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Programme questions: evaluation

Triennial review of recommendations from the programme evaluation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

Report of the Office of Internal Oversight Services

Summary

The present report is submitted in accordance with the decision taken by the Committee for Programme and Coordination at its twenty-second session to review the implementation of Office of Internal Oversight Services (OIOS) recommendations three years after the Committee had decided to endorse them (A/37/38, para. 362). The triennial review determines the extent to which the two recommendations emanating from the OIOS programme evaluation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) have been implemented.

The evaluation of UNRWA carried out in 2017 by the Inspection and Evaluation Division focused on assessing the relevance, effectiveness and efficiency of the promotion of a decent standard of living for Palestine refugees by UNRWA from 2010 to 2015, a period coinciding with the UNRWA medium-term strategy for the period 2010–2015. As UNRWA embarked on its medium-term strategy for the period 2016–2021, the evaluation was aimed at harnessing insights from the Agency's previous experience to help it to chart a better-informed course in the years ahead. Based on the review of the considerable information provided by UNRWA and interviews with select staff members, this triennial review has determined that both recommendations have been satisfactorily implemented.

In recommendation 1, OIOS asked UNRWA to strengthen its accountability framework, including by better clarifying roles and responsibilities, enhancing organization-wide planning and paying attention to cross-cutting issues and the strengthening of monitoring and evaluation functions. There is significant evidence of action taken to address all those aspects. The medium-term strategy for the period

* The dates for the substantive session are tentative.

** E/AC.51/2020/1.



2016–2021, as endorsed by the Agency’s Advisory Commission, has been accompanied by a significant effort to strengthen the accountability framework. For example, clearer definitions of roles and responsibilities and a more robust and consistent results framework have been developed. In addition, new planning tools and processes enhancing strategic alignment have been issued and Agency-wide planning and cross-cutting collaboration have increased. Interviewees agreed that, as a result, ownership of the strategy had increased, a more collaborative approach had been established and a clearer narrative and communication of the work of UNRWA and its achievements and needs had been built. In the light of the evidence gathered, it has been determined that this recommendation has been fully implemented.

In recommendation 2, OIOS addressed the need to strengthen financial accountability and requested UNRWA to identify the appropriate level of resources necessary to fully meet the performance targets for the medium-term strategy for the period 2016–2021 and to document and regularly communicate the effects of funding gaps. UNRWA has made significant efforts to identify funding needs and gaps and a robust system for reporting on the effects of those gaps has been put in place. Nonetheless, and in spite of the high degree of scrutiny of the Agency’s finances, the challenging political and economic context in which it operates has made it difficult to identify clear signs of the impact of those efforts in terms of increased resources. Interviewees agreed, however, that the conditions created could eventually help the Agency to make a stronger statement about its financial needs and contribute to more effective resource mobilization efforts.

I. Introduction

1. At its fifty-seventh session, in 2017, the Committee for Programme and Coordination considered the report of the Office of Internal Oversight Services (OIOS), prepared by the Inspection and Evaluation Division, on the programme evaluation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (E/AC.51/2017/3 and E/AC.51/2017/3/Corr.1).
2. Noting the challenging operational context in which UNRWA worked, the Committee commended the Agency for its essential contribution to the peace process in the Middle East and its important humanitarian work in support of Palestine refugees. The Committee recommended that the General Assembly endorse the recommendations contained in paragraphs 68 and 70 of the report of OIOS on the evaluation of UNRWA and highlighted that it was important for UNRWA to strengthen its accountability framework and its results-based monitoring and evaluation functions (A/72/16, para. 187).
3. The present report is issued pursuant to a triennial review of the implementation of the two recommendations contained in the original report. The review also contains an assessment of whether, and if so, to what extent, the implementation of the recommendations has contributed to programme changes.
4. The methodology for the triennial review included:
 - (a) Review and analysis of progress reports on the status of the recommendations, which are monitored through the OIOS recommendation database;
 - (b) Analysis of relevant information, documents and reports obtained from UNRWA on various topics relating to the recommendations;
 - (c) Interviews with a purposive sample of key UNRWA staff.
5. The report incorporates comments received from UNRWA during the drafting process. A final draft was shared with UNRWA for its formal comments, which are contained in the annex. OIOS expresses its appreciation to UNRWA for the cooperation extended in the preparation of the report.

II. Results

6. OIOS made two recommendations to UNRWA: (a) to strengthen its accountability framework and (b) to identify the appropriate level of resources necessary to fully meet the performance targets for its medium-term strategy for the period 2016–2021 and document and regularly communicate the effects of any funding gaps to the Advisory Commission and other key stakeholders.
7. Taking into consideration the documentation already presented to OIOS by UNRWA and additional evidence collected for this review, OIOS has determined that both recommendations have been implemented. There is some evidence of concrete positive outcomes resulting from the implemented recommendations. The implementation status of each recommendation is described below.

Recommendation 1 Strengthening the accountability framework of UNRWA

8. Recommendation 1 reads as follows:

To strengthen its accountability framework, and achieve the goals envisioned in the 2016–2021 medium-term strategy as effectively and efficiently as possible,

UNRWA should do the following (in line with its previous plan to establish an accountability framework):

- (a) Clarify the roles and responsibilities, both horizontally and vertically, for the 2016–2021 medium-term strategy as a whole and for its specific objectives, including the department(s) bearing primary responsibility for each objective and the department(s) responsible for contributing to the achievement of each;
- (b) Build on the headquarters implementation plans and field implementation plans and include the specific elements that will be utilized to enhance organization-wide programme planning and implementation, with particular attention to cross-cutting initiatives;
- (c) Strengthen its results-based monitoring and evaluation functions by (1) establishing clear linkages in the results-based monitoring system between strategic goals of the 2016–2021 medium-term strategy, unit workplans and personal workplans; (2) establishing consistent baseline data, performance targets, SMART indicators and improved data availability; (3) identifying risks such as unintended consequences and sustainability concerns; and (4) identifying mechanisms that will be used for internal monitoring of performance against the 2016–2021 medium term strategy plan, including monitoring and evaluation feedback loops.

Indicator of achievement: Development and implementation of a more comprehensive accountability plan geared towards effective implementation of the 2016–2021 medium-term strategy including the following: related to (a) above, guidance issued by senior management on roles each department will bear in relation to the achievement of each objective; related to (b) above, headquarters implementation plans and field implementation plans that include specific information on the elements which will be utilized to achieve planning and implementation of cross-cutting initiatives; and, related to (c) above, a results-based monitoring and evaluation framework that has been strengthened in the four ways identified.

9. In line with this recommendation and linked to the endorsement of its medium-term strategy for the period 2016–2021 by the Agency’s Advisory Commission, UNRWA has taken numerous steps to strengthen its accountability framework.

10. The strategy effectively addressed most of the challenges identified in the OIOS evaluation. Unlike its predecessor for the period 2010–2015, it includes a comprehensive common monitoring matrix that ensures clear linkages and alignment of programmatic performance indicators and strategic outcomes and outcomes and outputs in the strategy. The matrix also includes targets and baseline data for an expanded battery of 190 indicators that support the measurement and management of results at the outcome and output level and clearly identifies the key departments and fields responsible for data collection, analysis and reporting against those indicators. For each strategic outcome, outcome and output in the strategy, responsible departments and levels are identified, allowing for a more straightforward identification of contributors to the achievement of the five strategic outcomes. This is particularly evident in strategic outcome 4, which corresponds to the decent standard of living goal in the previous strategy (on which OIOS focused in its evaluation in 2017) and now clearly identifies the four departments that bear concrete responsibilities for achieving that strategic outcome. Responsibilities and performance indicators for management and operational effectiveness commitments are also clearly described in the matrix.

11. UNRWA further clarified those organizational structures, roles and responsibilities contributing to the achievement of the medium-term strategy for the period 2016–2021 in other regulatory instruments, such as:

(a) In 2016, compact letters between senior management staff (executive function directors, support function directors, programme directors and field directors) in field offices and headquarters departments and the Commissioner-General were introduced. Those letters clarified the accountability structures that accompany annual operational plans and set out the programmatic and operational priorities linked to the realization of the strategy outcomes. The letters also described risk management requirements and the budget framework for that year;

(b) As at 8 February 2017, the structures, processes and systems required to develop and make operational medium-term plans to achieve strategy objectives and results were set out in organizational directive 21. The roles and responsibilities considered integral to the effective implementation of the programme and project management cycle, including those of the Department of Planning, were also formally outlined in the directive (sect. 6.3);

(c) At the lowest level, procedures, roles and responsibilities for the management of individual projects and ensuring their alignment with the strategy were set out in technical instruction 1 (project identification, verification and approval) and the project procedures manual developed by the Department of Planning.

12. The matrix was adopted as the main framework for monitoring and assessing the Agency's performance across the five strategic outcomes. The number of indicators was expanded under the matrix, which also drills down to the outcome and output level. All outcomes and outputs have associated indicators, disaggregation tags, baseline data and targets. The Department of Planning has regularly revised and updated the matrix according to the needs and experiences of field offices in the application and use of the indicators. The matrix has also been used to guide data collection and reporting from all field offices and headquarters departments.

13. All staff interviewed as part of this review expressed appreciation for the improved new results framework but suggested that certain indicator areas were more mature than others and that the number of indicators currently monitored was often too high to elicit meaningful discussion within the Agency. Nonetheless, the general feeling was that the improvements in the results-based framework and monitoring system and the institutionalization of regular reflection sessions had positively influenced stronger evaluative thinking across the Agency.

14. It was, however, suggested that slower progress had been made in strengthening the independent evaluation function. This was also pointed out in the recent Multilateral Organization Performance Assessment Network assessment for 2017–2018 and echoed by key stakeholders. The view was that the financial crisis had had a negative impact on the Agency's capacity to conduct independent corporate or central evaluations. UNRWA has a medium-term evaluation plan covering the same period as the medium-term strategy for the period 2016–2021 and annual evaluation plans. Nevertheless, the financial situation resulted in these plans being underfunded and

many planned evaluations have not been conducted.¹ The view was also expressed that part of the problem lay in the fact that the Agency's Department of Internal Oversight Services, which is responsible for evaluation, lost many staff members and institutional knowledge in 2018 and that a team had to be rebuilt from 2019.²

15. Those issues were also pointed out in the Multilateral Organization Performance Assessment Network assessment report, in which the lack of strategic evaluations was identified as a key area for improvement. The need to adapt monitoring staff capacity to the requirements of the new results framework was underlined in that report, along with the perception among the sample of donors surveyed of duplication of targets and indicators. At the time of this review, the Department of Internal Oversight Services was conducting an evaluation of the Agency's activities to monitor and report on the medium-term strategy. That document was not yet available at the time of this review but its findings were expected to inform decisions about the results-based monitoring system in general and contribute to the improvement of monitoring and reporting on the strategy and its strategic outcomes.

16. UNRWA has strengthened planning and reporting processes by clearly aligning structures and organizational processes to the new results framework in the medium-term strategy for the period 2016–2021.

17. Under the strategy, significant changes were introduced in the planning system, including the replacement of field implementation plans and headquarters implementation plans by a strategic plan for each field of operation and annual operation plans. The new strategic plans were adopted for the same period as the medium-term strategy and give field offices the flexibility to adapt to the needs and priorities of their operating context while keeping a clear line of contribution to the overall strategy of the Agency, successfully cascading the set of strategic outcomes and outputs to the field level. The programme and project cycle management is regulated by organizational directive 21, under which all strategic plans must follow the terms of the medium-term strategy and be developed "in consultation between field offices and headquarters departments to ensure that each plan is corporately owned" (sect. 1.2.3 of the directive). The strategic plans analysed for this review (those for the West Bank and Jordan field offices) demonstrated such alignment by following a similar structure and, for each strategic outcome, including an analysis of needs and challenges, describing current operations and setting up the key priorities for the period of the medium-term strategy. They also include a risk register matrix and mitigation/coping and risk monitoring mechanisms based on the enterprise risks facing the organization in achieving the strategic outcomes.

18. Strategic plans are conducted under the annual operational plans, under which priorities for the year and updated targets and financial estimates for the different programmes and initiatives in each field office and headquarters department are set out. The development of annual operational plans was also guided by organizational directive 21. Led by the Department of Planning, the process was consultative, bringing together programme directors at the headquarters level and senior

¹ The following is stated in the Multilateral Organization Performance Assessment Network assessment report: "Resources available for centralized evaluation are inadequate, amounting to just 0.1% of the UNRWA programme budget, compared to an average of 0.3% of the budgets of other UN agencies. In early 2018, 0% of the funding needed for the prioritised evaluations was available; in 2017, only 10% of the needed funding was available. The lack of available resources for evaluation limits the evaluation function's work and makes evaluation activities – on a piecemeal basis – largely dependent on donor funding." Multilateral Organization Performance Assessment Network, *United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) 2017–18 Performance Assessment* (2019).

² The new Chief of the Evaluation Division took office in April 2019.

management representatives at the field level. That ensured alignment between what is done at the field level and headquarters to achieve the strategic outcomes.

19. Planning instructions extend down to the project level. Under technical instruction No. 1 (project identification, verification and approval), the process for the development, review and internal approval of project outlines and proposals is established. Proposed interventions are aligned and directly contribute to achieving the strategic outcomes.

20. It emerged from discussions with staff that the new system allows for a more coherent and coordinated flow of information between headquarters and field offices and also across programmes, facilitating a more efficient use of resources. For example, one interviewee indicated that the new project identification process helped to better map existing programme initiatives and tools across the five field offices and to use them more efficiently.

21. Data collection and reporting processes are other key areas where, in line with the OIOS recommendation, significant improvements have been made. To ensure a consistent application of the matrix and the reliability and robustness of the results-based management system, the Department of Planning has produced several tools to guide the different monitoring processes, from data entry to the interpretation and analysis of indicators.

22. Technical aspects of the results-based management system are covered by a step-by-step guide, issued in 2018 to clarify monitoring roles and responsibilities and to guide responsible staff through a revised version of the system. The guide provides a systematic approach with clear roles to ensure that data entered are reviewed and verified at different levels. In turn, substantive aspects regarding the interpretation of the matrix are addressed in a handbook of common indicators, also developed by the Department of Planning and revised in 2019. The handbook has facilitated consistent data collection and reporting by compiling matrix indicators along with results calculation methodologies, and provides reporting guidance for all staff members involved in the data collection, quality assurance and reporting processes. It also includes a summary of the Agency's reporting cycle and timelines, roles and responsibilities, provides an explanation of the traffic-light assessment employed by the Agency to evaluate performance and includes a key of frequently used reporting terms.

23. Data entered into the results-based management system are analysed and reported on a quarterly basis at the field level and on a midyear and annual basis at the Agency-wide level. Risk management practices are well established. Risk is monitored at set points throughout the programme management cycle.³ Together with assumptions, priorities and a review of progress against medium-term strategy indicators, top risks are monitored, updated and documented on a quarterly basis and then reviewed in midyear and annual results review meetings. Emergency appeal reports also include risk registers that are reviewed and updated biannually.

24. Interviews conducted for this review confirmed that, overall, staff appreciated how the medium-term strategy had effectively clarified roles and responsibilities, improved the quality and strategic horizontal alignment of its results framework and planning instruments and promoted a more collaborative work approach across the Agency. Efforts to promote reflection and foster discussions about performance across the different organizational levels were also frequently celebrated. Interviewees agreed that having a more integrated approach had increased ownership

³ Organizational directive 21, part 6: Structures to support accountability and management of enterprise risk.

of the strategy and helped to construct a clearer narrative and communication of the Agency's work, achievements and needs.

25. Overall and after an assessment of the many pieces of evidence provided by UNRWA and the testimonies of the staff interviewed, it could be safely concluded that the accountability framework and results-based monitoring system had been significantly enhanced and that recommendation 1 had been satisfactorily implemented. That was confirmed in the Multilateral Organization Performance Assessment Network assessment report; in its analysis of key performance indicator 7 (strong and transparent results focus, explicitly geared to function), the Network acknowledged the strong corporate commitment of UNRWA to results-based management and appreciated how "the Agency explicitly aligns its planning and reporting to ensure the commitments in the medium-term strategy are reflected in plans at all levels of the organization",⁴ identifying it as a strength of UNRWA in 2018.⁵

26. This recommendation has been implemented.

Recommendation 2

Identifying the appropriate level of resources necessary to fully meet its 2016–2021 medium term strategy performance targets and document/communicate funding gaps

27. Recommendation 2 reads as follows:

Subsequent to the establishment of consistent results based monitoring baseline data, performance targets, SMART indicators and improved data availability, UNRWA should:

(a) Identify the appropriate level of resources necessary to fully meet its 2016–2021 medium term strategy performance targets in the population it is mandated to assist (at large), and among those most in need of its assistance;

(b) Document and regularly communicate effects of any funding gaps on the achievement of the 2016–2021 medium term strategy objectives, as well as the relevant Sustainable Development Goals, to the Advisory Commission and other key stakeholders.

Indicators of achievement: Development and implementation of the following: related to (a) above, documentation on the appropriate level of resources necessary to fully meet its 2016–2021 medium term strategy performance targets in the population it is mandated to assist; related to (b) above, documentation of communication provided to the Advisory Commission, and other key stakeholders, on effects of any funding gaps on the achievement of 2016–2021 medium term strategy objectives, as well as the relevant Sustainable Development Goals.

28. The medium-term strategy for the period 2016–2021 includes a chapter describing the financial requirements of UNRWA for the whole strategic period, disaggregated by strategic outcome, programme, field of operation and funding stream. The strategy requires managers to carry out monthly and quarterly reviews and to conduct Agency-wide midyear and annual reviews on expenditure and results. To enable UNRWA to deliver on its mandate, as reflected in the strategy, and secure the necessary funds, two resource mobilization strategies, each covering a three-year period (2016–2018 and 2019–2021, respectively) were adopted. They address how

⁴ Multilateral Organization Performance Assessment Network, *2017–18 Performance Assessment*, p. 34.

⁵ *Ibid.*, p. 47.

best to obtain the resources needed to deliver on the strategic outcomes and set out the basis for strengthening the Agency's financial stability.

29. In compliance with the reporting obligations set forth in the strategy and various organizational directives, field offices conduct monthly expenditure reviews. That information feeds into Agency-wide quarterly expenditure reviews, in which the information is consolidated to ensure that resource mobilization is carried out according to needs and that funding gaps across the three funding streams (programme budget, emergency appeal and projects) are mapped. Quarterly expenditure reviews are coordinated by the Department of Finance at the headquarters level and involve meetings with all five field offices. During those reviews, field offices have the opportunity to discuss funding gaps and identify solutions with headquarters.

30. Financial information and funding gaps are also included in the Agency-wide annual operational reports and linked to progress made in achieving strategic outcomes.

31. In line with the OIOS recommendation that the Agency document and regularly communicate the effects of any funding gaps on the achievement of the objectives of the medium-term strategy for the period 2016–2021, financial information and funding gap updates and their effect on the achievement of the strategic outcomes are regularly submitted to the Advisory Commission. The plenary of the Commission receives detailed information twice a year (in June and November) and has quarterly follow-ups through four meetings of its subcommittee. Financial information is reported to the General Assembly annually.

32. Discussions about funding gaps and their impact on strategic outcomes also take place in the Advisory Committee for Resource Allocation, which is called upon annually to advise on the budget and consulted frequently on ad hoc matters affecting the allocation or reallocation of financial resources to field offices or headquarters departments. Recommendations from that Committee are elevated to the Commissioner-General for approval. They address, for example, the negative impact on education in the event of the suspension of a particular intervention because of insufficient funding.

33. Interviews with staff confirmed that, despite what is perceived as significant financial scrutiny of the Agency, the extraordinary circumstances in which UNRWA operates and the financial and political challenges it faces make it difficult to observe any direct effect of this remarkable reporting effort in terms of increased resources. However (and linked to recommendation 1), interviewees agreed that having a stronger narrative helped to communicate more clearly the impact of funding gaps on the discontinuation of vital services to the refugee population and expressed the hope that such communication would eventually help the Agency to overcome its financial difficulties.

34. The efforts made to clarify the financial framework of the Agency have been acknowledged by the Multilateral Organization Performance Assessment Network and the European Union. Acknowledging the adverse context in which UNRWA operates and its limited capacity to develop alternative financial frameworks, the Network praised the fact that the decisions taken by UNRWA on resource allocation “are clearly articulated, transparent and sensitive to the challenging financial reality of the Agency” and that it has developed “an increasingly diverse approach to resource mobilization that is consistent with its core mandate, strategic priorities and the business model of an agency with a temporary mandate”; it also lauded the Agency’s “success in diversifying its funding base”, allowing it to increase the

percentage of contributions from traditional donors from none at all in the past to 13.32 per cent of the budget in 2017.⁶

35. The European Union expressed itself in similar terms in a recent Commission implementing decision:

Against this background, the UNRWA Medium-Term Strategy (MTS) 2016–2021 has been increasingly vital in paving the way for consolidation and savings of expenditures by refocusing UNRWA on its core business (primary health, basic education and social relief). While sensitive, technical reforms foreseen in the Agency’s MTS are evolving and are expected to help improve UNRWA’s financial stability and ensure that quality services are being delivered to the most vulnerable among the refugee population.⁷

36. In the light of the evidence available, it is deemed that this recommendation has been fully implemented.

III. Conclusion

37. Over the past three years, UNRWA has taken significant steps to implement the two recommendations contained in the OIOS evaluation of 2017. The endorsement of the new medium-term strategy for the period 2016–2021 constituted an important step in efforts to strengthen the accountability framework, resulting in a clearer definition of roles and responsibilities, a more robust and consistent results framework and new planning tools and processes enhancing strategic alignment, Agency-wide planning and cross-cutting collaboration. At the same time, significant efforts have been made to identify funding needs and gaps and a solid system of reporting on the effects of those funding gaps has been put in place. Although the recent financial crisis in UNRWA and the difficult political and economic context in which it operates mean that the impact of those efforts remains unclear, most interviewees agreed that the conditions created could eventually help the Agency to make a stronger statement about its financial needs and contribute towards more effective resource mobilization efforts.

38. In those three years, some emerging signs of change were evident to the people interviewed and were also acknowledged in independent assessments, such as that conducted by the Multilateral Organization Performance Assessment Network.

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⁶ Ibid., pp. 25 and 27.

⁷ Commission implementing decision of 5 December 2018, annex 2, p. 5. Available from https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/c_2018_8193_palestine_mod_unwra_merged.pdf.

Annex***Comments received from the United Nations Relief and Works Agency for Palestine Refugees in the Near East**

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) extends its appreciation to the Inspection and Evaluation Division (IED) of the Office of Internal Oversight Services (OIOS) for its initial 2017 programme evaluation on the work of UNRWA to promote the standard of living of Palestine refugees. Furthermore, UNRWA appreciates the thorough triennial review of IED completed in 2019.

UNRWA has no further comments to the draft report, and appreciates the opportunity IED extended to the Agency to provide comment.

The initial evaluation as well as the review provided a strong learning opportunity for UNRWA, and the Agency is pleased that OIOS-IED has recognized in its review the significant accomplishments of the Agency in implementing the two recommendations that emanated from the 2017 evaluation.

* In the present annex, the Office of Internal Oversight Services sets out the full text of comments received from the United Nations Relief and Works Agency for Palestine Refugees in the Near East. The practice has been instituted in line with General Assembly resolution [64/263](#), following the recommendation of the Independent Audit Advisory Committee.