



Brussels, 1.10.2021
C(2021) 7017 final

COMMISSION IMPLEMENTING DECISION

of 1.10.2021

on the financing of the individual measure in favour of Palestine¹ refugees for 2021

¹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

COMMISSION IMPLEMENTING DECISION

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on the financing of the individual measure in favour of Palestine¹ refugees for 2021

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012², and in particular Article 110 thereof,

Having regard to Regulation (EU) No 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument - Global Europe and amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009³, and in particular Article 23.

- (1) In order to ensure the implementation of “UNRWA: European Union Contribution to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) Programme Budget 2021 and reform process” it is necessary to adopt an annual financing Decision, which constitutes the annual work programme, for 2021. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on Financing Decisions.
- (2) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁴.
- (3) The objectives pursued by this individual measure are to contribute to maintain basic living conditions and human development of Palestine refugees. In particular, it aims at supporting United Nations Relief and Works Agency for Palestine Refugees (UNRWA) in delivering uninterrupted essential basic services within the Agency's Programme Budget, supporting the Agency in moving forward with internal reforms including in areas related to UNRWA's management initiatives aimed at improving organisational effectiveness that focus, in priority, on areas of governance, transparency, oversight, accountability and ethics and in supporting the Agency's internal reforms specifically in relation to the EU approach process for UNRWA in the field of solid waste management in the West Bank.

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² OJ L 193, 30.7.2018, p.1.

³ OJ L 209, 14.6.2021, p.1.

⁴ The sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- (4) The Commission aims at adopting a multi-annual programming document for the West Bank and Gaza Strip in the second half of 2021; this multi-annual document is expected to be a Joint Programming Document – Joint Strategy currently under preparation with EU Member States and should be aligned to the Palestinian National Development Plan of the Palestinian Authority. This programming document should cover the assistance to Palestine refugees envisaged in this action.
- (5) However this current action is urgently needed as UNRWA is facing a budget shortage which would jeopardise in particular the payment of school teachers' and medical staff's salaries in the coming weeks, in a context aggravated by the COVID-19 pandemic and its economic and social impact. No other means of financing this measure are available at present. It is therefore justified in the present case to adopt an individual measure pursuant to Article 23(3) of Regulation (EU) No 2021/947 that is not based on a programming document.
- (6) Pursuant to Article 26(1) of Regulation (EU) No 2021/947, indirect management is to be used for the implementation of this individual measure.
- (7) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046.

To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of Regulation (EU, Euratom) 2018/1046 and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046 before a contribution agreement can be signed.

- (8) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (9) In order to allow for flexibility in the implementation of this individual measure, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.
- (10) The measure provided for in this Decision is in accordance with the opinion of the Neighbourhood, Development and International Cooperation Instrument Committee established under Article 45 of Regulation (EU) No 2021/947.

HAS DECIDED AS FOLLOWS:

Article 1
The measure

The annual financing Decision, constituting the annual measure for the implementation of the Commission Implementing Decision on the financing of the individual measure in favour of Palestine refugees for 2021, as set out in the Annex, is adopted.

The measure shall include the following action: “UNRWA: European Union Contribution to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) Programme Budget 2021 and reform process”.

Article 2
Union contribution

The maximum Union contribution for the implementation of the measure for 2021 is set at EUR 92 000 000, and shall be financed from the appropriations entered in the budget line 14.020110 of the general budget of the Union.

The appropriations provided for in the first paragraph may also cover interest due for late payment.

Article 3
Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annex, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in points 4.3.1 and 4.3.2 of the Annex.

Article 4
Flexibility clause

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated reassignments of funds between actions contained in an action plan not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) 2018/1046, where these changes do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may apply the changes referred to in the first paragraph acting in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 1.10.2021

For the Commission
Olivér VÁRHELYI
Member of the Commission

ANNEX

Action Document for the individual measure in favour of Palestine¹ refugees for 2021

MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan/measure in the sense of Article 23(3) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS Basic Act	European Union (EU) Contribution to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) Programme Budget 2021 and reform process CRIS number/OSPYS business reference: NDICI-GEO-NEAR/2021/043-022 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out at the following locations: Refugee camps and areas populated by Palestine refugees in the UNRWA's five fields of operation: West Bank, Gaza Strip, Syria, Lebanon and Jordan.
4. Programming document	Under preparation
5. Link with relevant MIP(s) objectives/expected results	Under preparation
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Financial Support to the UNRWA Programme Budget
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 4 (quality education) Other significant SDGs (up to 9) and where appropriate, targets: SDG 2 (zero hunger), SDG 3 (good health and well-being), SDG 5 (gender equality) and, SDG 8 (decent work and economic growth)
8 a) DAC code(s)	Main DAC code – 72010 Material relief assistance and services - 100%
8 b) Main Delivery Channel	UNRWA 41130

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9. Targets	<input checked="" type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<u>Connectivity</u> Tags: transport people2people	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	energy		<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>
	Migration	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020110 Total estimated cost: EUR 764 403 274 ² Total amount of EU budget contribution EUR 92 000 000 This action is co-financed in joint co-financing by: - Other donors for an amount of EUR 672 403 274			
MANAGEMENT AND IMPLEMENTATION				
13. Implementation modalities (type of financing and management mode)	Project Modality - Indirect management with UNRWA - Indirect management with the entity to be selected in accordance with the criteria set out in section 4.3.2			

1.2. Summary of the Action

The European Union (EU) and its Member States are the largest donors to UNRWA. Reaffirming the EU's political support, these commitments provide the Agency with much-needed reliable and predictable support, enabling the Agency to reinforce internal reform processes linked to responsibility, modernisation and accountability while sustaining essential services.

Continued EU support to UNRWA is an essential element of the EU's strategy to bring peace, stability and prosperity to the region and represents the EU's longstanding commitment to Palestine refugees until a just resolution to their plight is accomplished. Since 1971, the EU has contributed annually to UNRWA's Programme Budget. For 2021, the regular annual contribution of EUR 82 million was increased by EUR 10 million to EUR 92 million at the request of the European Parliament.

EUR 90 million is used primarily to cover the Agency's key core services in the areas of health, education, and social services and is essentially used to pay salaries for UNRWA local area staff, in particular teachers, doctors and social workers active in the refugee camps in the West Bank, Gaza Strip, Syria, Lebanon and Jordan. UNRWA has more than 30,000 staff posts that provide services to over 5.6 million refugees. EUR 2 million are to support the Agency's strategy and reforms in the field of solid waste management.

The Action's overall objective is to maintain basic living conditions and human development of Palestine refugees. The specific objectives are: (1) To support UNRWA to deliver uninterrupted essential basic services within the Agency's Programme Budget; (2) To help UNRWA move forward with the planning and implementation of specific operations and reforms aiming at improving efficiency and effectiveness and strengthening synergies with other players (including hosting countries), as well as the Agency

² Indicative and based on the UNRWA 2020 actual Programme Budget.

management (reform) initiatives, with a focus on solid waste management, following up on a feasibility study finalised in 2020.

2. RATIONALE

2.1. Context

Overall, UNRWA has an important role to play due to the contribution it makes to several of the SDGs for Palestine refugees. UNRWA contributes directly to five SDGs via the Agency's core programmes. Recognising that more needs to be done to deliver on the UN's Decade of Action for the 2030 Agenda for Palestine refugees, the upcoming years will be important to reflect on how UNRWA can better work with its partners – hosts, donors and the wider development community – so that no-one is left behind, and to provide hope through opportunities to Palestine refugees so that they in turn can contribute more sustainably towards a peaceful and secure future.

Established by the United Nations General Assembly in 1949, UNRWA Agency is mandated to provide assistance and protection to Palestine refugees pending a just and lasting solution to their plight. Over 5.6 million Palestine refugees are registered with the Agency and eligible to access its services within the UNRWA areas of operation (West Bank, Gaza Strip, Lebanon, Syria and Jordan). However, not all registered refugees avail themselves of the Agency's services. UNRWA basic education and primary health care services are accessible to all Palestine refugees who seek them, while other services like cash and food assistance or hospitalisation support are available only to the abject poor.

The importance of its work in preserving the rights of Palestine refugees was acknowledged in December 2019 when UNRWA's mandate was extended by three years (until 2023), with an overwhelming majority vote in the UN General Assembly, where all 28 EU Member States voted unanimously in favour of the extension. At the same time, UNRWA is currently experiencing enormous challenges in fulfilling its mandate, due to recurrent financial shortfalls, the significant needs of an increasing Palestine refugees' population in a context of considerable regional unrest and conflict and to new demands due to the onset of COVID-19 across its fields of operation, as well as to the crisis of confidence that affected the agency in 2019.

Violence and marginalisation continue to affect Palestine refugees registered across all five fields of UNRWA operation, where the Agency continues to deliver human development services and humanitarian assistance in the areas of education, health care, relief and social services, camp infrastructure and improvement, microfinance and emergency assistance.

In **Gaza**, where about three-quarters of the current estimated population are registered Palestine refugees, the political and security situation remains volatile as the land, air and sea closure have entered its fourteenth year in 2020. Socioeconomic factors associated with the closure, the lack of employment opportunities, political uncertainty and a chronic energy crisis continue to have significant repercussions on the lives of Palestine refugees, exacerbated by the ongoing COVID-19 crisis.

In the **West Bank, including East Jerusalem**, the situation remains fragile. Palestine refugees continue to experience difficult socioeconomic conditions rooted in occupation related policies and practices imposed by the Israeli authorities, aggravated by recurrent fiscal crisis and the non-acceptance of clearance revenues between May and November 2020. At the same time, UNRWA operations in East Jerusalem continue to be threatened.

After nine years of conflict, civilians in **Syria** continue to face significant humanitarian and protection needs which in turn is undermining the resilience and coping capacities of the 438,000 Palestine refugees currently estimated to remain in the country.

The wider destabilisation of the region caused by the conflict in Syria continues to pose major socioeconomic and security concerns for Jordan and Lebanon, which host large numbers of refugees from Syria, including Palestine refugees, in addition to existing resident populations of Palestine refugees.

In **Lebanon**, the already dire socio-economic conditions, characterized by high poverty and unemployment rates have been aggravated by the current political and economic crisis, placing further pressure on an already weak public finances and infrastructure, not to mention the explosion in the port of Beirut of August 2020, which has caused a heavy death toll and a substantial economic impact.

In **Jordan**, high unemployment has become a major challenge, with levels of joblessness rising from 13.8 per cent in January 2016 to 19 per cent in the fourth quarter of 2019;³ youth and females have been particularly affected.

Across UNRWA fields of operation, the COVID-19 pandemic is placing additional strain on already overstretched health systems, in particular in Gaza and Lebanon. While there have not been major outbreaks reported within Palestine refugee communities, the risk of escalation remains high. The economic impact associated with the pandemic has also been devastating and continues to worsen, exacerbating pre-existing Palestine refugee vulnerabilities.

Human development approach lies at the centre of the Agency's work. The Programme Budget is the Agency's primary means of sustaining core services. For more than a decade, persistent funding gaps in the UNRWA budget have placed at immediate risk the delivery, quality and effectiveness of essential services. Against this background, the UNRWA Medium-Term Strategy (MTS) 2016-2022⁴ has proven increasingly vital in paving the way for consolidation and savings of expenditures by refocussing the Agency on its core business (primary health, basic education and social relief).

EU Fundamental Values

Operating on the basis of the legal framework applicable to United Nations entities, including the United Nations Charter, UNRWA services are also delivered in accordance with the UN humanitarian principles of neutrality, impartiality, independence and humanity, therefore contributing to the European Union's fundamental values.

Within its mandate, UNRWA protects and preserves the rights of Palestine refugees. The Agency delivers services to thousands of Palestine refugees at its installations in the five fields of operations every day. This includes schools for primary education, health centres for primary healthcare, registration offices, camp service offices in camps, and other installations. Particularly in its more than 600 schools educating more than 500,000 Palestine refugee children across the Middle East, UNRWA emphasises the UN values of neutrality, human rights, tolerance, equality and non-discrimination with regard to race, gender, language and religion. In times of conflict, UNRWA installations have also served as designated shelters for those displaced and seeking refuge.

Due to the complex contexts and protracted conflicts in which UNRWA operates, the Agency places special importance upon neutrality in all areas of its work. This is regulated and outlined in the UNRWA Neutrality Framework and several other regulatory documents that pertain to UNRWA operations and staff conduct.

2.2. Problem Analysis

PRIORITY (1): Supporting UNRWA in delivering uninterrupted essential basic services within the Agency's Programme Budget

Short problem analysis

³ Source: <https://www.worldbank.org/en/country/jordan/overview>.

⁴ In 2019, the MTS for 2016-21 was extended by one year and will now conclude on 31 December 2022.

UNRWA continues to provide Palestine refugees not only with critical services, but also with stability and prospects for their future. The Agency is the largest UN operation in the Middle East, active in five fields of operations (West Bank, Gaza Strip, Jordan, Syria and Lebanon).

The ability of the Agency to provide its services is entirely dependent on sufficient voluntary contributions made available annually for the most part from donors, mostly European.

Diminishing voluntary contributions and a growing refugee population has made the funding model of UNRWA precarious. The situation has worsened since 2018. While the USA has resumed funding in 2021, reduced contributions from Gulf countries have been observed. These factors, in addition to the crisis of credibility that hit the agency in 2019, have put UNRWA's role as a pillar of stability in the region at risk. Funding crises were averted in the past, however all stakeholders including donors, host countries, and the Agency should be committed to work together so that the scale and kind of crises would not be repeated.

Key cross-cutting issues:

Operating in a fragile, conflict region, UNRWA acts to protect the rights of Palestine refugees. The Agency also addresses the protection concerns of vulnerable refugees including women, children and persons with disabilities.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action

The direct/final beneficiary of the action is the Palestine refugee population in UNRWA's five fields of operations.

The Agency, UNRWA, itself, as well as all donors and host countries supporting UNRWA are also key stakeholders.

The responsibility of UNRWA in Palestine refugee camps is limited to providing services and administering its installations. The Agency does not own, administer or police the camps, as this is the responsibility of the host authorities. Donors support UNRWA in responding to the needs of Palestine refugees.

PRIORITY (2): Supporting the Agency in moving forward with internal reforms (“Management initiatives”)

Short problem analysis:

Prompted by the Agency’s leadership crisis in 2019 and as part of the Agency’s far-reaching managerial reforms (“Management initiatives”) endorsed by the United Nations Secretary General (UNSG) and the UNRWA Advisory Commission (AdCom), UNRWA launched several actions aimed at improving organisational effectiveness that focus, in priority, on areas of governance, transparency, oversight, accountability and ethics. Swift implementation of these management initiatives intended to strengthen the Agency's organisational and managerial culture are expected. A number of reforms are underway, including reinforcements of the Department of Internal Oversight, restructuring UNRWA’s Ethics function, establishing an UNRWA Ombudsman office, conducting a review of the donor relations and communication department as well as reviewing the UNRWA's regulatory framework. The measures and the progress made on many aspects of the management initiatives have been welcomed by donors. UNRWA has also kept members of the Advisory Commission up to date on progress made.

Key cross-cutting issues:

The implementation of the reforms will indirectly affect the capacity of the agency to deal in a more effective and strategic way in securing human rights for Palestine refugees, improving the approach to environmental management, improving gender perspective.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The Agency, UNRWA, itself, as well as all donors and host countries supporting UNRWA are main stakeholders.

PRIORITY (3): Supporting the Agency’s internal reforms specifically in relation to the EU approach process for UNRWA in the field of solid waste management in the West Bank

Short problem analysis:

Due to funding challenges, UNRWA has struggled to continue providing services to Palestine refugees in the camps and Solid Waste Management (SWM) services currently provided by UNRWA to refugees are inefficient and ineffective. By increasing effectiveness, the negative impact of solid waste on the environment and public health could be decreased while improving efficiency and positively impacting sustainability. Commercial waste also places a vast burden on the management of solid waste management (MSWM), including those of UNRWA in some camps.

Key cross-cutting issues:

UNRWA plays a role in addressing environmental sustainability and is attempting to minimise its carbon footprint. Resource constraints have hampered progress. However, the Agency has positive steps towards environmental sustainability. Individual strategies for each field of UNRWA’s fields of operation aim to increase cost efficiency and reduce solid waste generation while encouraging reuse and recycling at the level of the camps.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The direct/final beneficiary of the action is the Palestine refugee population. The Agency in cooperation with local authorities’ are also main stakeholders in complementing UNRWA’s services.

2.3. Relevance and credibility of Partner Country’s/Regional Policies and Strategies

As an essential provider of vital services to Palestine refugees, UNRWA is a stabilising force in the region.

With more than 30,000 staff, UNRWA is the largest UN operation in the Near East and a major employer in the region. The Agency provides essential services for the well-being, human development and protection of Palestine refugees, pending a just solution. UNRWA operates one of the largest school systems in the Middle East, teaching nearly half a million children in more than 600 schools. Among other services, the Agency also provides around 9 million health consultations in its 141 primary health centres across the region every year. Overall, UNRWA’s operations provide a critical lifeline for millions of Palestine Refugees and a key pillar of stability in the region.

During the COVID-19 outbreak, UNRWA showed flexibility and innovation in rapidly reprogramming its interventions and introducing new initiatives as part of its COVID-19 response to ensure continued service delivery in conditions of safety for staff and beneficiaries. Operating 141 primary health centres, the Agency also played a key role in supporting national health systems, in detecting COVID-19 cases, in limiting the spread of the virus and in ensuring continued refugees’ access to lifesaving services.

Local authorities’ reinforced cooperation and involvement in complementing UNRWA’s services is of growing importance. Engaging in partnerships and scaling up cooperation between service providers in the camps (mainly UNRWA) and those outside of the camps will ultimately help improve public-service systems in and outside of the camps, which are currently mainly working in parallel.

2.4. EU added value

UNRWA is funded almost entirely by voluntary contributions, mostly from government donors. The Agency is also supported by the European Union, regional governments and sister UN Agencies.

Since 1971, the European Union has had a longstanding strategic partnership with UNRWA. As an essential provider of vital services to millions of Palestine refugees, the Agency is a stabilising force in the region.

The situation of refugees remains an unresolved final status issue. EU support to refugees is provided via UNRWA and this support underlines the EU's principled approach to final status issues. This support is of critical significance in maintaining the agency's operations and in preserving basic services to Palestine refugees. As also referred to in the Risk Management Framework (RMF), the EU support is critical in preserving regional stability, contributing to 13% of the Programme Budget.

The EU and its Member States remain the largest providers of international assistance to Palestine refugees. Through reliable and predictable contributions to UNRWA's Programme Budget, the EU is making a key contribution towards ensuring that the Agency is able to continue carrying out its operations, in line with its mandate, and to provide essential services to more than five million Palestine refugees while implementing essential reforms.

For the period 2014-2016, contributions to the Programme Budget have been framed within the EU-UNRWA Joint Declaration. An ensuing Joint Declaration agreement for the period 2017-2020 was signed in June 2017. The Joint Declaration reaffirmed the European Union's political support to UNRWA and foresaw UNRWA's commitment towards: i) focusing on core priorities, ii) pursuing the internal reform process, iii) developing a resource mobilisation strategy towards non-traditional donors and iv) ensuring better transparency and complementarity of all UNRWA programmes in the region. The renewal of the EU-UNRWA Joint Declaration document covering the period 2021-2024 is being finalised and will underline the EU continued political and financial support and the need for further reforms.

2.5. Complementarity with EU and other Donors/Partners

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

Considering the EU Council Conclusions of 18 January 2016 and of 20 June 2016 as well as the EU statements at the UN Security Council on 21 April 2011, on 13 February 2013 and on 22 January 2019, continued EU support to UNRWA is an essential element of the EU's strategy to bring peace, stability and prosperity to the region and represents the EU's longstanding commitment to Palestine refugees until a just resolution to their plight is accomplished.

Besides supporting UNRWA's Programme Budget, the EU has actively supported UNRWA's reforms and continues to ensure the complementarity of its support to a number of extra-budgetary special emergency appeals and projects. EU humanitarian assistance also supports the Agency's emergency responses and preparedness to unpredictable but recurrent humanitarian needs predominantly emerging from the protracted crises in Palestine and in Syria.

The EU has also called on other donors, including Gulf donors, for greater solidarity and burden sharing to ensure that UNRWA receives adequate resources to protect and maintain its core functions.

Donor co-ordination is ensured in the UNRWA Advisory Commission and Sub-Committee meetings, through the Interest Group meetings on UNRWA and other regular meetings organised by the Office of the European Union Representative (EUREP) in East Jerusalem with local and international stakeholders. Synergies and

complementarities with other donors is therefore maintained, thanks to the strong coordination on the ground, notably in the area of Solid Waste management.

In addition, to underpin the EU-UNRWA Joint Declaration, an EU-UNRWA Strategic Dialogue meeting is organised on an annual basis. This senior level meeting aims to ensure better co-ordination and understanding between both institutions, to take stock of Agency commitments within the Declaration, to update on the operational and financial impact of UNRWA reforms and to analyse challenges.

The EU plays a particular role in enhancing coordination, synergies and reforms. This role was also apparent when a broad consensus on the opportunity to launch a broad strategic evaluation of UNRWA's work was found. The EU has been a key promoter of this evaluation in the preparation of the July and November 2020 Advisory Commission meetings.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to contribute to maintain basic living conditions and human development of Palestine refugees

The Specifics Objectives (Outcomes) of this action are to

1. To support UNRWA in delivering uninterrupted essential basic services within the Agency's Programme Budget
2. To support the Agency in moving forward with internal reforms including in areas related to UNRWA's management initiatives aimed at improving organisational effectiveness that focus, in priority, on areas of governance, transparency, oversight, accountability and ethics.
3. To support the Agency's internal reforms specifically in relation to the EU approach process for UNRWA in the field of solid waste management in the West Bank.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are

- 1.1 contributing to Outcome 1 (or Specific Objective 1): Quality core services are delivered to Palestine refugees while UNRWA continues to implement and pursue Medium Term Strategy (MTS) objectives.
- 2.1 contributing to Outcome 2 (or Specific Objective 2): Internal reforms improving organisational effectiveness including in the areas of governance, transparency, oversight, accountability and ethics are carried out and institutionalised.
- 3.1 contributing to Outcome 3 (or Specific Objective 3): Implementation of a pilot action to improve the efficiency and quality of solid waste management in and around one refugee camp in the West Bank while striving to develop/ build on synergies and complementarities with national authorities. The action is also expected to improve awareness among the general public of good practices as related to solid waste management.

3.2. Indicative Activities

Activities related to Output 1.1

Programme Budget programmes - Within UNRWA's Programme Budget, the Agency delivers essential services notably in the areas of education, health, protection, relief and social services, microfinance, camp improvement as well as executive direction and support services via its 30,000 area staff members. Core programme expenditures that comprise of recurrent staff and non-staff costs are eligible for support under this action.

Activities related to Output 2.1:

Management Initiatives / Internal reforms - Eligible for support under this action, UNRWA is implementing a series of management initiatives aimed at improving organisational effectiveness, which focus, inter alia, on areas of governance, transparency, oversight, accountability, ethics and overall modernisation. These initiatives reflect and support UN-wide priority reform areas of the UN Secretary-General. Developed on the basis of a forward-looking Agency, the initiatives will allow for opportunities to improve and follow latest practices and modern understandings of management, transparency and efficiency.

Activities related to Output 3.1:

The EU approach to UNRWA's reforms and the implementation in the field of Solid Waste Management (SWM) in the West Bank - On the basis of the EU-commissioned study, a three year programme will be implemented in indirect management by an entrusted entity aiming that the current SWM system in Dheisheh camp in the West Bank will transition into an improved system. At the core of this intervention, are the introduction of household bins, mechanisation of waste collection, establishing formal agreements with local authorities to transport/dispose of waste to landfills, piloting recycling of commercial waste, all of which are combined with a strong intervention to stimulate behavioural change among the general public.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

The environmental and climate change risk screenings carried out in the design stage concluded that no further action was required. This Action is primarily centred on the provision of essential basic services within the Agency's Programme Budget, which is not relevant for a Strategic Environmental Assessment (SEA).

Based on the Environment Impact Assessment (EIA) carried out during design phase, the action was classified as Category C (no need for further assessment). This Action is primarily centred on the provision of essential basic services within the Agency's Programme Budget, which is not relevant for an EIA. Nonetheless, UNRWA has a role to play in addressing environmental sustainability and an obligation to minimise the negative environmental impact of its own operations. While resource constraints have hampered progress, UNRWA has already taken a number of steps towards environmental sustainability. The SWM action is also expected to contribute to this objective. An Agency-wide policy on environmental sustainability is currently under development and a proactive approach to reducing its environmental footprint has been adopted. In addition, an Agency-wide SWM Framework, coupled with individual strategies for each field of UNRWA operation aim to increase cost efficiency and reduce waste generation while encouraging reuse and recycling at the camp level.

Gender equality and empowerment of women and girls

As per the Organisation for Economic Co-operation and Development (OECD) Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that within the UNRWA Medium Term Strategy (MTS) 2016-22, UNRWA continues to strive for gender equality across all Strategic Outcomes and in its management and operational objectives while combining gender mainstreaming with targeted interventions for women and girls as a tool to bridge historical gaps in empowerment, participation and access to services. UNRWA's commitment to the promotion of gender equality and women's empowerment is enshrined in its Gender Equality Policy (2007) and the Gender Equality Strategy 2016-2021 (GES) that are being implemented in tandem with the MTS 2016-22.

Human Rights

UNRWA's mandate encompasses the protection and preservation of the human rights of Palestine refugees. Under UNRWA's mandate for protection of Palestine refugees, the Agency addresses the protection concerns of all refugees inter alia through the application of gender mainstreaming and the implementation of a dedicated gender based violence programme, a disability policy, an inclusive education policy and a child protection framework. In addition, UNRWA documents alleged human rights violations. Since its

establishment in 1949, the agency has been instrumental in providing vital services for the well-being, human development and protection of Palestine refugees and the amelioration of their plight, pending the just resolution of the question of the Palestine refugees.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the Agency also addresses the protection concerns of persons with disabilities.

Democracy

Not Applicable

Conflict sensitivity, peace and resilience

As an essential provider of vital services to millions of Palestine refugees, UNRWA is a stabilising force in the region. The Agency's is an essential element of the EU's strategy to bring peace, stability and prosperity to the region and represents the EU's longstanding commitment to Palestine refugees until a just resolution to their plight is accomplished.

Disaster Risk Reduction

Not Applicable

Other considerations if relevant

UNRWA has an ongoing commitment to empowering Palestine refugee youth. Empowered with education, motivation and experience to reach their potential and achieve their goals is key to building and sustaining peace and setting positive examples of innovation, persistence and courage while making a lasting impact on their societies.

In the area of livelihoods, UNRWA focuses on the mutually reinforcing outcomes of building the capabilities of refugees and improving access to livelihood opportunities by through training and other educational opportunities, enabling access to financial services, creating employment opportunities, as an indirect by-product of its operations.

UNRWA has started to develop a strategic framework that will inform its new multi-year strategy (2023 - 2028). A key theme towards modernising UNRWA's programmes and operations is hoped to be achieved through digitalisation. This initiative will be largely geared to enhance the quality and accessibility of UNRWA services, including in the fields of education, health and other programmatic areas, while enhancing the reliability, accuracy and privacy of its refugee registration data.

3.4. Risks and Lessons Learned

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
Deterioration of existing protracted conflicts and new conflicts arising in UNRWA's fields of operations, like the last one in May 2021 in Gaza, which change refugee needs or the Agency's ability to operate	Risk 1	M/H	M/H	Operational adjustments based on improved Agency-wide emergency preparedness. Ensure flexibility to address emerging needs in terms of advocacy and funding.
Insufficient resources to enable the Agency to sustain core operations and regularly paying the staff.	Risk 1	M/H	M/H	UNRWA strives to ensure adequate implementation of the Agency's Resource Mobilisation Strategy (RMS) covering the period 2019-2021, while redeploying staff, whenever possible.

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
				Engage occasionally with UNRWA trade unions to confirm support to the agency and its staff, while supporting relevant reforms.
Deteriorating situation due to COVID-19 pandemic	Risk 1	H	H	Operational adjustments aimed at controlling the spread of the pandemic and helping to prevent a major outbreak followed by supporting national systems for the provision of vaccines.
Risks associated with change: structural changes and reforms within UNRWA's operations are likely to raise concerns and encounter opposition from the Agency's staff, unions, and refugees. In addition, some reforms are likely to take time, and may also require temporary investments to ensure adequate transformation processes.	Risk 3	H	H	UNRWA ensures adequate stakeholder consultation and communication throughout the envisaged reform processes. Based on timely and comprehensive information sharing by UNRWA, hosts and donors, including the EU and its Member States, express their support for envisaged reforms. Support reforms and raise awareness in order to enhance synergies with other actors hosting countries, private sector, International Financial Institutions (IFIs), etc.

Lessons Learned:

The importance of UNRWA's continued assistance to refugees is about more than just its services, but marks the lack of an acceptable solution to the plight of the Palestine refugees. It is essentially due to this reason that reforms attempting to change UNRWA's role are often strongly opposed by the refugee population and by the governments of their host countries. Nonetheless, the Agency is mindful that the resource scarcity resulting from ongoing conflict, growing needs resulting from population growth and inflationary pressures call for extraordinary reform efforts, as well as, prioritisation of services and activities within, and between, its programmes without undermining its mandate.

A number of elements are providing a strong and solid safeguard that prevents the possibility of funding individuals/institutions involved in terrorist activities or incitement. These are namely the implementation of UNRWA activities in the framework of indirect cooperation, based on the Financial and Administrative Framework Agreement (FAFA), which makes the agency subject to the pillar assessment; the continuous policy dialogue; the emphasis put on adherence to the United Nations Educational, Scientific and Cultural Organisation (UNESCO) education standards; the compliance with the clause 6a of FAFA on restrictive measures⁵; and the emphasis put by UNRWA on ethical values. As per article 6a.2 of the FAFA, UN agencies, including UNRWA, shall cooperate with the Commission in assessing if the third parties, whether entities, individuals or group of individuals, selected by the UN to be recipients of funds in connection with the implementation of the respective contribution agreement, fall under the scope of EU restrictive measures. In the event that such recipients would fall under the scope of EU restrictive measures, the UN shall promptly

⁵ The check is made against the UN sanctions list and further against the EU sanctions list. Furthermore, there are many Agency processes and mechanisms for implementation and enforcement of its rules, regulations and policies relating to UN neutrality vis-à-vis staff, partners, suppliers, donors and Palestine refugees. Vetting and due diligence measures are in place to ensure that UNRWA does not engage with any third party on the Consolidated UN Sanctions List. To do this, UNRWA vet staff and personnel, donating individuals and entities, beneficiaries, implementing partners, vendors, and suppliers.

inform the Commission. Based on the annual management declarations submitted by UNRWA, it is the EU's understanding that the Agency has been in compliance with the above article and no cases have been reported to the EU to date.

In line with the EU approach for UNRWA and UNRWA's internal reforms, in March 2019, the EU commissioned a study on Solid Waste Management (SWM) in West Bank refugee camps. SWM is a crucial public service for which the responsibility typically falls on the municipality. However, for approximately 250,000 inhabitants of the 19 recognised refugee camps in the West Bank, municipalities do not provide SWM services in the camps. As a result, the SWM system in these camps faces particular contextual specific challenges in addition to the financial, technical and political challenges that apply to all of the West Bank. The study produced a number of important findings. The most relevant was that refugees are not included in the Palestinian National SWM strategy and that the SWM system in the camps and the system outside of the camps do not consider each other sufficiently. The lack of harmonisation of SWM approaches between hosting countries and UNRWA, obsolete equipment, the lack of awareness of the population with regard to consumption and waste were also observed. Successful management of commercial waste in and outside of camps would also potentially have a significant positive impact on national SWM systems as a whole.

3.5. The Intervention Logic

Provided that fundamental assumptions continue to hold true, support to UNRWA's annual Programme Budget offers the Agency much needed predictability in sustaining its core programmes while carrying out important reforms will help improve the Agency's financial stability. This will lead to (a) preserving UNRWA's role in delivering basic services to Palestine refugees and supporting the agency in its strides towards (b) improving organisational effectiveness and (c) support the Agency's internal reforms specifically in relation to the EU approach process for UNRWA.

Preserving basic services to Palestine refugees provided by UNRWA within the framework of its mandate and supporting the realisation of Agency efficiency and effectiveness reforms and objectives will contribute to maintaining the basic living conditions and human development of Palestine refugees until an agreed, just, fair and realistic solution is reached to the problem of Palestinian refugees. As part of its mandate, UNRWA provides development opportunities through the provision of education, health and social protection services while at the same time, responding to refugees' most pressing humanitarian needs. Against a backdrop of growing vulnerability, UNRWA sustains the international community's investment in the human capital of the refugees through continued delivery of core services.

As a whole, the action will assist the Agency to prioritise services and activities within, and between, its programmes without undermining its mandate. As part of its reforms, opportunities for synergies, complementarities and cohesion with host country national strategies and policies will be explored. Moreover, especially in areas where UNRWA does not have a profound value added, or where there is simply not enough financing, all partners must ensure that Palestine refugees receive the services they deserve and no refugees are left behind.

3.6. Indicative Logical Framework Matrix

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (): Main expected results (maximum 10)	Indicators (): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)			Sources of data	Assumptions
				<u>2019</u>	<u>2021</u>	<u>2022</u>		
Impact	To maintain basic living conditions and human development of Palestine refugees.	(1) Number of submissions to the International Human Rights System.*	(1) 14	(1) 10	(1) 10	(1) 10	United Nations General Assembly (UNGA) resolutions and reports on the mandate and operations of UNRWA and Palestine refugees. UNRWA Annual Operational Reports.	<i>Not applicable</i>
		(2) Number of primary health care facilities providing services to Palestine refugees.*	(2) 141	(2) 141	(2) 141	(2) 141		
		(3) Stability in the number of UNRWA schools/educational facilities providing services to Palestine refugees.*	(3) 709	(3) 709 ⁶	(3) 709	(3) 709		
		(4) Number of individuals directly benefiting from EU supported interventions that aim to reduce social and economic inequality (individuals receiving Social Safety Net Programme (SSNP) assistance).*	(4) 270,998	(4) 387,000	(4) 387,000	(4) 387,000		

⁶ The number of schools is dependent on several factors, including whether enrolment of students is increasing or decreasing in each locality, the merger of smaller schools into larger ones, the availability of funding and land for the construction of new schools and future decisions on the reconstruction of damaged schools in Syria; however is expected to remain relatively stable given that more than half a million children attend UNRWA schools on a daily-basis.

* Indicators aligned with the UNRWA 2016-22 MTS are marked with a '*'

			<u>2019</u> ⁸	<u>2021</u> ⁹	<u>2022</u>	<u>2023</u>		
Outcome 1	1 UNRWA supported in delivering uninterrupted essential basic services within the Agency's Programme Budget	<u>1.1 Education</u>					UNRWA Annual Operational Reports, using data collecting by UNRWA staff through UNRWA management information systems.	Despite the global economic impact associated with the COVID-19 pandemic, funding from UNRWA's traditional donors remains stable including via regular and predictable support to the Agency's core budget through multi-year agreements.
		Preparatory education cumulative drop-out rates (male).*	3.07%	3.27% ¹⁰	3.27%	3.27%		
		Preparatory education cumulative drop-out rates (female).*	1.22%	2.41% ¹¹	2.41%	2.41%		
		Elementary cumulative drop-out rates (male).*	0.85%	1.72% ¹²	1.72%	1.72%		
		Elementary education cumulative drop-out rates (female).*	0.43%	0.78% ¹³	0.78%	0.78%		
		<u>1.2 Health</u>						
Percentage of targeted population screened for Non-communicable diseases such as diabetes mellitus, 40 and above.*	23.6%	23.6% ¹⁴	23.6%	23.6%	Regional donors' contributions to the Agency's Programme Budget are sustained, if not increased.			
Number vaccine preventable disease outbreaks (Expanded Programme of Immunisation (EPI) ⁷).*	2	0	0	0				

⁷ Diseases targeted by the EPI include diphtheria, whooping cough, tetanus, measles, poliomyelitis and tuberculosis.

⁸ 2020 performance targets will be published in June 2021 – however given 2020 was an exceptional year due to COVID, the 2019 baseline is proposed.

According to the UNRWA Annual Operational Report, 2020 was an exceptional year due to COVID-19 - in some cases reporting irregular results. All UNRWA schools moved to remote learning from March 2020. Overall, there was a decrease in drop-out rates but a slight increase was observed amongst girls. Automatic grade promotion policies likely played a role by motivating struggling students to stay in school, along with the efforts of UNRWA education teams to provide engaging and accessible remote learning following the onset of the pandemic. Further analysis concerning the ripple effect automatic grade promotion policies may have in the future is expected to be carried out. Therefore, drop-out rates have been purposely held static throughout the period 2021 to 2023, as reflecting the difficulty in setting targets for this indicator due to the multiplicity of factors which affect drop-out rates, many of which are beyond the control of the Agency.

¹⁰ Idem.

¹¹ Idem.

¹² Idem.

¹³ Idem.

¹⁴ To be revised according to 2020 performance targets available in June 2021. As mentioned 2020 was an exceptional year. While the 2020 target was 23%, the actual was 9% mainly due to COVID restrictions. Agency has initially decided to hold the 2021 and 22 targets stable at 23.6%.

		<u>1.3 Social relief and protection</u> Percentage of abject poverty gap bridged through UNRWA social transfers.*	24.7%	20.0% ¹⁵	50.0% ¹⁶	50.0%		UNRWA presses forward with structural reforms to break the annual cycle of funding shortfalls and rebuilds its working capital to realise optimal cost efficiency and continuity of operations throughout the year. International conference in 2021 provides a renewed consensus around the updated vision of UNRWA.
Outcome 2	2 UNRWA supported in moving forward with internal reforms including in areas related to UNRWA's management initiatives aimed at improving organisational effectiveness that focus, in priori, on areas of governance, transparency, oversight, accountability and ethics.	2.1 Number of initiatives and reforms planned and/or underway (cumulative out of 30+ initiatives)	0	10 ¹⁷	15	25	AdCom and Subcommittee progress reports	UNRWA will be successful in implementing the management initiatives.

¹⁵ To be revised according to 2020 targets (published in June 2021).

¹⁶ The 2021-2023 targets are dependent on the receipt of additional funding for reform initiatives.

¹⁷ The 2022 and 2023 targets for the percentage of abject poverty gap bridged through UNRWA social transfers are dependent on the receipt of additional funding for UNRWA social transfers.

Outcome 3	3 The Agency's internal reforms are supported specifically in relation to the EU approach process for UNRWA in the field of solid waste management (SWM) in the West Bank.	3.1 efficiency and effectiveness of solid waste management system in Deheisheh camp improved ¹⁸		<u>1st year</u> Mechanised collection in camp in place and functioning.	<u>2nd year</u> UNRWA's responsibility for service provision is limited to the interior of the camps alone (outsourcing transport of waste from the camp to the landfill)	<u>3rd year</u> Institutional goal of UNRWA achieved (in which adequate and efficient SWM becomes a shared responsibility with local authority/ies in line with the principle of integrated solid waste management).	Progress reports Project Evaluation /s	Cooperation and engagement with relevant authorities
Output 1 related to Outcome 1	1.1 Quality core services delivered to Palestine refugees while the Agency continues to implement and pursue MTS objectives and reforms.	1.1.1 Percentage of students identified with a disability receiving support meeting their specific needs.*	<u>2019</u> 71.7%	<u>2021</u> 45.2%	<u>2022</u> 45.2%	<u>2023</u> 45.2%	UNRWA Annual Operational Reports, using data collected by UNRWA staff through UNRWA management	Operational and political situation/contexts do not deteriorate further. Infrastructure, installations and Palestine refugee shelters in UNRWA fields of operation do not
			<u>2017¹⁹</u> 24.8%		N/A	N/A		

¹⁸ This indicator and all other indicators to the SWM action are subject to modification (negotiated with entrusted entity).

¹⁹ MLA testing was last conducted in 2016. The final results of those tests were released in 2017.

		1.1.2 Percentage of students reaching the Achieved or Advanced Performance Levels in MLA tests (grade 4 Mathematics, male).*	34.1%	24.8% ²⁰	N/A	N/A	nt information systems.	sustain damage as a result of natural or human-made humanitarian crises.
		1.1.3 Percentage of students reaching the Achieved or Advanced Performance Levels in MLA tests (grade 4 Mathematics, female).*	50.0%	34.1%	N/A	N/A		A sustained economic downturn, at the national, regional and/or global levels does not materialise.
		1.1.4 Percentage of students reaching the Achieved or Advanced Performance Levels in MLA tests.* (grade 8 Mathematics, male)	64.8%	50.0%	N/A	N/A		There are no increases in registered Palestine refugees beyond projections based on historical trends.
		1.1.5 Percentage of students reaching the Achieved or Advanced Performance Levels in MLA tests (grade 8 Mathematics, female).*	2019	64.8%	N/A	N/A		
		1.1.6 Average daily medical consultations per doctor.*	78.0	78.8	77.0	76.0		
		1.1.7 Percentage of Social Safety Net (SSN) individuals that received social transfers (out of the total poor refugee population) disaggregated by sex and disability.*	13.6%	13.6%	15%	15%		The short- to medium-term impact of the COVID-19 disruption does not affect UNRWA's ability to deliver education, health, camp improvement and social welfare services.
								There are no rises in commodity

²⁰

The next MLA tests will take place in 2021. The final results of those tests will be released in 2022. Subsequent MLA tests will take place once every three to four years.

								<p>prices beyond projected levels.</p> <p>Adequate funding to meet minimum operational requirements is received.</p> <p>UNRWA maintains the same or similar outputs and indicators in the 2023-2028 MTS.</p>
Output 1 related to Outcome 2	2.1 Support mobilised to assist UNRWA in its reform plans	2.1.1 Number of reform initiatives planned and/ or underway (cumulative out of 30+ initiatives)	-	10	15	25	AdCom and Subcommittee progress reports	Adequate stakeholder consultation and communication ensured throughout the envisaged reform processes.
Output 1 related to Outcome 3	3.1 Improved efficiency and quality of solid waste management in and around a refugee camp in the West Bank while developing/	3.1.1 Status of the institutional setting for transporting collected waste from	-	<u>1st year</u> 3.1.1 agreement	<u>2nd year</u> 3.1.1 system established	<u>3rd year</u> 3.1.1 final report about	Progress reports Evaluation /s	Support reforms and awareness raised in order to enhance synergies with other actors

	<p>building on synergies and complementarities with national authorities. Improved awareness among the general public of good practices as related to solid waste management.</p>	<p>Dheisheh camp to the landfill, sustainably transferred from UNRWA to the local authority in Bethlehem²¹.</p> <p>3.1.2 The capacity of targeted stakeholders to manage solid waste strengthened (new primary collection system based on proximity bins).</p> <p>3.1.3 A change in behaviour among refugees and other key target groups observed - contributing to effective and efficient SWM.</p> <p>3.1.4 Level of progress in the system for collecting and processing of commercial waste established, covering the camp and its immediate vicinity. The system is facilitated by strong engagement of shopkeepers and other key stakeholders.</p>	<p>-</p> <p>-</p> <p>-</p>	<p>negotiated/si gned</p> <p>3.1.2 Capacity building completed</p> <p>3.1.3 awareness and communicati on campaign designed</p> <p>3.1.4 technical assessment carried out</p>	<p>to monitor performance</p> <p>3.1.2 tools and equipment delivered</p> <p>3.1.3 behaviour change intervention and campaign implemented</p> <p>3.1.4 tools purchased and delivered</p>	<p>outsourcing performance is positive</p> <p>3.1.2 new SWM system in camp and positively monitored</p> <p>3.1.3 workshop – lessons learned & exchange of experiences</p> <p>3.1.4 follow up and support to commercial waste system established</p>		
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²¹ This indicator and all other indicators to the SWM action are subject to modification (negotiated with entrusted entity).

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 42 months as from 1 January 2021, the expected final date of operational duration being 30 June 2024.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²².

4.3.1. Indirect Management with an international organisation

A part of this action (Outcomes 1 & 2) may be implemented in indirect management with UNRWA. This implementation entails carrying out the activities described in section 3.2 in order to provide sustained access of the Palestine refugee population in the Gaza Strip, West Bank, Jordan, Syria, and Lebanon, to quality essential services and carry out internal reforms (Management Initiatives).

The envisaged entity has been selected using the following criteria as the action has specific characteristics requiring a specific type of implementer with proven technical competence and specialisation. UNRWA, established by the UNGA, is the UN Agency mandated to provide services to Palestine refugees. In the absence of a solution to the Palestine refugee problem, the UN General Assembly has repeatedly renewed UNRWA's mandate, most recently until 2023.

The Commission authorises that the costs incurred may be recognised as eligible as of 1 January 2021 because it will fully guarantee the continuation of vital basic service provision to the Palestine refugees and implementation of UNRWA internal reforms.

4.3.2. Indirect Management with a entrusted entity (Member State Organisation)

A part of this action (Outcome 3) may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: i) thematic expertise and multiannual experience in implementing solid waste management and environmental health programmes and strategies; ii) ability to quickly mobilise specialised quality experts on these topics; and iii) previous experience of assistance in the country in sectors relevant to the specific objective, stakeholders and context.

The implementation by this entity entails carrying out the activities linked to output 3.1 described in section 3.2 aiming that the current Solid Waste Management (SWM) system in Dheisheh camp in the West Bank will transition into an improved system.

²² www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.3.3. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances (one alternative second option)

If the action to be implemented (“The EU approach to UNRWA’s reforms: implementation in the field of SWM in the West Bank” - see Outcome 3 / Output 3.1) cannot be implemented under indirect management with an entrusted entity due to reasons outside the control of the Commission, it is proposed to implement it under direct management through a procurement in order to support the EU approach to UNRWA’s reforms and broader strategy in the field of Solid Waste Management.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Outputs 1.1 & 2.1 composed of	90 000 000	
Indirect management with UNRWA- cf. section 0	90 000 000	672 403 274
Output 3.1 composed of	2 000 000	
Indirect management with an entrusted entity- cf. section 0	2 000 000	
Evaluation – cf. section 5.2 Audit – cf. section 5.3	will be covered by another Decision	
Communication and visibility – cf. section 6	N.A.	
Totals	92 000 000	672 403 274

4.6. Organisational Set-up and Responsibilities

The bulk of the action will be implemented by UNRWA whereas the contribution agreement will be managed by the EU through the Office of the EU Representative to the West Bank and Gaza Strip (EUREP), located in East Jerusalem.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular

progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Close monitoring will be carried out at the action level and managed by the EU through the Office of the EU Representative to the West Bank and Gaza Strip (EUREP), located in East Jerusalem.

UNRWA maintains a unified reporting framework that is aligned with the Agency's Medium Term Strategy (MTS) 2016-22. The effort generates a standardised methodology with a set of indicators for reporting to donors, encompassing reporting timeframes, templates and both quantitative and qualitative information. This harmonised reporting approach reduces transaction costs while producing an enhanced quality of reporting.

Results reporting is derived from the UNRWA results-based monitoring system which enables data collection and analysis against strategic outcomes set out in the MTS. The system monitors emergency appeals, projects and other frameworks employed by the Agency and, where possible, establishes linkages between them.

The Agency's Annual Operational Reports will serve as the primary performance monitoring tool for the planned contribution agreement to implement the actions and may be supplemented by complementary reporting as far as reform actions are concerned.

5.2. Evaluation

Having regard to the nature of the action, a final evaluation will not be carried out for this action or its components.

In case an evaluation is not planned, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination²³. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. COMMUNICATION AND VISIBILITY

Communication and visibility is a contractual obligation for all entities implementing EU-funded external actions to advertise the European Union's support for their work to the relevant audiences.

To that end they must comply with the instructions given in the [Communication and Visibility Requirements of 2018](#) (or any successor document), notably with regard to the use of the EU emblem and the elaboration of a dedicated communication and visibility plan, to be completed for every action at the start of implementation.

²³ See best [practice of evaluation dissemination](#).

These obligations apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries or entrusted entities. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

Communication and visibility measures may be funded from the amounts allocated to the action. For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds.

Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and concerned EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before work starts. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

For communicating on Team Europe Initiatives, the EU and its Member States can rely on the specific guidance on the Team Europe visual identity:

Building on the 2020 EU-UNRWA Communications and Visibility Strategy, which includes both field-level and EU-based activities, annual visibility implementation plans will be developed for the action.