, (24 September, 2007)

<sup>25</sup> MORRIS Nicolas, 2008; What protection means for UNRWA in concept and practice, UNRWA

**Criterion F. Does the DG ECHO-UNRWA partnership respect the population?**

86. As the majority of UNRWA staff is Palestinian, there is understanding of local cultures. UNRWA teams are aware of the appropriate behaviour they should adopt in order to show respect for the population and their activities take into account their cultural, social and religious characteristics.
87. Ensuring the proper participation of the affected population is a concern. Doing so in a highly politicized context is not an easy task and represents one of the biggest challenges at the operational level. Relations with refugee committees are difficult and complex, particularly in the context of current reforms concerning targeting. Relations with local and national governments are tense in Lebanon, Gaza and the West Bank. Making sure that operations are run in the interests of local population despite all this tension is a complex issue for the UNRWA teams.
88. The level of dissatisfaction and the duration of the crisis mean that there are a great number of complaints and dealing with these can sometimes be difficult. This issue is being tackled as part of the OD process and improvements are expected though they are not apparent in the field yet. The teams in the field, and particularly the new teams in charge of Monitoring and Evaluation (M&E), have an extremely difficult task. Their day to day work often consists of nothing other than dealing with this dissatisfaction. Mechanisms for gathering and managing complaints like the ones that have been developed in Gaza could be extended to all the other fields of operation and psychological support could be provided to the M&E teams.

**Criterion G. Is the DG ECHO-UNRWA partnership flexible and does it allow for flexibility in operations?**

89. In Gaza and the West Bank, as in Lebanon, the context is so volatile that it is essential that operations are flexible. The presence of DG ECHO teams in the field greatly facilitates understanding of how the situation is evolving and the process of negotiating any adjustments that might need to be made. The UNRWA teams appreciate this presence. Dialogue with the DG ECHO teams in the field is vital to maintain flexibility. The creation of a Donor Liaison Unit in Lebanon should make communication easier and the recently opened UNRWA office in Brussels should make dialogue with DG ECHO-Brussels more fluid.
90. Both the capacity to anticipate changes and emergency preparedness are essential to maintain flexibility. The level of emergency preparedness of UNRWA varies from one place to another. This is an area that UNRWA is currently trying to improve and it will be included in the next emergency appeal.



Destructions in Gaza (Photo Groupe URD)

91. Improving UNRWA procedures for adapting operations rapidly is part of the OD process and this is starting to have an impact. But the “ocean liner effect” is a reality that needs to be dealt with, even if progress has been made in recent years when rapid onset crises have taken place (the 2006 war and the Nar El Bared crisis).

***Criterion H. Is the DG ECHO-UNRWA partnership well integrated in its institutional environment?***

92. Due to the role that UNRWA plays with regard to the survival and well being of the Palestine refugees, it has become a critical component of the Palestinian situation. UNRWA is in regular contact with the highest political levels but relations are relatively complex, particularly in Lebanon and Gaza.
93. In Lebanon, the Palestine Liberation Organization (PLO) has had a mandate to manage security and law and order inside the camps since 1969. The Nar El Bared crisis and the instability in some of the camps in Saida recently resulted in initiatives to have some Lebanese police inside the camps. UNRWA has to adapt itself to this new institutional set up.
94. In Gaza, UNRWA relations with the different Palestinian groups including Hamas are limited to operational questions. These require a lot of tact, but for the moment, there have not been any major problems. As long as this dialogue concerns humanitarian issues in line with DG ECHO's humanitarian mandate and principles and is limited to operations, the interaction between Hamas and UNRWA does not raise any particular worries.
95. Integration in the international aid context varies depending on the field of operations. In Gaza and the West Bank, where refugees are just one of several categories of people in difficulty, collaboration and coordination with other key stakeholders (NGOs and other UN agencies) has been ongoing for a long time. Cooperation with UNOCHA is excellent and involves joint publications; there is strong involvement in the Consolidated Appeal Process (CAP) and in data gathering on closures and related issues. In Lebanon, it is still far from optimal despite progress made after the 2006 war and the Nar El Bared crisis. Even if it has engaged more with the UN Country Team recently, UNRWA is still not perceived as a team player. There is a definite lack of trust with NGOs, although the most recent activities of the Tripoli-based Cluster mechanism might result in better relations between UNRWA and NGOs. Here again, the OD process is expected to deliver progress. In this specific case, it is nevertheless important to stress that the involvement of the DG ECHO team in many coordination exercises and their support to different actors was frequently mentioned as being critical to the dynamic of the response and helped to compensate for UNRWA's relatively limited capacity in dealing with emergencies. The level of emergency preparedness is irregular depending on the field of operation.
96. DG ECHO's involvement with UNRWA is helping to push for better articulation and complementarity between UNRWA and other humanitarian actors, particularly to ensure better coverage of identified gaps.
97. As the EC is very involved with UNRWA at the Jerusalem level, the quality of the internal communication between EC Jerusalem and the different DG ECHO offices in the different countries of the region is critical to ensure that there is complementarity between different EC instruments and to ensure DG ECHO funded UNRWA operations run smoothly. The information that flows between DG ECHO Headquarters and its field offices is also very important.

***Criterion I. Does the DG ECHO-UNRWA partnership have the appropriate level of resources and expertise?***

98. UNRWA's budget is big though not big enough to cover all the needs that exist. As described earlier, the natural growth of the Palestinian population means that needs are increasing and UNRWA remains chronically under-funded. The EC is a very important contributor to UNRWA globally and DG ECHO is a significant donor to the Emergency Appeals. Their contributions have increased a great deal in the last 6 years and it is difficult to imagine that any further structural increase will take place in the coming years. Further funds from DG ECHO could only be justified if there were a humanitarian crisis and additional humanitarian emergency needs were to arise. This is why the question of a 'needs-based approach' is so important for the DG ECHO-UNRWA partnership.
99. The partnership has provided opportunities to strengthen UNRWA capacity through financial support for the recruitment of specialized staff. The initial trials have been very positive. The surge capacity given to certain sectors in UNRWA (shelter, communication) has proven useful and has been very appreciated. Furthermore, the expertise of the DG ECHO expert appears to have been useful to improve standards, especially in the shelter sector.
100. UNRWA's emergency programmes make use of a large number of temporary staff under temporary and precarious (EPSS) contracts. This is not very motivating for staff who are otherwise very dedicated. There is therefore a risk that very good Human Resources could be lost. UNRWA is exploring different avenues to solve this problem.
101. Finally, it was clear that the UNRWA leadership plays a critical role in the operations, in the implementation of the OD process and in the partnership. In areas where the leadership is weak, the OD process is progressing too slowly and the partnership does not function evenly. In this type of situation, as seen in Lebanon until recently for instance, there are tensions between UNRWA and DG ECHO.

***Criterion J. Do the partners have the appropriate management capacity for the partnership and for the related operations?***

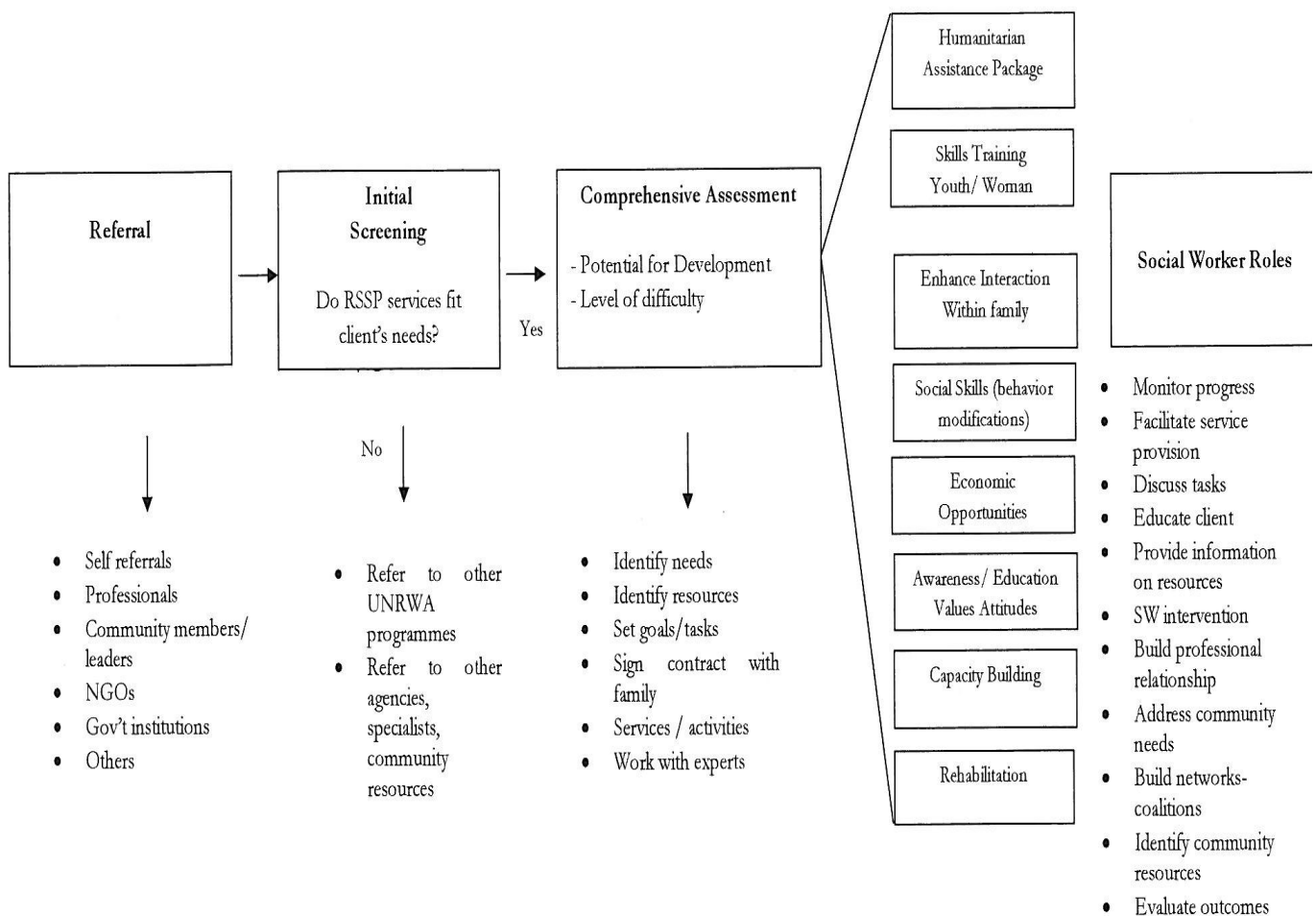
102. Concerning the partnership itself, the specific procedures of the different EC instruments, including DG ECHO's Single Form process, are gradually being learnt by UNRWA. The donor support unit is a useful institutional mechanism (new in Lebanon) which could do much to improve UNRWA's capacity to manage its relations with the donor community, including EC instruments and DG ECHO. The question of the 7% overhead costs has now been resolved: it is generally accepted that UNRWA can no longer claim these due to the fact that the Commission contributes to UNRWA's general budget. This important legal point was clarified for both DG ECHO teams and UNRWA in 2008.
103. The quality of project proposals and reports by UNRWA using the Single Form seems to have improved significantly since the creation of programme units where documents are prepared and forwarded to DG ECHO via the External Relations Department (ERD).
104. Developing UNRWA's management capacity including its monitoring and evaluation (M&E) capacity is one of the most important pillars of the OD process. It comprises increased delegation of responsibility, better management processes and enhanced Human Resources capacity. Globally, management reform and the impulse given by the leadership have created a stimulating working environment. There is some resistance to change but management is putting a lot of energy into motivating teams to adhere to the process.

105. Efforts to streamline “business processes” are clearly taking place in almost all fields and sectors. This entails clarification:

- of roles and duties of each staff, how they will be supervised and appraised,
- how the needs will be identified and transformed into projects and interventions:
- how the beneficiaries of these projects and interventions will be identified and selected;
- how will people not falling into UNRWA’s criteria will be informed and referred, if needed , to other agencies;
- how these projects and intervention will be monitored and evaluated;
- etc.

The chart below presents the Social Service Delivery process:

Annex II Process of Social Service Delivery (via Social Workers and Home Visits)



106. Job descriptions and responsibilities have been clarified and managers at all levels are now being trained systematically.

107. In terms of the financial system, new mechanisms are progressively being designed and implemented. The introduction of the new RAM (Resource allocation mechanism) which uses a computerised formula to allocate funds from donors and is overseen by the RAC (Resource Allocation Committee) should make it possible to adopt strategic needs-based resource allocations. But difficulties still exist with regard to transforming the current system into an RBM financial system: the software and cost centre codes have to be changed.

**Criterion K. Are the resources mobilized through the DG ECHO-UNRWA partnership used in an optimal manner (efficiency)**

108. Doing better with what exists is a very critical issue. DG ECHO is ready to increase its support according to newly arising needs<sup>26</sup> and in accordance with the available financial means. The deterioration in the quality of service delivered by UNRWA which was observed in the early 2000s and which was attributed by UNRWA to underfunding has frequently been cited as an indication of a crisis in donor confidence. This situation triggered the 2004 process which has begun to improve donors' perception of UNRWA's efficiency. Donors continue to monitor the implementation of the OD process closely. Yet, one of the dangers linked to an unpredictable and fragile funding situation is the "squirrel syndrome" where an institution feels endangered by a resource crisis, becomes reluctant to invest or take risks and tries to hold on to its resources out of fear of "scarcity". A typically conservative organization will limit expenditure even if this results in low quality and an inappropriate response..

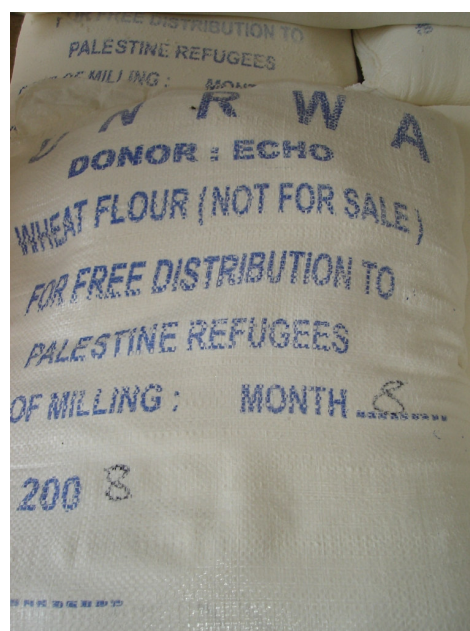
109. An important efficiency gain was obtained when UNRWA moved its HQ from Vienna to the field. However, the fact that UNRWA has three HQs or HQ-like structures (Gaza, Amman and Jerusalem) raises some questions in terms of efficiency and smoothness of both the internal communication and communication with other stakeholders such as DG ECHO, without even looking at transport costs and time spent waiting at different borders and crossing points. IT solutions, such as video conferences are regularly used to reduce physical distances and avoid time lost in transportation due to the context.

110. There are several ways to deal with the chronic underfunding that UNRWA is facing:

- improve UNRWA's profile and the trust donors have in it in order to enhance fundraising capacity;
- go further in improving efficiency by streamlining a series of functions in the administrative and financial departments;
- continue to improve the prioritization and targeting processes and;
- look for suitable partners to cover the activities which are dropped.

The implementation of the OD process is clearly a mixture of all of the above and has already had an impact on UNRWA's efficiency in dealing with many processes and procedures. The ongoing investment in the OD process has permitted sizeable gains in effectiveness and efficiency and has already increased donor confidence.

111. UNRWA and WFP are exploring opportunities for joint procurement of a certain number of foodstuffs. In certain cases, joint procurements do allow savings to be made through economies of scale. In others, the advantages are less clear as they only allow large-scale companies to respond to tenders and create monopoly-like situations which limit the capacity to negotiate prices. In the future, it will be important to evaluate how advantageous this is compared to working individually.



<sup>26</sup> DG ECHO has most recently increased funding to UNRWA in view of the Gaza Crisis.



112. However, the efficiency of operations is affected by context-related constraints such as closures, check points, etc. which result in long delays. This has been made even worse by the process which is now in place at the Sofa Gate whereby paletization and transfer to the “sterilization area” are required. This process induces significant increases in transport /handling/storage costs (from 50 US\$ to 150 US\$) and significant losses in quality and quantity.

113. The loss in quantity and quality caused by Israeli practices regarding aid (goods, time and energy, food, etc.) in different places (both for Gaza and the West Bank) is unacceptable. There should be a mechanism to redress at different levels, from the field level to Brussels. Even though this may be considered a marginal problem compared to the more problematic question of closed borders and restricted movements, this concerns how European resources are used and should be seen as a question of accountability towards European ‘taxpayers’.

***Criterion L. Are the partners using lessons learnt in the partnership and in its related activities?***

114. UNRWA is now emerging from a long period during which learning was not a catalyst for change - some speak of an ‘awakening dinosaur’. The form and pace of this awakening depends on the leadership in the different fields of operation, but the OD process and recent changes in UNRWA leadership in Lebanon underline the very strong will existing at all levels to overcome these difficulties. Donors have played a critical external role in pressing for change by providing encouragement and funding and maintaining pressure.

115. The UNRWA-DG ECHO partnership can also be seen as a tool for sharing know-how, as demonstrated by the joint UNRWA-DG ECHO workshop on shelter in August 2007 in Amman and the current partnership evaluation. UNRWA staff should take advantage of the technical expertise which DG ECHO has acquired from its involvement in humanitarian operations all over the world. Discussing technical issues and improving their knowledge will help to improve the quality of their programmes.



116. UNRWA is only just starting out in the field of Monitoring and Evaluation (M&E). The first M&E teams are being put in place with the creation of the M&E unit in Amman and other monitoring positions in the field (Gaza, West Bank, PMU in Tripoli) but they do not have all the necessary tools at their disposal (certain indicators from the strategic framework have not yet been developed). A programme has recently been drawn up by UNRWA presenting a comprehensive view of its key priorities with regard to evaluation.

117. Finally, a large part of the OD reform is being implemented using a phased process involving pilot activities before experiences are generalised. This has been the case for different sectors, such as food aid, shelter and education. There is great hope that the OD and other lesson learning mechanisms will strengthen UNRWA’s capacity to serve the Palestinian Refugees.

## 7. RECOMMENDATIONS

118. A series of recommendations have been drawn up which deal with the following areas:

- improving the response to identified needs;
- improving UNRWA effectiveness and efficiency;
- improving the communication between DG ECHO and UNRWA;

### 7.1. Responding to needs

In order to ensure better coverage of needs, implementing the following recommendations could have a substantial impact:

119. The changes being made in terms of targeting (vulnerability focus rather than status-based targeting) are to be encouraged even if there are difficulties involved. This new approach is in line with DG ECHO's commitment to supporting the most vulnerable people and DG ECHO should continue to support socio-economic surveys and the improvement of beneficiary databases (improved identification and targeting, better understanding of socio-economic trends, etc.) through the allocation of resources to its partners (UNRWA and others if necessary)

120. Improve UNRWA capacity either through Capacity Building projects or by including capacity support in geographic funding. Two key areas were identified where UNRWA showed some weakness but where there was a strong desire to improve.

- Emergency preparedness should be an area for DG ECHO support. This could involve training, rehearsals, stock-piling, etc. It would improve UNRWA's level of preparedness for crisis management (surge capacity with other UN agencies and NGOs, clarification of procedures to move from 'normal' mode to 'crisis response' mode in terms of HR, stock mobilisation, etc.);
- The evaluation recommends that DG ECHO supports UNRWA's new commitment to protection issues. UNRWA should continue to develop a comprehensive protection strategy, and ensure that it becomes operational in collaboration with other stakeholders (UNHCR, NGOs, amongst others) in coordination with ICRC, the OHCHR and the Authorities of the host countries. This could take various forms, such as a 'Thematic Funding' or a 'Capacity Building' approach. Research, policy development, pilot actions and training would improve the systematic inclusion of protection issues in UNRWA programmes.

### 7.2. Improving UNRWA effectiveness, efficiency and capacity to deliver quality

Many of the recommendations here are very much in line with the ongoing efforts carried out by UNRWA in the context of the Organizational Development (OD) process and its various expected institutional changes.

121. Both partners should continue to pursue their investment in Project Cycle Management and Quality management.

UNRWA should revise the Supplementary Feeding Programmes to effectively address the problem of micronutrient deficiency (especially anaemia) which appears to be a real problem.

122. The EU as whole (including of course DG ECHO and the Member States) should not accept the level of losses incurred (in terms of quantity and quality) due to import practices regarding aid for Gaza and West Bank. This issue should be addressed at different levels (including Brussels when needed). In view of the overall problematic question of closure and the restriction of movements and the direct links with the use of European resources, it should be considered a question of accountability towards European 'tax-payers'. UNRWA should prepare a consolidated report on losses incurred in the process of crossing the Gaza crossing points and make it available to the Donors, including DG ECHO.

123. Improving synergies with other actors:

- DG ECHO could suggest that a new AdCom working group is created for emergency appeals and crisis management.
- UNRWA should improve its capacity to work with NGOs and UN agencies. DG ECHO could support these efforts by allocating resources to create an inter-agency coordination post in UNRWA (a senior inter-agency liaison officer who would increase UNRWA's capacity to interact with other stakeholders). In addition, in Lebanon, DG ECHO could go further and support the strengthening of the NGO coordination mechanism (ENGO) through the allocation of resources to one of the NGO partners. This has been experimented successfully in a series of difficult countries (with CARE in Afghanistan for ANSO, with OXFAM in Chad to strengthen the NGO coordination CCO and with CARE France in Gaza for the Security NGO GANSO).
- When deemed appropriate, UNRWA should continue to organise common procurements with agencies such as WFP (economy of scale, stronger bargaining power).

7.3. Making the relations between the partners more fluid and more strategic

124. To make the most of their added value, DG ECHO funds should be refocused on emergency/humanitarian needs (emergency preparedness, emergency food aid/cash for work, protection issues,...) and used preferably to cover:

- emergency needs linked to specific crisis situations;
- vital needs which are not being covered until the point at which can be covered by another mechanism (eg: as a short term gap-filler)

125. Pursue the improvement of day-to-day operational communication between DG ECHO and UNRWA: Though the newly created Donor Liaison Unit in UNRWA is very welcome, it can not solve every problem on its own. Dialogue between DG ECHO field experts, UNRWA technical departments and UNRWA External Relation Departments (ERD) should be strengthened, in order to ensure that costing by objective as per the new Single Form, is optimized. The ERDs should facilitate communication between UNRWA technical staff and DG ECHO field experts. Innovative approaches in staff secondment (shelter consultant, communication expert) should continue to be explored between UNRWA and DG ECHO.

126. AIDCO should ensure that the issue of SHC funding is solved rapidly to facilitate timely purchase of goods and allow DG ECHO to re-focus its support to cover emergency needs (see AdCom recommendation dated 11/06/2008: "emergency funds should not be used to substitute for Global Funds when a problem or situation is a consequence of medium term systemic decline rather than short strategic dialogue: While both DG ECHO and UNRWA should continue their efforts to ensure regular operational communication, more strategic dialogue should be established between DG ECHO and UNRWA, not only at the ERD level but also at the technical level. Though a lot of issues are discussed in the wider context of the AdCom, it might be necessary to set up an appropriate form of dialogue between DG ECHO, the rest of the EC instruments and UNRWA. Experience of other DG ECHO/large agency partnerships has shown how useful mechanisms like the "Strategic Partner Dialogue" are for both problem-solving and advance planning. Such a space for joint negotiations would help to ensure that protracted needs were properly covered.

127. Improve internal dialogue and information sharing within the EC especially in relation to the way field offices are informed on generic issues discussed at the global governance level (Advisory Committee) and the way field offices inform EC Regional Offices about context-specific issues. This is critical to improve internal EC coherence vis-à-vis UNRWA:

- In view of the success of the ‘Dead Sea Meeting’ in 2007, it is clear that there is need to institutionalize the process and repeat it every year. This will also facilitate a regional approach to the crisis.
- The EC is a key political stakeholder in this situation with its role in the Quartet, its economic involvement with Israel and its weight as a donor. The UNRWA-DG ECHO partnership has produced a constant flow of humanitarian information to other EC and EU levels. This should be continued and the DG ECHO staff involved should be offered encouragement in what is an often frustrating exercise. This flow of information is fundamental to the EC’s humanitarian and IHL-based discourse and will allow it to put more pressure on Israel to respect International Humanitarian Law (IHL) and its responsibilities as an occupying power. The DG ECHO/UNRWA partnership should provide opportunities for key European representatives to come and assess the situation first hand, including in Gaza.

#### 7.4. Recommendations on communication and visibility

128. The specificities of the Palestinian crisis within the current international context and the growing tension between the western and Arab-Islamic worlds make communication about Europe’s support to UNRWA critically important. Several target audiences have been identified:

- the Palestinian population itself, which is very affected by some of the political choices made by Europe, needs to be made aware of the fact that political decisions and humanitarian commitments are two separate things;
- the Arab-Islamic world, where Europe is often confused with other key political players with which there are strong grievances. It is important to reassure this part of the world that there is no “Christian crusade” against them and that Europe is also very concerned about the suffering of the Palestinian people and;
- the European public which has to be reminded that with the decision to support the State of Israel comes the responsibility to ensure that Palestinians affected by the crisis have a decent life and a future.

129. In this context, the recommendations from the mission are the following:

- UNRWA should develop more didactic communication documents for the Palestinian people so that they understand the European Commission’s humanitarian commitment;
- UNRWA and DG ECHO communication should continue to be aimed at the elite of the Arab world but should also target the “mainstream” population;
- Every opportunity to communicate to the European public on the current humanitarian situation of Palestine refugees in connection with the DG ECHO-UNRWA partnership should be seized. DG ECHO should engage with UNRWA in the design and implementation of UNRWA’s 60<sup>th</sup> Anniversary commemorations, especially for the specific events that will take place in Europe.