

ANNEX I
Action Fiche for West Bank and Gaza Strip

1. IDENTIFICATION

Title/Number	PEGASE 2010 : Additional support for recurrent expenditures of the Palestinian Authority (PA)		
Total cost	EUR 41,400,000 maximum		
Aid method / Method of implementation	Project approach – direct centralised management		
DAC-code	16010	Sector	Social/welfare services

2. RATIONALE

2.1. Sector context

Since its establishment early 2008, PEGASE provides direct financial support for the Palestinian Reform and Development Plan (PRDP). Through this support, PEGASE sustains the Palestinian Authority's (PA) efforts in the four PRDP key sectors of governance, social development, economic and private sector development and public infrastructure.

The PRDP, presented by the Palestinian Authority for a three-year term (2008-2010), received an unprecedented level of external support in 2008 that was maintained at a reduced but still high amount in 2009. Nevertheless, the funds pledged for direct financial support are not sufficient to cover completely the PA's financial gap foreseen for 2008-2010. Moreover, in August 2009, PM Fayyad presented the PA's "Programme of the Thirteenth Government". Based on the PRDP, the plan aims at building strong governmental institutions which will serve as the basis for a future independent Palestinian State within a two-year time-frame. The plan focuses on the legal framework, organisational structures and processes, the use of technology in government, the management of financial resources and the management of human resources in civil and security sectors. The EU has expressed its support for PM Fayyad's plan.

The EU funds provided in 2010 under PEGASE (EUR 158 million) from the European Commission budget for recurrent expenditures were complemented with funds from EU Member States. So far, this year Member States have committed EUR 32.70 million to PEGASE: Germany has paid EUR 20 million for the supply of fuel to the Gaza Power Plant, Italy has signed a Memorandum of Understanding (MoU) for EUR 7 million to cover social allocations to vulnerable Palestinian families (VPF), Sweden has also signed an MoU for EUR 5.2 million to cover salaries and Austria has made a contribution of EUR 0.5 million in assigned revenues for VPF payments. Spain has indicated that it intends to make a contribution for salary payments, although the exact amount is not yet known. France has also made a contribution of EUR 23 million to the PA, but not through PEGASE. Some Member States have contributed to the World Bank Trust Fund: however, the Ministry of

Finance does not report on individual national contributions to the Fund. It is hoped that further contributions from Member States will be made during the budget year 2010.

Other donors are also providing support for direct financial assistance through non-PEGASE channels, including directly to the PA budget or via the World Bank Trust Fund. Further support has been received from Algeria (\$26.3 million); Saudi Arabia (EUR 15.2 million); Qatar (\$9.8 million); USA (\$74.8 million); India (\$9.9 million) and the World Bank Trust Fund (\$182 million). Further support is anticipated from Arab donors and from the USA, but not yet confirmed.

2.2. Lessons learnt

Actions under PEGASE build upon the successful experience of the Temporary International Mechanism in 2006 and 2007. PEGASE is implemented in full co-ordination with Palestinian partners and in full co-operation and transparency with EU Member States, the European Parliament and other donors. It is particularly appreciated by the Palestinian Authority for its alignment with the PRDP and the strong sense of ownership on the part of Palestinians as well as for its flexibility and its catalytic nature in attracting funds from other donors without multiplying transaction costs.

A mid-term review of the PEGASE Mechanism has been launched by the Commission, the results of which will feed into the programme, future Commission Decisions and Financing Agreements.

2.3. Complementary actions

During the Sharm el-Sheikh donor conference in support of the Palestinian economy for the reconstruction of Gaza, pledges made amounted to USD 4.7 billion (EUR 3.5 billion).

So far in 2010, EUR 359 million has already been committed by the European Commission for the benefit of the Palestinian population: EUR 295 million from ENPI allocations, out of which EUR 158 million for PEGASE support to recurrent expenditure and EUR 68 million for UNRWA (which includes a contribution of EUR 66 million to their Regular Budget). A further EUR 69 million has been allocated for projects aimed at social and economic development and institution-building in support of the Palestine Plan for Reform and Development and the PA's Two Year Plan for Statehood. A further EUR 58 million has been committed as humanitarian assistance to the Palestinian population in the Occupied Palestinian Territory and to Palestine refugees in Lebanon. A further EUR 2.2 million has been mobilised from the Food Security budget line to support innovative actions. Support for civil society is being provided from the European Instrument for Human Rights and Democracy (EUR 0.9 million) and the thematic line Non-State Actors and Local Authorities in Development (EUR 2.4 million).

Local donor co-ordination has been streamlined in accordance with the conclusions of the Ad-Hoc Liaison Committee (AHLC) meeting held 14 December 2005 in London following a proposal by the Commission, the World Bank and Norway to reform the Aid Management Structures. The Commission continues to play a leading

role in these structures at all levels, as well as in local EU Member State co-ordination. Complementarity and coordination with other EU actions are assured through regular coordination meetings at Headquarters and daily contacts between DG ECHO and DG RELEX/AIDCO staff working in the European Union Technical Assistance Office (EUTAO) in East Jerusalem. The PA made known to potential donors at the Sharm-el-Sheik Conference in March 2009 that PEGASE was amongst its preferred delivery mechanisms for channelling funds.

3. DESCRIPTION

3.1. Objectives

The objective of this action to be implemented through PEGASE is to support the Palestinian Reform and Development Agenda by helping the PA to:

- finance its budget deficit and implementing its reform agenda;
- meet its obligations towards civil employees, pensioners and vulnerable sectors of Palestinian society, and thus;
- maintain the functioning of the administration and the provision of essential public services to the population.

3.2. Expected results and main activities

Under this action it is intended to provide direct financial support to PEGASE: *Supporting Palestinian administration and services.*

PEGASE will make available an additional contribution to the payment of salaries and pensions to the PA civil servants in the West Bank and the Gaza Strip. The objective of this activity is to help the PA meet its financial obligations towards civil employees and pensioners. The regular contribution to the funding of the wages expenditure for civil servants reinforces the PA's public finance management and public finance reform implementation. At the same time, it allows the administration to function and thereby to provide services to the Palestinians in the West Bank and Gaza Strip. The latter includes also a possible contribution by the PA to UNRWA for the payment of salaries of social service providers in Gaza implemented according to the same procedures and applying the same ex-ante and ex-post verification and control measures.

3.3. Risks and assumptions

It is expected that contributions from Member States and other donors will be made available during the implementation period to complement the proposed funds. Fluctuations in the exchange rate may have an impact on funding needs. Nevertheless the Ministry of Finance of the Palestinian Authority has informed the Commission that it anticipates that the funds received from this contribution will, together with its own resources and other donor funds, be sufficient to meet its obligations for its employees in the health and education sectors until the end of 2010.

Full co-operation with the Palestinian Authority is essential. This co-operation needs to be maintained, in particular for the identification of eligible beneficiaries and timing of payments and for the identification of eligible expenditure.

All actions under this special measure require that no additional restrictions are imposed by the Israeli Government, for example on financial transactions, including transfer of funds between the West Bank and Gaza Strip.

3.4. Cross-cutting Issues

Good governance principles are applied to the implementation mechanism and ownership on the part of the PA is assured. The actions proposed provide services vital to the social and economic rights of the Palestinian population.

3.5. Stakeholders

The direct beneficiary of the action is the Palestinian population.

Eligible beneficiaries and expenses are identified through a system based on strict and objective criteria set by the European Commission and based upon requests and information provided by the Palestinian Authority.

PEGASE will be implemented in close co-operation and full partnership with the Ministry of Finance the Prime Minister's Office, and the technical Ministries and other Departments and Agencies of the PA and UNRWA.

PEGASE will be co-ordinated locally with the EU Member States, other international donors and International Organisations. In order to do so, full use will be made of the existing local co-ordination groups already in place such as the Local Development Forum, the AHLC structures, the co-ordination meeting between Member States and the EU Delegation.

All donors supporting the mechanism will also be key stakeholders.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

This project will be financed under a financing agreement signed with the PA Ministry of Finance. Direct centralised management will be applied for all components.

PEGASE will be implemented by the Commission through the EU Technical Assistance Office in East Jerusalem, in close co-ordination with Member States officials and with the Palestinian Authority.

Disbursements will be made by the Commission either directly to the benefit of Palestinian Authority suppliers or to the Palestinian Authority following eligibility checks and verification and control procedures by external experts and international audit firms. These modalities have already been implemented through the earlier Temporary International Mechanism (TIM) mechanism.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the European Neighbourhood and Partnership Instrument (ENPI) Regulation 1638/2006.

The West Bank and Gaza Strip is facing a crisis, as defined in Article 168(2) of the Implementing Rules of the Financial Regulation. As a result negotiated contracting procedures or direct award for grant contracts may be used in accordance with applicable provisions.

4.3. Budget and calendar

The maximum contribution to PEGASE – Additional Support to Recurrent Expenditures of the PA under this decision is EUR 41.4 million. The contribution will be used for:

Supporting Palestinian administration and services (EUR 41.4 million)

It is anticipated that, as in earlier years, other donors will make considerable contributions.

PEGASE runs for a three-year period in line with the PRDP, covering the financial years of 2008, 2009 and 2010. The period of implementation of the current action is 24 months. The funds under this decision are expected to be totally disbursed in 2010.

Funds for the necessary technical assistance, evaluation, audit and visibility actions have already been made available under previous Commission Decisions.

4.4. Performance monitoring

PEGASE will continue to implement a comprehensive monitoring, verification and control system to provide reassurance over the use of their funds, and the efficient and effective provision of support to the Palestinian administration and population while fully protecting donor interests.

Monitoring arrangements also include reviews to take stock of other donor contributions, reviews by the World Bank on reform progress, reviews by the IMF on budget execution as well as other relevant political developments.

Payments will be executed in accordance with Commission regulations. A sophisticated and uniform financial reporting system is in place and will continue to be implemented, giving detailed information on all operations processed. Individual beneficiaries as well as businesses will be uniformly checked against international sanctions lists.

4.5. Evaluation and audit

Financial experts and qualified auditors will work for PEGASE which will be complemented by Commission and Member States specialists and international or local experts.

Advanced monitoring, control and audit systems are set up for all of PEGASE's activities. All donors participating in PEGASE have full access to the corresponding monitoring and audit reports on the basis of which their contributions are disbursed.

As well as audits of eligible expenditures to identify and validate payments, the PEGASE team will organise a general ex-post audit of the programme in accordance with international standards with a view to providing the maximum level of assurance. Donors will be invited to participate. In addition, contributing donors may carry out ex-post audits of expenditures covered by their payments.

In addition, a mid-term evaluation of PEGASE is ongoing. The results of this evaluation will be taken into account in future funding proposals. A comprehensive evaluation report covering the first three years of the PEGASE mechanism will be undertaken by the end of 2010.

4.6. Communication and visibility

The action will follow the visibility guidelines of the Commission.

Progress of PEGASE implementation will be communicated regularly to all stakeholders, including through a weekly bulletin. Regular information meetings are held with Member States in Brussels as well as locally.

ANNEX II
Action Fiche for West Bank and Gaza Strip

1. DESCRIPTION OF THE OPERATION

Beneficiaries:	Palestine refugees in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip
Implementing Organisation:	United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)
Operation title:	Additional Contribution to UNRWA's 2010 Regular Budget
Amount	EUR 20 million
Implementing Method	Project approach – joint management with an international organisation - European Commission - UN Financial and Administrative Framework Agreement (FAFA)

2. CONTEXT AND DESCRIPTION OF THE OPERATION

2.1. Context of the Operation

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) provides education, health, relief and social services, microfinance, housing and infrastructural support to approximately 4.7 million registered Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. Established by the UN in 1949 to carry out direct relief and works programmes for Palestine refugees, the Agency began operations in 1950. In the absence of a solution to the Palestine refugee problem, the General Assembly has repeatedly renewed UNRWA's mandate, most recently until 30 June 2011¹.

The last few years have witnessed growing concern among the refugee community and in the region over the decline in UNRWA services. Successive funding shortages and subsequent austerity measures and cost reductions have prevented programmes from expanding in tandem with the growth in the refugee population. This has led to the reduction of ongoing programme activities and precluded certain actions which normally would be part of UNRWA's regular programme of work. It also had a direct impact on the increased class size in UNRWA schools, rising patient/staff ratios in the health services, and higher caseloads for social workers dealing with the poorest refugees.

¹ The General Assembly is responsible for renewing the UNRWA's mandate every three years; 2011 is the next year the mandate will be up for renewal.

UNRWA has more than 28,800 staff posts to cover for services provided to 4.7 million refugees. The Regular Budget, including the General Fund and in-kind contributions, is the Agency's primary means of sustaining core services. The planned amount for the Regular Budget for 2010 was USD 583 million, out of which USD 177 million remain unfunded (which has led to a cutback of basic services). This does not include funding for emergency appeals, organisational development or specific projects (like Nahr El-Bared)².

The ability of the Agency to provide its services is entirely dependent on sufficient voluntary contributions made available annually from donors while UNRWA's General Fund costs are highly fixed (85% of expenditure is allotted to its labour force of 28,800 staff). The Agency has a very limited margin for manoeuvre when it comes to making decisions over where further cost reductions can be made. Staff numbers have not been increased to reflect the increased numbers of refugees. Any cuts would have an immediate impact on the level of basic services provided.

In a letter dated 10 May addressed to HRVP Ashton, UNRWA requested an additional contribution to its 2010 core budget of EUR 20 million from the EU to help bridge the financial gap of \$177 million (EUR 130 million). This substantial gap is due to several factors:

- The high birth rate in the refugee population means that, even if funding were maintained or even slightly increased, per capita income would drop.
- Reduced donations from a number of donors under the impact of the financial crisis.
- The increase in commodity prices has adversely affected its food aid programme.
- The Agency has been delving into its reserves and effectively living off these in part in recent years. The reserves are gone.
- The situation has been aggravated by exchange rate losses. The Israeli Shekel has gained strength against both the Euro and the Dollar.

In combination with contributions from EU member states, EU overall contributions in 2009 accounted for more than half of the total support to UNRWA. The EU has been a strong supporter of UNRWA since 1971, becoming in time its largest donor. In the last 10 years, the EU has provided nearly EUR 1 billion in support of UNRWA's work

3. RATIONALE OF THE INTERVENTION

Continued Commission support to UNRWA is an essential element of the EU strategy for the Middle-East Peace Process. One of the key elements of this strategy is to confirm the EU commitment to keep a close watch on the refugee issue, including during final status negotiations.

² The total funding needs of UNRWA for 2009 amount to USD 1,372.9 million, out of which USD 545.6 million were allocated to the Regular Fund.

Since 1971, the EU has contributed annually to UNRWA's Regular Budget. This funding is used primarily to cover the Agency's crucial core programme services in the areas of Health, Education, and Social Services and is essentially used to pay salaries for teachers, doctors and social workers active in the refugee camps. However, successive funding shortages and subsequent austerity measures and cost reductions have prevented programmes from expanding in tandem with the growth in the refugee population. This has led to the reduction of ongoing programme activities and precluded certain actions which normally would be part of UNRWA's regular programme of work.

The present grant agreement takes into consideration the support UNRWA is receiving from the international community, including EU Member States (EU MS provided around 25% of their contributions to UNRWA's Regular Budget in 2009). An added element of consideration is the increased burden on the Agency imposed by the ongoing crisis in the West Bank and Gaza, the demographic growth rate of the refugee population, and cost increases due to the higher operational charges related to the movement and access restrictions imposed by Israeli authorities as well as the depletion of all reserves³.

3.1. Overall objectives

The overall objective of the Operation is to provide support to the education, health, relief and social services programmes of the UNRWA.

3.2. Specific objectives

Education programme: to provide, within the framework of the curricula prescribed by the host countries and by the Palestinian Authority, general basic education, teacher education and vocational and technical education for Palestine refugees to enhance their educational opportunities at all levels of the educational system.

Health programme: to protect, preserve and promote the health of the registered Palestine refugees by providing access to comprehensive, quality basic health services.

Relief and social services programme: to provide a social safety net for Palestine refugees most affected by poverty promotes the self-reliance of less advantaged members of the refugee community, especially women, children, youth and persons with disabilities.

3.3. Expected results

The main result of the operation is expected to be the sustained delivery of essential public services to Palestine refugees.

3.4. Activities

The main programmes operated by UNRWA include the following activities:

³ The Agency has traditionally used its diminishing reserves towards bridging its chronic funding gaps.

3.4.1. *Education Programme*

Education services are currently provided through 689 UNRWA elementary, preparatory and secondary schools⁴ and ten vocational training centres (in Jordan, Syria, Lebanon, the West Bank and the Gaza strip) staffed by more than 21,000 teachers and attended by around 480,000 pupils.

In the West Bank and Gaza the education system as a whole has been severely disrupted by the armed conflict, curfews, closures and access problems since the Intifada. Working conditions for teachers have deteriorated, which has an impact in the staff morale and the difficulty to recruit and retain competent staff.

UNRWA's objectives for the medium term focus on improving the quality of education and ensuring access for all Palestine refugee's children, including those with special educational needs. A comprehensive review of UNRWA's approach to education took place in 2009 and its findings have been shared within the forum of the UNRWA Advisory Commission with host and donors in 2010⁵. Based on this review, measures to enhance the quality of services will be reflected in the Agency's future reform action plans for the upcoming years.

3.4.2. *Health Programme*

UNRWA's health programme is community-based, with the emphasis placed on primary health care and with a very selective use of hospital services. Approximately three million refugees (66% of UNRWA registered refugees) make use of UNRWA health facilities. Primary care is provided through UNRWA's own 137 facilities, serving approximately 9.5 million patient visits per year. Secondary care is provided through contractual arrangements with governmental or non-governmental hospitals or through partial reimbursement of the costs of treatment. Two thirds of the refugee population consist of women of reproductive age and children below 15 years of age, thus making maternal and child health, including family planning services, a priority area.

The quality of service delivery is affected by the excessive workloads borne by Agency staff (e.g. agency-wide average of 96 consultations per doctor per day) and chronic staff shortages and difficulties in attracting and retaining qualified staff, deteriorating health infrastructure and outdated equipment as a result of under investment. The cost of medical supplies and hospital care is also rising. UNRWA aims at reinforcing the staffing of the existing facilities, establishing new ones and renovating and updating existing facilities and medical equipment.

Water, sanitation and environmental conditions are poor, particularly in Gaza, the West Bank and Lebanon. For this reason, the Agency is working to improve the environmental conditions in the camps in coordination with local authorities and with special emphasis on wastewater disposal and solid waste management.

⁴ Secondary schools (6) in Lebanon only.

⁵ Comprehensive reviews have also been carried out for relief and social services, as well as, the health programmes. The reviews will serve as impetus for future quality enhancement plans and reflected in the Agency's plans towards sustaining change and reforms within UNRWA.

Refugees face the threat of resurging and newly emerging infectious diseases; increased morbidity and mortality from non-communicable diseases; mental and psychological problems; and high prevalence of micronutrient deficiencies. This is leading the Agency to introduce new programmes (mental health, psychosocial counselling) as well as putting in place an active intervention strategy for surveillance, prevention, early detection and management of these diseases in an effort to avoid the high cost of treating their complications/disabling effects at the secondary/tertiary care levels.

3.4.3. Relief and Social Services

The Agency provides eligible refugees with a range of services including food support, shelter rehabilitation, and selective cash assistance for Special Hardship Cases (SHCs). Over 263,000 persons are currently benefiting from the cyclical assistance under this Special Hardship Case programme. This assistance is primarily directed to families headed by women, families without a male adult medically fit to earn an income and to the elderly who can not support themselves.

Moreover, community support services encourages self-reliance in the refugee community through poverty alleviation schemes, and community-based, locally-managed institutions and services concerned with women and development, the rehabilitation and integration of refugees with disabilities, children and youth activities and leadership training. One of these services, the Microcredit Community Support Programme, provides small loans to over 20,000 refugees through group guaranteed lending and individual loan programmes.

4. DURATION AND LOCATION OF THE OPERATION

4.1. Duration of the operation

The overall Operation has an implementation period of 12 months.

4.2. Location of the operation

The Operation will be implemented in all areas of operation, i.e. in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip.

5. IMPLEMENTATION ISSUES

5.1. Implementation method

The programme will be implemented through joint management through the signature of contribution agreement with UNRWA and within the framework of the European Commission - UN Financial and Administrative Framework Agreement (FAFA).

5.2. Procurement and grant award procedures

For agreements with international organisations, all contracts implementing the action must be awarded and implemented in accordance with the procedures and

standard documents laid down and published by the international organisation concerned.

6. GENERAL MONITORING OF UNRWA PERFORMANCE

A Joint Annual Performance Review of UNRWA's main operations will be conducted in November 2010. The review, as has been the case over the past three years (2007- 2009), will be based on a predefined set of result-based indicators and targets, as well as milestones identified for the implementation of the Organisation Development process (See table below).

Following the outcomes and results of the 2010 Joint Review with UNRWA, a decision will be taken regarding future annual performance reviews of UNRWA's core programmes. More specifically, this would entail either a modification of the indicators stated below, or, the adoption of UNRWA's programme strategic framework as it has been elaborated within its Medium Term Strategy (MTS) (2010-2015).

The Joint Review with UNRWA will also conclude on whether the institutionalised monitoring and evaluation capacities, frameworks, and functions and the Agency's overall management of Monitoring & Evaluation tools installed within the Agency's Department of Internal Oversight Services⁶ are adequate to ensure coherent, accurate, and analytical reporting to UNRWA's management, donors and hosts on impact and results systematically

Type/periodicity	Indicator	Baseline/results/targets ⁷
Health		
Impact/ medium-term	1. Infant mortality rate	03: 22 08: 22 (08-09 target: 20) 10-11: 20
Result/annual	2. Percentage of pregnant women who register during the 1st trimester	05: 57.5%, 06: 65.8 % 07: 72.1% 08: 74.9% (08-09 target: 75%) 10-11: 80%
Result/annual	3. Percentage of newly detected cases of all non-communicable diseases under	05: 8%

⁶ The Evaluation function was transferred to DIOS by UNRWA's Commissioner General in January, 2010.

⁷ In addition to baselines and targets, the above table summarises the initial results of the 2009 external review (achieved in 2008 or during the 2008-2009 school year). New results were marked **in bold** and the respective targets in brackets (revised targets are *in italics*).

	monitoring and treatment	06: 11.1% 07: 13.0% 08: 9% (cumulative target 08-09: 20%) 10-11: 25%
Output/annual	4. Average daily medical consultations per doctor	05: 110, 06: 95 07: 96, 08: 101 (08-09 target: 80) 10-11: 70
Education		
Impact/medium-term	5. Educational achievement trends (new indicator to be measured by UNRWA Monitoring Learning Achievement Tests)	On Track - To be measured by DoE (Department of Education)
Output/annual	6. Percentage of schools operating in a double-shift	05-06: 77%, 06-07: 77.63% 07-08: 77.11%, 08-09: 73% (08-09 target: 70%) On Track in Four Fields 10-11: 65%
Result/annual	7. Pass rate of students in the national exams in Lebanon (preparatory school)	04: 53%, 05: 68.6%, 06: 65.36% 07: 45.2%, 08: 46.76%, 09: 50.41% (08-09 target: 50%) 10-11: 65%
Result/annual	8. Percentage of VTC (Vocational Training Centre) graduates in employment 12 months after graduation	05: 78%, 06: 81.9% 07: 81.84%, 08: 77.82% (08-09 target: 85%) On Track in Four Fields 10-11: 90%
Relief and Social Services		
Impact/medium-term	9. Percent change in poverty gap bridged for the abject poor (new indicator)	Establishment of the new indicator delayed - To be measured by RSSP (Relief and Social Services Programme)

Output/annual	10. No. of refugees (in thousands) who benefit from CBO (Community Based Organisation) services (W: women, D: persons w/disabilities, Y: children & youth)	05: 12.1 W 18.3 D 20 Y 06-07: 17.7 W 30.4 D 97.4 Y 08: 9.6 W 16.5 D 49.2 Y (one year) (08-09 cumulative target: 18W, 35D, 75Y)
Housing and Camp Improvement		
Output/annual	11. Cumulative percentage of SHCs (Special Hardship Cases), whose shelters are in need of rehabilitation, which have benefited from rehabilitated, extended or reconstructed shelters	05: 3.4 % 06: 9 % 07: 19% 08: 24.7% (08-09 cumulative target: 20%) 10-11: 30%
Microfinance and Micro-enterprise		
Output/annual	12. Percentage of loans given to informal sector clients	07: 78% 08: 82% (08-09 target 80%) 10-11: 80%

Target	Process indicator
Q1 2010	Results of the first assessment of Organisational Development indicators shared with members of the Advisory Commission. Follow-up action agreed.
Q1 2010	Head Quarter Programme Departments started a reform process in response to the Programme Reviews and in order to align their human resources with the Departments' strategic role.
Q2 2010	The setting up of the UNRWA central Monitoring & Evaluation function finalised with a functioning data warehouse solution in place.
Q2 2010	Agency Monitoring & Evaluation framework finalised. Donors interested in measuring performance should agree with UNRWA a simplified indicator framework (e.g. based on revised Annex I of Medium Term Strategy)
Q2 2010	Results of the 2009 MLA (Monitoring Learning Achievement Tests) baseline study used in the design, planning and execution of UNRWA education activities.
Q2 2010	Implementation of the relief reform back on track with registration system RRIS (Refugee Registration Information System) rolled out, measures taken to facilitate transition from Special Hardship Cases to SNN (Social Safety

	Net), and PMTF (Proxy Means Testing Formula) tool used in all Fields.
Q3 2010	2009 Annual Report of the Commissioner General to comprise more elements of the MTS (Medium Term Strategy), including elements of the Agency Monitoring & Evaluation framework .
Q3 2010	4th Joint Donor Review of Programme Performance based on an UNRWA self-assessment, consolidated by an EC consultant.
Q4 2010	Results of the external Organisational Development evaluation presented to the members of the Advisory Commission, including a review of PCM (Project Cycle Management) implementation based on the MTS/FIPs (Field Implementation Programme)/HIPs (Head Quarters Implementation Programme) and other recent documentation.