

Strategy for Denmark's engagement with UNRWA

The work of UNRWA

UNRWA is mandated by the UN General Assembly to provide protection and basic services, primarily education and health, to Palestine refugees in their region of origin, until a negotiated political solution to the Israel-Palestine conflict has been found. Due to the unsolved conflict - which has lasted for nearly 70 years - the number of Palestine refugees has grown to more than 5 million people since the establishment of UNRWA in 1949. Palestine refugees account for one quarter of the global number of refugees in 2016.

Denmark supports UNRWA because

- It is the UN-mandated organization solely responsible for the well-being and protection of the Palestine refugees, who are part of the final status issues in a negotiated political solution;
- The organization contributes to curtailing the refugee flow towards Europe, by offering humanitarian assistance and protection in the region of origin. In its nearly 70 years of existence UNRWA has proven to be efficient in supporting and providing opportunities to millions of Palestine refugees, thus playing a stabilizing role in the region;
- It has a strong track record of integrating humanitarian and development approaches in protracted crises.

Key challenges of UNRWA

- The demographic development of the Palestine refugee population increases demands for UNRWA services and funding - leading to recurrent financial crises;
- The regional crisis has compounded the need for UNRWA assistance vis-à-vis Palestine refugees in Syria, Lebanon and Jordan;
- Increased number and intensity of crises globally also increases competition over funds, making it harder to cover UN-mandated expenses.

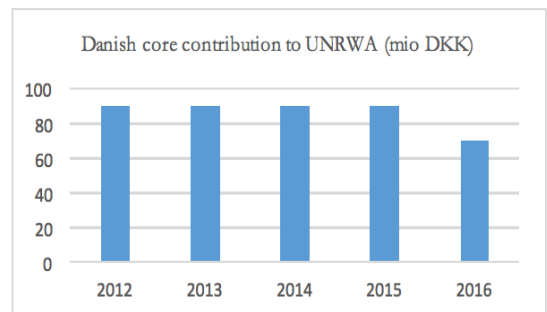
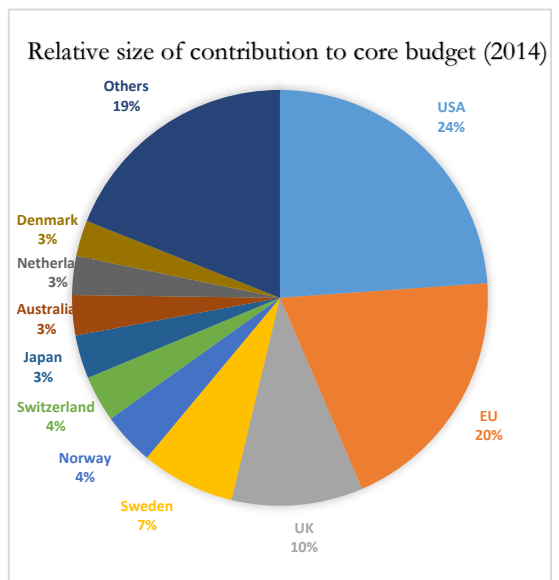
Denmark expects UNRWA to

- Play a stabilizing role in the region by providing predictable services to Palestine refugees, with a strengthened focus on gender and youth;
- Deliver on strong commitments to reforms, including by strengthening partnerships with other UN-agencies and by improving accountability towards refugees, donors and host countries.

Denmark will follow up by

- Monitoring progress against Danish priorities using performance indicators from UNRWA's reporting framework along with results-based payments for a share of the Danish commitments;
- Participating actively in the Advisory Commission and the Subsidiary Commission in coordination with likeminded donors and by engaging in regular dialogue with UNRWA;
- Participating in the upcoming MOPAN exercise, possibly as donor co-lead;
- Undertaking a mid-term review of this Danish strategy, taking into account the results of the MOPAN exercise.

UNRWA	
Established	1949
HQ	Amman and Jerusalem
Country Offices	West Bank, Gaza, Syria, Lebanon, Jordan
Human Resources	30.000 (150 international staff)
Budget 2016	1453 mio USD (of which 758 is core resources)
Commissioner-General	Pierre Krähenbühl (Switzerland)
Denmark Member of governing entity	Through UN General Assembly (UNGA) Membership, to which UNRWA is a subsidiary body



Strategy for Denmark's engagement with UNRWA

1. Objective

This strategy for Denmark's engagement with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) forms the basis for Danish contributions to UNRWA and it is the central platform for Denmark's dialogue and partnership with the Agency. It sets out the Danish priorities for UNRWA's performance within the overall framework established by UNRWA's own Medium-Term Strategy (2016-2021). In addition, it outlines specific goals and results that Denmark will pursue in cooperation with UNRWA. Denmark will continue to work closely with like-minded countries towards the achievement of results through efforts to pursue specific goals and priorities.

Synergies between Denmark's Strategy for Development and Humanitarian Action and UNRWA's Medium-Term Strategy 2016-2021

Ensuring that everyone, everywhere can reach their full human potential and have access to fundamental human rights are overarching priorities of Denmark, as reflected in the Danish Strategy for Development Cooperation and Humanitarian Action. Denmark fully aligns itself with the goal of UNRWA's Medium-Term Strategy for 2016-2021, which states that refugees should:

“Lead long and healthy lives, are knowledgeable, have decent standard of living and enjoy human rights”

UNRWA seeks to achieve these goals by:

“Developing and sustaining the organisation through effective and efficient governance and support”

The timing of the Danish Strategy for Development Cooperation and Humanitarian Action, as well as the Medium-Term Strategy of UNRWA, has allowed for full consideration and alignment to the Agenda 2030 and the Sustainable Development Goals.

UNRWA's Medium-Term Strategy describes five strategic outcomes of its core programmes, which Denmark supports:

Refugees' rights under international law are protected and promoted;

Refugees' health is protected and the disease burden is reduced;

School-aged children complete quality, equitable and inclusive basic education;

Refugee capabilities are strengthened for increased livelihoods opportunities;

Refugees are able to meet their basic human needs of food, shelter and environmental health.

2. Rationale

2.1. Supporting Palestine refugees - part of the final status issues of Israel-Palestine peace process

International support for a two-state solution entails handling the Palestine refugee issue until a final negotiated political solution has been reached. This is to include a resolution to the refugee question and the right to return and reparation. UNRWA has thus been mandated by the international community through the UN General Assembly to ensure the protection and well-being of Palestine refugees until a lasting solution has been found. As a consequence of their special legal status and the complex history of the Israel-Palestine conflict, Palestine refugees are not eligible for provisions delivered by humanitarian agencies other than UNRWA in Gaza, the West Bank, including East Jerusalem, Syria, Jordan and Lebanon. Support to Palestine refugees through UNRWA is a cornerstone of the international community's support to a lasting, peaceful solution to the conflict.

2.2. Curtailing refugee flows to Europe by assisting in the region of origin

UNRWA is mandated by the UN General Assembly to provide humanitarian protection and relief as well as emergency education and health, early recovery and reconstruction programmes to Palestine refugees living in contexts of recurrent crises. This includes hundreds of thousands of Palestine refugees who have been displaced as a consequence of the conflict in Syria. UNRWA provides basic living conditions and strongly needed encouragement for refugees to choose to remain in their region of origin in times of emergency and protracted crises. As most of the Palestine refugees exposed to the regional crisis depend entirely on UNRWA for fundamental humanitarian and development assistance, stable and predictable support to the Agency is pivotal for mitigating the risk of Palestine refugees joining other refugees on risky journeys towards Europe.

2.3. UNRWA is a stabilising factor in a volatile region

Among Palestinians, especially the younger generation, there is a risk of radicalization if the conflict remains unsolved. The vast majority of Palestinians can be expected to reject extreme measures but it only requires small groups with a radical agenda to change the dynamics of the conflict. The continued Israel-Palestine conflict is highly problematic in a regional context, where radical groups try to exploit it as one element to fuel popular frustration, especially among unemployed young people. The international community must help to create a positive, non-violent narrative for the future. UNRWA, which has close to 70 years of presence in the region, functions as a stabilising factor by ensuring that humanitarian relief, protection and basic development services are available to Palestine refugees. By providing opportunities to Palestine refugee youth through job creation programmes, vocational training and education, UNRWA contributes to allowing refugees to realize their full human potential and mitigates the risk of infiltration of radical extremists into poor refugee communities.

2.4. High efficiency in delivery and first mover in integrating humanitarian and development approaches

UNRWA is widely perceived as an experienced and effective actor, operating in mostly complex situations pertaining to Palestine refugees. Comparative studies show that UNRWA is cost-effective in providing basic development services such as health care and education. The first ever Human Development Report on a refugee population (from 2014) showed that the Palestine refugee population by and large has the same life expectancy, educational level and health conditions as the populations in the areas (so-called fields¹) where UNRWA is mandated to operate. A World Bank study from 2012 showed that refugees educated by UNRWA, in spite of the many obstacles they face, performed similarly or even better than pupils from host countries². Alongside basic development services, UNRWA delivers humanitarian assistance to approximately 1.5 million refugees, mostly in the Gaza Strip and Syria. During the wars in Gaza UNRWA turned its schools into emergency shelters – during the 2014-crisis it provided shelter for over 300,000 displaced people - and during the current crisis in Syria, UNRWA has developed “Education in Emergencies”-programmes to allow children to emerge from conflict with their education relatively intact. UNRWA thus has considerable experience from almost 70 years of operation in integrating humanitarian and development programmatic approaches in protracted crises and applying a dynamic approach that adjusts to changes in the context. As such, the organisation aligns itself strongly with the guiding principle of “The World 2030”, Denmark’s Strategy for Development Cooperation and Humanitarian Action, namely to strengthen the ties between development and humanitarian action.

3. The Organisation

3.1. Mandate

UNRWA was established to provide emergency relief to the Palestine refugees who had lost homes and livelihoods and were forced into exile as a result of the 1948 Arab-Israeli conflict. The Agency was provided with a mandate to carry out direct humanitarian relief and works programmes for Palestine refugees in five fields of operation: Gaza, the West Bank (including East Jerusalem), Jordan, Lebanon and Syria. UNRWA’s mandate is renewed every three years by the UN General Assembly - the current mandate expires in June 2017. Due to the prolonged Israel-Palestine conflict, still awaiting a political solution, the number of Palestine refugees eligible for UNRWA provisions, has grown from about 860,000 in 1949 to more than 5.2 million people³. Today, Palestine refugees account for 24 per cent of the global refugee population⁴. The Palestine refugee population is expected to grow to 6.45 million by 2021 (see figures in Annex 1).

¹ Palestine Human Development Report, Development for Empowerment, UNDP, 2014

² Learning in the face of adversity, The UNRWA education programme for Palestine Refugees, World Bank, 2012

³ UNRWA Medium-Term Strategy 2016-2021

⁴ UNHCR, Global Trends Report, 2015

3.2. Governance

UNRWA Headquarters are placed in Jerusalem and Amman and operational activities are anchored in the five fields of operation. UNRWA's most senior officer is the Commissioner-General (CG), appointed by the UN Secretary-General in consultation with the UN General Assembly. The Commissioner-General holds overall management responsibility of all field offices and represents UNRWA in negotiations with hosts and donors. Due to its special nature, UNRWA does not have a governing board as most other UN entities; instead the CG on an annual basis reports directly to the UN General Assembly. An Advisory Commission (AdCom) was established in June 2006 following a General Assembly decision in December 2005 (A/C/60/L.18) - Denmark, as a long-term and significant donor, is a member of the AdCom. The AdCom convenes twice a year to discuss and advise the CG on planning, implementation and evaluation of UNRWA's programmes. An AdCom sub-committee (SubCom) with the same membership was established in late 2008 to discuss operational issues related to strategic planning, budget, monitoring and distribution of funds. The SubCom provides recommendations for consideration by the AdCom. Denmark engages (in coordination with like-minded donors) actively in both fora as well as in informal working groups and in regular bilateral dialogues with UNRWA management, pursuing established Danish priorities and goals.

3.3. Operations

UNRWA plays a central role in the provision of basic public services to Palestine refugees, which extends to a quasi-state function, in addition to providing humanitarian assistance. The current Medium Term Strategy has adopted a holistic approach through a life-cycle modality and addresses the specific needs of different age groups (infants, children, youth, adults and elderly). In contrast to most other UN organisations, UNRWA provides services through its own staff and installations (see Annex 1 for an overview of operations across the five fields of operation). UNRWA is the largest UN agency in terms of personnel with more than 30,000 employees involved in direct service delivery as teachers, doctors, nurses and social workers. The vast majority of employees are Palestine refugees – only around 150 employees are international staff. UNRWA operates one of the largest school systems in the Middle East with nearly 700 schools, educating more than 500,000 children, 137 primary health care facilities, providing primary health care to 3.2 million with about 9 million patient visits, 61 women's programme centres, 10 vocational training centres and 37 community-based rehabilitation centres. More than 1.6 million refugees live in 58 recognized refugee camps. In the camps, socio-economic conditions are generally poor, with a high population density, cramped living conditions and inadequate basic infrastructure, such as roads and sewers. The other two-thirds of registered refugees live in and around cities and towns in the five fields of operation. In addition to its general assistance programmes, UNRWA provides emergency assistance as and when crises occur. In 2015, humanitarian support reached 1.5 million vulnerable people.

4. Key challenges and opportunities

4.1. Demographic development

Population growth amongst Palestine refugees, compounded by intensified conflict and fragility in the five fields of operation, in particular Syria, has increased the need for UNRWA's relief and basic humanitarian assistance in recent years. Family planning is part of the health system, but needs a broader approach, including in education, to become more effective. Financial contributions from donors have not kept pace with the growing needs resulting from the population growth and the associated change in demographic profile; i.e. an increasing younger population. This makes it increasingly difficult for UNRWA to fulfil its mandate. In 2015, UNRWA had to cope with a budget deficit of USD 101 million, which led to a decision to postpone the scholastic year by four months. The deficit was covered only weeks before a closure of schools would have been effectuated. In 2105 only 50 % of appeals for emergency activities were met.

4.2. Funding model

The funding model of UNRWA is primarily based on voluntary contributions. The funding situation is tightly linked to the right of return of Palestine refugees - and as such to a key issue of the Israeli-Palestinian conflict. While Arab donors have increased contribution levels to UNRWA in recent years, there is no guarantee of continuity. A large proportion of the Arab contributions are earmarked for projects. Though UNRWA is increasingly successful in diversifying its donor base, including by reaching out to the private sector, the fundamental issue of securing funding for a large and expanding state-like operation with limited predictability in the size of contributions, has many in-built challenges. The traditional funding mechanism needs to be revisited to enable UNRWA to overcome recurrent financial crises. Multi-annual and more non-earmarked financial arrangements are needed to increase predictability and flexibility of funding - as are new partnership opportunities.

4.3. Regional crisis and increased needs

The conflict in Syria has caused hundreds of thousands of Palestine refugees to become displaced for the second or the third time within Syria or to become refugees in neighbouring countries⁵. Serious violations of human rights, International Humanitarian Law and Humanitarian Principles remain widespread in all five fields of operations. The regional crisis has thus significantly increased the need for emergency assistance to thousands of displaced Palestine refugees, who rely solely on food and shelters provided by UNRWA for survival. In addition, damage to UNRWA funded infrastructure, such as schools and health clinics, further increases funding needs. Since 2014, nearly half of UNRWA's 692 schools across the region were physically damaged as a consequence of increased levels of conflict.

⁵ UNRWA, Syria Field Update, May 2016, and Humanitarian snapshot, April 2016

4.4. Increased competition over funding

The continued regional crisis and the dramatic rise in the number and intensity of crises globally have in recent years caused increased competition over humanitarian funds. This has further complicated the efforts of UNRWA to find a more sustainable financing model for its core programmes. The most efficient way to support UNRWA would be through predictable, timely and multiannual core funding, allowing UNRWA management to allocate resources for fostering necessary reforms instead of spending leadership energy on tackling recurrent and intensified financial crises.

4.5. Limitations to humanitarian access

In Syria, belligerent parties have repeatedly prevented UNRWA from accessing vulnerable Palestine refugees. This was shown by the blockades of the Yarmouk refugee camp (which used to host 160.000 refugees of which less than 20.000 remained in 2016)⁶. In addition, fighting has caused many casualties among humanitarian workers, including UNRWA staff.

In other emergency crisis situations, including in Syria and Gaza, UNRWA has proven to be very efficient in getting humanitarian assistance to beneficiaries, also because UNRWA front line staff are refugees themselves and possess in-depth knowledge of relevant areas and installations. In the occupied Palestinian territories, restrictions on movement and access imposed by Israel limits not only the free movement of Palestinians, but also the humanitarian access of UNRWA, thereby increasing the costs of providing services to the refugees.

4.6. Addressing youth issues

The fact that almost half of the Palestine refugees are younger than 30 years old and have received quality basic education adds to the potential for a future Palestinian state. However, under current circumstances, the large majority of these refugee youth will not be able to realize their full human potential (despite being at par with host-countries in terms of human capital) and are often living in conditions of unemployment and marginalization. Unemployment and absolute poverty levels for Palestine refugees are – with the notable exception of the situation in Jordan - well above the regional average, caused by conflicts, political restrictions and the blockade of the Gaza Strip. UNRWA is strengthening its focus on youth in its programming, with an emphasis on education, including vocational training, but only a fraction of the needs can be met due to budget limitations. Empowering young Palestine refugees to lead their own life will be essential to break the dependency cycle and address the cycle of repeated violence. UNRWA's efforts in this regard also include dialogue with host governments - but with heightened levels of conflict and political uncertainties there are no immediate solutions in sight.

⁶ UNRWA, Syria Regional Crisis Emergency Appeal, 2016

5. Synergies with Danish bilateral cooperation

The Denmark – Palestine Country Policy Paper 2016-2020 defines the overall political objective as *“support to the realisation of a two-state solution to the Israeli-Palestinian conflict, encompassing the State of Israel and an independent, democratic, sovereign and contiguous State of Palestine, living side by side in peace and security.”* The Country Programme, aiming at operationalising this overall political goal, is centred around state building, as a prerequisite for statehood through strengthened local governance structures and promotion of a sound economic basis with respect for human rights and democratic accountability. In terms of the Sustainable Development Goals (SDG) the Country Programme contributes specifically to *SDG 8 -Decent work and economic growth* and *SDG 16 - Peace, justice and strong institutions* but also contributes to *SDG 1 - No poverty* and *SDG 5 - Gender equality*. UNRWA's mandate, encompassing both basic development services and humanitarian assistance, also contributes to *SDG 2 - No hunger*, *SDG 3 - Good health*, *SDG 4 - Quality education*, *SDG 6 - Clean water and sanitation*, *SDG 10 - Reduced inequalities* as well as *SDG 17 - Partnerships for the goals*. UNRWA delivers on these SDGs through its five strategic outcomes.⁷

The country programme and the Danish support to UNRWA complement one another and contribute to the same overall political objective. The joint efforts by UNRWA and host countries have resulted in the development of solid human capital, as the Palestine refugee population today is characterised by a life expectancy, an educational level and health conditions comparable to those of host country populations. The human capital constitutes an important asset for Palestine in its aspirations to become a sovereign state. Progress in the areas of intervention in the country programme will also contribute to improving the situation for refugees living in the West Bank, including East Jerusalem and in Gaza.

6. Performance and results

The 2011 MOPAN (Multilateral Organisation Performance Assessment Network) exercise looked at four dimensions of organisational effectiveness: Strategic, operational, relationship, and knowledge management. The main conclusions were that UNRWA was a unique organization in the UN family, delivering essential core services to growing numbers of Palestine refugees with increasingly constrained resources, and; that UNRWA had demonstrated strategic leadership for organizational renewal with positive reforms underway - but that the organisation continued facing challenges in operational management as it had not sufficiently maximized the effects of knowledge management and experience sharing. The MOPAN findings were used to enhance dialogue between the Agency and donors as well as enhancing reform processes initiated in 2006. A new MOPAN exercise is planned during this strategy period, most likely in 2017-2018.

⁷ See table on synergies p.2.

At the end of 2015, the last year of implementation of the previous Medium-Term Strategy 2010-2015, UNRWA had succeeded in educating around half a million children, providing more than 9 million primarily health care consultations, social safety net assistance in cash and kind to close to 300,000 households, and skills trainings to close to 7,000 youth. Over 36,000 shelters were either rehabilitated or constructed. Emergency humanitarian assistance was provided to approximately 1.5 million refugees. Over the strategy period UNRWA continued to make institutional improvements by implementing comprehensive reforms to strengthen strategic planning, resource mobilization, accountability, and the quality and effectiveness of services.

Education reforms brought transformational change to classroom practises and thus improved learning outcomes. UNRWA has adopted a family health team approach, and the implementation of e-health contributed to significant improvements in health care services and efficiency savings. Procurement of medicine and medical supplies was centralised for efficiency gains. UNRWA is making good progress in its efforts to switch from in-kind food distribution towards cash-based assistance in its humanitarian operations. Gender equality was addressed in core programmes, in particular with more effective responses to gender-based violence, but more remains to be done. Progress was also achieved with regards to further development of the policy framework on protection. A framework of accountability to refugees is in the process of implementation, which involves greater engagement of refugees in all stages of the programme cycle, from planning to implementation. Similarly, UNRWA has made advancements in its direct communication with staff, including on matters of reform.

On the administrative front, operational efficiency was enhanced through the introduction of the new Enterprise Resources Planning system, providing an integrated information structure across the areas of finance, public management, supply chain management and human resources. To cut costs, the organisation has been slimmed by dis-continuing consultancy service contracts and through voluntary retirement packages. Salary surveys and updated norms and standards for its workforce have also been introduced. The vehicle fleet has been rationalised, and a general overhaul of administrative costs has been undertaken. Savings have also been secured by increasing the number of pupils per class to reduce the intake of new teachers and by handing over solid waste handling in camps to municipalities. Harmonised reporting on results has improved substantially during the last couple of years, not least as a result of performance-based funding tranches by several donors. At the request of like-minded donors, a policy framework on neutrality has been drafted, and standard operation procedures (SOP) have been put in place, encompassing preventive and reactive measures, including awareness raising, investigations and disciplinary measures to tackle potential neutrality violations.

7. Priorities of Denmark

Denmark will (based on the analysis above) during the strategy period 2017-2021 focus its cooperation with UNRWA on the Priority Areas detailed below. While Denmark stays fully committed to

the Medium-Term Strategy of UNRWA for 2016-2021 as a whole, the Priority Areas are selected to highlight the most important agenda from a Danish perspective.

7.1. Playing a stabilizing role in the region

Targeted support: With no solution to the Israeli-Palestinian conflict in sight, UNRWA will continue to be mandated by the UNGA to play a stabilizing role in the region by providing protection as well as stable and predictable quality services. In order to effectively deliver against its mandate, UNRWA should increasingly target assistance towards the most vulnerable and marginalized Palestine refugees, who have the most incentives to leave their region of origin. Denmark supports the recent steps taken by UNRWA in this direction, including the development of screening methods to identify refugee families and individuals most in need. Denmark will encourage UNRWA to further develop its screening methods and provision systems to ensure that the most vulnerable refugees are not left behind.

Youth: While the young Palestine refugee population is one of the greatest assets of a future Palestinian state and can act as change agents, it will also be a challenge, if they are not provided with better opportunities. Due to high unemployment rates among the traditional male bread winners the traditional family pattern is slowly changing, as young women are forced to find jobs outside the home. In the short-term, this creates frustrations and tensions in families and increases the risk of gender-based violence. But it also holds the opportunity for longer-term effects in terms of women's economic empowerment, decrease in gender-based violence and more effective family planning. Denmark supports UNRWA's efforts to adopt and mainstream holistic approaches to youth, to empower young people to reach their full human potential. UNRWA's gender specific targets in vocational training, emergency job creation programmes and other income generating initiatives are particularly important for furthering gender equality. Denmark will, in its dialogue with UNRWA, argue that more could be done in terms of identifying and harvesting synergies between programmes related to job creation, livelihood diversification, vocational training, scholarships, microfinance, social protection and family planning, with a view to improving services available to youth.

Women and girls: UNRWA has enhanced its efforts to mainstream gender-sensitive approaches in programming, and performs above average compared to other operational UN agencies⁸. Though still widely under-used, family planning is available at UNRWA health facilities, and the Agency has implemented the first phase of a multi-sectoral set of programmes to end gender-based violence, using lessons learned and best practices of other agencies⁹. In terms of poverty and labour force participation, Palestine refugee women and girls remain largely marginalized and faced with particular structural challenges. Though there have been successful small-scale projects in UNRWA's vocational centres to enhance the employability of women, efforts need to be scaled up, if programmes should have broader impact. Denmark will continue to encourage UNRWA to deepen existing part-

⁸ UN SWAP 2015 Reporting Cycle Results, UN Evaluation Group, 2016

⁹ UNRWA experiences in GBV programming, UNRWA 2016

nerships with UN agencies in the region, including UN Women and UNFPA, with the aim to strengthen protection of women and girls in emergencies, improve responses to gender-based violence and improve the quality of family planning services. Together with like-minded donors, Denmark will seek to ensure that gender equality and the rights of women and girls, including sexual and reproductive health and rights, become higher on the agenda of UNRWA's operational reforms.

7.2. Delivering on strong commitment to reforms

Funding and partnerships: UNRWA, together with donors and host countries, will have to find a way to address the structural issue of the recurrent funding shortages for core programmes. Denmark will, together with like-minded donors encourage UNRWA to strengthen and further develop innovative funding partnerships, including with the private sector, and to discover the full potential of partnering with multilateral development banks and other multilateral organisations. In line with the Danish Development and Humanitarian Strategy and the Grand Bargain commitments¹⁰, Denmark will support UNRWA in its efforts to become eligible for innovative multilateral financing modalities. Denmark will encourage UNRWA to further deepen and broaden its professional partnerships, to learn from others and share its own experiences and knowledge on addressing protracted and emergent crises, using holistic, multi-sector approaches. Denmark will also encourage enhanced use of joint programming and needs assessments, to increase effectiveness in delivery and avoid duplication of efforts. Improving knowledge-sharing and management, and using joint programming within the UN system is a key element of the UN Delivering as One Agenda, which remains a cross-cutting priority of Denmark, in its work with the UN.

Management reform: Progress has been made in recent years to strengthen the transparency, accountability and efficiency of UNRWA's operations. The Agency's Internal Oversight Mechanism and Evaluation Function, as well as risk management system have been strengthened, and transparency of spending improved. Further significant effectiveness and efficiency gains could, however, be achieved by institutionalizing a learning culture in the organisation, which would allow staff to increasingly draw on lessons learned in other fields of operation as well as across core programmes and projects. Strengthening and further institutionalizing the independent evaluation function, by funding it through the Programme Budget, would improve knowledge management. Current practices of funding evaluation and internal oversight through ad-hoc contributions from specific donors is not sustainable. In line with the Grand Bargain commitment, Denmark encourages UNRWA to simplify and harmonize reporting by jointly deciding on common terminology, identifying core requirements and developing a common report structure with other UN agencies.

Accountability: Reforms should build on in-depth context and stakeholder analysis and dialogue, which consider socio-economic and rights-related consequences for beneficiaries, along with safety-related risks for UNRWA staff. Ineffective communication about reforms from UNRWA to beneficiaries has sometimes resulted in failure to address concerns and resistance regarding change

¹⁰ The Grand Bargain: A Shared Commitment to Better Serve People in Need, World Humanitarian Summit, Istanbul 2016

amongst refugees and staff unions. More needs to be done from UNRWA's side to communicate the intent and content of reforms to beneficiaries, and to increasingly engage them in decisions regarding changes in service provision. A more transparent and frequent dialogue with beneficiaries regarding service delivery and reforms, could both improve evidence-base for decision making and build trust in UNRWA amongst refugees.

8. Follow-up on Danish priorities

Throughout the strategy period, Denmark will continue to pursue an open and constructive dialogue with UNRWA, on the basis of the priorities specified above. An important avenue is AdCom and SubCom meetings, where Denmark engages actively. In addition, Denmark will continue to cooperate closely with like-minded donors regarding UNRWA issues, including through regular coordination prior to important discussions and decision making. Denmark and like-minded donors have established a Harmonized Results Working Group, where issues pertaining to operational performance and organisational reform progress are discussed. Denmark will continue to engage in this and other relevant forums, such as the EU Interest Group on UNRWA and the various humanitarian fora, in order to coordinate positions with like-minded donors to maximize impact.

Denmark will monitor progress against the above mentioned priorities using relevant indicators from UNRWA's Common Monitoring Matrix. Emphasis is given to indicators related to: (i) Protection; (ii) Service delivery and quality in health and education; (iii) Livelihood opportunities, and as; (iv) Management and operational efficiency and effectiveness. To the extent possible, indicators are gender-disaggregated (see Annex 2 for a preliminary list of main indicators). Assessment of progress against a sub-set of these indicators will be used to determine the disbursement of a performance based tranche of 15 % of the Danish contribution, see Chapter 9. Denmark will also monitor performance of UNRWA against UN-SWAP gender sensitive indicators¹¹. Finally, Denmark will participate actively in the next MOPAN exercise, possibly as institutional co-lead, and undertake a separate mid-term review of the present strategy, taking into account the results of the MOPAN assessment.

9. Budget

UNRWA's funding infrastructure is made up by three components; (1); the Programme Budget (the core funding modality, previously entitled the General Fund) (2); project funding, and (3); emergency appeals. 97% of UNRWA's budget stems from voluntary contributions, largely from state donors. The total 2015 budget of UNRWA was USD 1.263 billion, of which USD 28 million came from the UN General Budget, covering primarily international staff. In recent years, the need for emergency funding has increased, lately due to the chronic humanitarian crisis in Gaza and the Syria regional

¹¹ UN SWAP: UN System-wide Action Plan on Gender Equality and the Empowerment of Women

crisis. In 2015, the combined emergency appeal for the occupied Palestinian territory and the Syria regional crisis emergency appeal amounted to USD 829 million USD, which was more than the entire Programme Budget.

Danish assistance is provided on the basis of Good Humanitarian Donorship Principles and in line with Agenda 2030 and the Grand Bargain. Denmark commits to provide UNRWA with regular, predictable financial support, within a framework of a multi-annual agreement (subject to parliamentary approval), to help Palestine refugees in their region of origin in the most resource effective and efficient way possible. In preliminary 2016 figures, Denmark ranks 10th amongst core donors and 14th of 52 in total support. Denmark will continue to provide core funding through the Programme Fund rather than as ad hoc contributions to emergency appeals. The Danish contribution to UNRWA's Programme Fund is 70 million DKK in 2016 and is planned to remain at this level in the coming years. The Danish contribution will continue to be paid in two tranches¹², the first of 85 % in the beginning of the fiscal year, and the second of 15 %, later in the year, the latter on the basis of UNRWA reporting on a sub-set of indicators selected from UNRWA's list of performance indicators.

10. Risks

Deteriorating conflicts: Deterioration in the conflict between Israel and Palestine, the intra-Palestinian divide, and/or deteriorating conflict in Syria will have major implications on Jordan and Lebanon. It could result in intensifying restrictions on movement and humanitarian access as well as massive displacement of Palestine refugees. In turn, this might lead to deterioration in humanitarian conditions, eventually forcing a further change in programme focus from development to humanitarian aid. At its worst, it could also lead to the scaling-down or even closure of donors' development activities for security and political reasons, which at the same time may significantly increase the demand for UNRWA humanitarian services.

Safety of UNRWA staff: Working in areas ravaged by recurrent conflicts, UNRWA staff is facing significant security risks on a daily basis. Tragically, a large number of UNRWA employees have lost their life in line of duty in recent years, primarily in Syria and in Gaza. Denmark strongly supports UNRWA's decision to increase investment in the safety of its staff and installations.

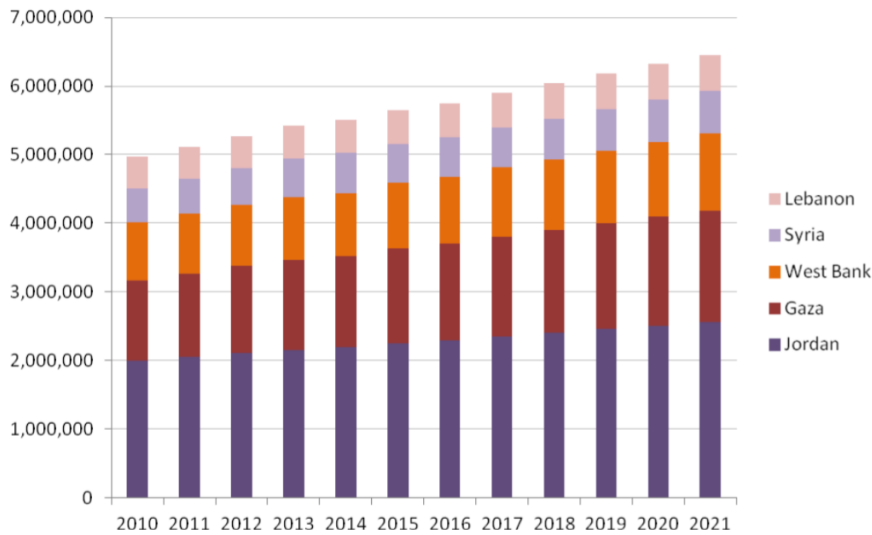
Weak human rights and International Humanitarian Law protection: The host countries vary in their accession to international human rights treaties. Access to legal protection of citizens is often insufficient and usually weaker for Palestine refugees than for host country populations pertaining to discriminatory legislation and administrative practices. Continued or worsened human rights' violations might affect the impact of UNRWA core programmes, though the humanitarian engagements are designed to be robust in fragile environments with weak human rights protection.

¹² In 2013 a MoU was signed by UNRWA and Denmark introducing the performance-based system.

Continued financial crisis: Increasing intensity of the regional crisis and a soaring number of Palestine refugees in need has stretched the Agency to its limit. Initiated reforms and subsequent efficiency gains, including better targeting of beneficiaries and the move from in-kind food assistance to cash, cannot counter-balance the rising needs emanating from refugee population growth. Frequent financial crises will distract UNRWA management from advancing reforms, including those related to accountability and learning. In general, it will also affect achievement of results.

Misuse of funds: Despite on-going reforms in strengthening checks and balances, internal and external audits as well as improved follow-up systems, the risk of fraud and misappropriation cannot be completely eliminated. Denmark, together with other donors will undertake financial inspection visits to check the robustness of financial risk management systems as well as assess findings and follow-up by UNRWA.

Annex 1 – Figures

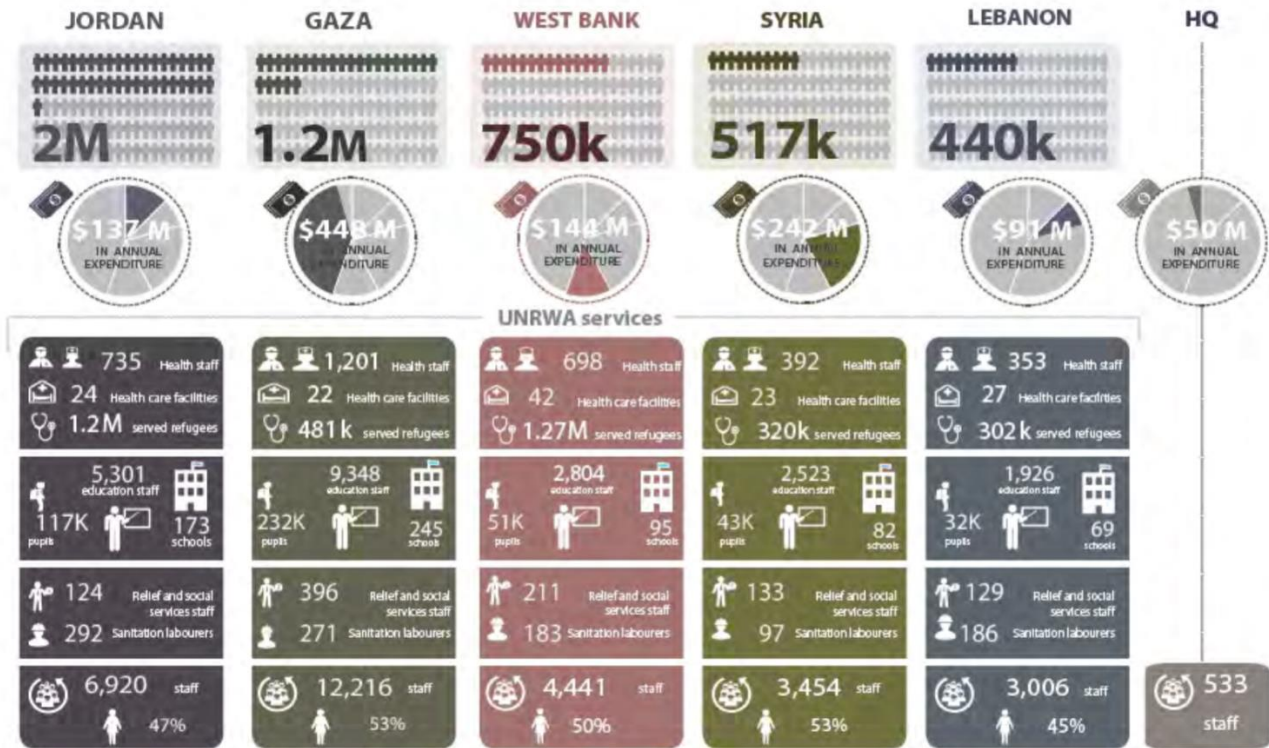


Development of registered UNRWA population - *Source: UNRWA Medium-Term Strategy 2016-2021, p. 8*

In 2021 ...



Expected demographic situation in 2021 - *Source: UNRWA Medium-Term Strategy 2016-2021, p. 8*



UNRWA's activities in the 5 fields of operation Source: UNRWA Medium-Term Strategy 2016-2021 p. 5

Annex 2: List of Selective Performance Indicators for Denmark's engagement strategy with UNRWA (from UNRWA's own reporting framework)

	CMM Ref. #	Indicator	Prog. / Dept.	Unit of Measure	Baseline	Year	Yearly Targets - Agency wide					
							2016	2017	2018	2019	2020	2021
SO 1: Refugee rights under international law are protected and promoted												
1	1.2.a	Percentage of individuals identified as experiencing a protection risk (general protection) provided with assistance (disaggregation by sex, age and disability)	P	%	TBC	Annual	TBC	TBC	TBC	TBC	TBC	TBC
2	1.2.b	Percentage of individuals identified as experiencing a protection risk (GBV) provided with assistance (disaggregation by sex, age and disability)	P	%	TBC	Annual	TBC	TBC	TBC	TBC	TBC	TBC
3	1.2.c	Percentage of individuals identified as experiencing a protection risk (child protection) provided with assistance (disaggregation by sex, age and disability)	P	%	TBC	Annual	TBC	TBC	TBC	TBC	TBC	TBC
4	1.2.1.e	Percentage of UNRWA facilities that are part of a functioning referral system for protection cases	P	%	TBC	Annual	TBC	TBC	TBC	TBC	TBC	TBC
SO 2: Refugees' health is protected and the disease burden is reduced												
5	2.1.a	Average daily medical consultation per doctor	HD	#	86	Annual	85.3	84.6	83.9	83.2	82.4	81.7
6	2.1.j	Number of EPI vaccine preventable disease outbreaks	HD	#	0	Annual	0.00	0.00	0.00	0.00	0.00	0.00
7	2.1.k	Percentage of women with live birth who received at least 4 ANC visits	HD	%	90.2	Annual	90.3	90.5	90.6	90.7	90.9	91.0
8	2.1.1.f	Total number of NCD patients (DM, HT, DM+HT)	HD	#	245,682	Annual	251,275	257,986	263,300	268,613	273,926	279,239
9	2.1.1.m	Unit cost per capita	HD	#	31.9	Annual	33.75	35.97	37.7275	39.485	41.2425	43

	CMM Ref. #	Indicator	Prog. / Dept.	Unit of Measure	Baseline	Year	Yearly Targets - Agency wide					
							2016	2017	2018	2019	2020	2021
10	2.1.c	Number ¹³ of health centers fully implementing eHealth system	HD	#	67	Annual	TBC	TBC	TBC	TBC	TBC	133
SO 3: School-aged children complete quality, equitable and inclusive basic education												
11	3.0.f	Cumulative drop-out rate (elementary) - male	ED	Ratio	3.38	Annual	3.32	3.29	3.26	3.23	3.20	3.17
12	3.0.g	Cumulative drop-out rate (elementary) - female	ED	Ratio	1.78	Annual	1.71	1.67	1.63	1.60	1.56	1.52
13	3.0.i	Cumulative drop-out rate (preparatory) - male	ED	Ratio	TBC	Annual	4.28	4.04	3.81	3.57	3.33	3.10
14	3.0.j	Cumulative drop-out rate (preparatory) - female	ED	Ratio	TBC	Annual	2.70	2.56	2.42	2.28	2.13	1.99
15	3.0.l	Percentage of students meeting required levels in MLA tests - Grade 4 Arabic - male	ED	#	26.0	2017 & 2020 ¹⁴	26.90	n/a	n/a	29.10	n/a	n/a
16	3.0.m	Percentage of students meeting required levels in MLA tests - Grade 4 Arabic - female	ED	%	50.0	2017 & 2020	51.50	n/a	n/a	55.70	n/a	n/a
17	3.0.p	Percentage of students meeting required levels in MLA tests - Grade 4 Maths - male	ED	%	24.3	2017 & 2020	24.6	n/a	n/a	25.5	n/a	n/a
18	3.0.q	Percentage of students meeting required levels in MLA tests - Grade 4 Maths - female	ED	%	38.8	2017 & 2020	39.3	n/a	n/a	40.5	n/a	n/a
19	3.0.s	Percentage of students meeting required levels in MLA tests - Grade 8 Arabic - male	ED	%	44.3	2017 & 2020	45.3	n/a	n/a	48	n/a	n/a
20	3.0.t	Percentage of students meeting required levels in MLA tests - Grade 8 Arabic - female	ED	%	76.1	2017 & 2020	77.6	n/a	n/a	81.6	n/a	n/a

¹³ Total number of the Agency Primary Health Care Facilities = 143 (Health Statistics for 2015)

¹⁴ Please note that MLA data is captured every 3 years. During the lifespan of the MTS, MLA data will be collected in 2016 (reported in 2017) and 2019 (reported in 2020).

	CMM Ref. #	Indicator	Prog. / Dept.	Unit of Measure	Baseline	Year	Yearly Targets - Agency wide					
							2016	2017	2018	2019	2020	2021
21	3.0.v	Percentage of students meeting required levels in MLA tests - Grade 8 Maths - male	ED	%	27.8	2017 & 2020	28.1	n/a	n/a	29	n/a	n/a
22	3.0.w	Percentage of students meeting required levels in MLA tests - Grade 8 Maths - female	ED	%	43.6	2017 & 2020	44	n/a	n/a	45.1	n/a	n/a
23	3.2.i	Input unit cost per student	ED	#	976.17	Annual	934	934	934	934	934	934
24	3.b	Survival rates to the end of basic education Male/Female		%	M 90.89 F 94.59	Annual	TBC	TBC	TBC	TBC	TBC	92.23 96.59
25	UNRWA Statistics Bulletin	Pupil – teacher ratio - basic education			28	Annual						
26	3.1.i	Proportion of classes exceeding thresholds (less/or equal 25; more than 40) students	ED	%	29.1 7.2	Annual	TBC	TBC	TBC	TBC	TBC	38 6
SO 4: Refugee capabilities strengthened for increased livelihood opportunities												
27	4.0.b	Percentage of VTC, ESF/FESA graduates employed - male	ED	%	72.11	Annual	72.94	73.35	73.76	74.18	74.59	75.00
28	4.0.c	Percentage of VTC, ESF/FESA graduates employed - female	ED	%	62.94	Annual	63.25	63.40	63.56	63.71	63.86	64.02
29	4.e	Input unit costs per VTC student	ED	#	TBC	Annual	TBC	TBC	TBC	TBC	TBC	TBC
30	4.2.f	Number of partnerships established in support of livelihood activities for vulnerable Palestine refugees	RSSD	#	New	Annual	TBC	TBC	TBC	TBC	TBC	TBC
31	4.2.g	Percentage of signed partnerships involving Youth initiative	RSSD	%	New	Annual	TBC	TBC	TBC	TBC	TBC	TBC
SO 5: Refugees are able to meet their basic needs of food, shelter and environmental health												
32	5.1.a	Percentage of SSN individuals that received social transfers (out of the total poor refugee population) (disaggregation by sex and disability)	RSSD	%	New	Annual	TBC	TBC	TBC	TBC	TBC	TBC
33	5.1.	Beneficiary satisfaction with SSNP	RSSD	%	New	Annual	TBC	TBC	TBC	TBC	TBC	TBC

	CMM Ref. #	Indicator	Prog. / Dept.	Unit of Measure	Baseline	Year	Yearly Targets - Agency wide					
							2016	2017	2018	2019	2020	2021
34	5.2.f	Percentage of beneficiaries satisfied with rehabilitated shelters	ICID	%	New	Annual	TBC	TBC	TBC	TBC	TBC	75
SO 6: Management and Operational Effectiveness												
35	6.1.b	Overall contributions to the programme budget (GF) from diversified sources	ERCD	%	17	Annual	TBD	TBD	TBD	TBD	TBD	TBD
36	6.2.a	Implementation rate of DIOS audit, evaluation and investigation recommendations	DIOS	%	50	Annual	65	70	75	80	80	90
37	6.2.c	Implementation rate of external audit (UNBOA and JIU) recommendations	DF	%	TBD	Annual	TBD	TBD	TBD	TBD	TBD	TBD
38	6.2.i	Percentage of UNRWA installations receiving four or more neutrality inspections annually	OSO	%	TBD	Annual	TBD	TBD	TBD	TBD	TBD	TBD
39	6.3.a	Percentage of refugees who report being satisfied with UNRWA services	DP	%	New	Annual	TBD	TBD	TBD	TBD	TBD	TBD

List of Abbreviations in the proposed performance indicators

ANC	Antenatal Care
AOR	Annual Operational Report
CMM	Common Monitoring Matrix
DIOS	Department of Internal Oversight
DM	Diabetes Mellitus
EA	Emergency Appeal
ED	Educational Department
eHealth	Electronic Medical Information System
Elementary	Grades 1-6 in Basic Education
EPI	Expanded Programme on Immunization
ESF	Education Sciences Faculty
FESA	Faculty of Educational Sciences and Arts
FTEs	FTEs: Full Time Equivalent
GBV	Gender Based Violence
GF	General Fund
HD	Health Department
HOTS	Higher-order thinking skills
HT	Hypertension
ICID	Infrastructure and Camp Improvement Department
JIU	Joint Inspection Unit
MLA	Monitoring Learning Achievement
M/F	Male/Female
MOPAN	Multilateral Organisation Performance Assessment Network
MTS	Mid Term Strategy
NCD	Non Communicable Diseases
n/a	not applicable
oPt	occupied Palestinian territory
P	Protection
PB	Programme Budget
Preparatory	Grades 7-9 in Basic Education
RSSD	Relief Social Services Department
SO	Strategic Objective
SSNP	Social Safety Net Programme
TBC	To Be Checked
TVET	Technical and Vocational Educational and Training
UNBOA	United Nations Board of Auditors
USDs	United States Dollars
UN SWAP	United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women
VTCs	Vocational Training Centres