Joint Declaration

between the European Union and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) on European Union support to UNRWA (2021-2024)

CONSIDERING the EU Council Conclusions of 18 January 2016 and 20 June 2016, as well as the EU statements at the UN Security Council on 22 January 2019 and 26 October 2020, which set out the EU's commitment to a just and comprehensive resolution of the Israeli-Palestinian conflict through a two-state solution based on the key parameters set out in the Council Conclusions of July 2014², and, in particular, where the EU calls for an agreed, just and fair solution to the refugee question, states that a negotiated settlement must allow the two States to live side by side in peace and security and remains a strong, reliable and predictable supporter of UNRWA;

CONSIDERING UNRWA's core mandate of providing vital services for the well-being, human development and protection of the Palestine refugees in the areas of education, health, protection, relief and social services, microfinance and camp improvement and emergency response;

ACKNOWLEDGING the overwhelming support displayed by the international community for the renewal of UNRWA's mandate until June 2023 at the UN General Assembly on 13 December 2019:

CONSIDERING that EU's continuing support to UNRWA is a key element in the EU strategy of contributing to the promotion of security, stability and development in the region, which facilitates the parties' quest for peace;

¹ https://www.consilium.europa.eu/en/press/press-releases/2016/01/18/fac-conclusions-mepp/https://www.consilium.europa.eu/en/press/press-releases/2016/06/20/fac-conclusions-mepp/

² https://www.consilium.europa.eu/media/25368/144092.pdf

RECOGNISING that UNRWA's work helps ensure that the essential needs for the well-being, protection and human development of Palestine refugees are met within its five fields of operation, increasing their opportunities to better live their lives and contribute to their communities and directly contributes to advancing the 2030 Agenda for Palestine refugees;

ACKNOWLEDGING that since 1971, the EU has been providing reliable and predictable support to the Palestine refugees through UNRWA's Programme Budget, complemented with support to special projects and emergency appeals and constitutes the largest multilateral provider of international assistance to Palestine refugees;

RECOGNISING the vital role of the EU in the past years, and its additional political and financial support in response to the unexpected funding crisis in 2018, becoming in that year UNRWA's single largest donor;

ACKNOWLEDGING UNRWA's engagement and commitment to implement a range of Management Initiatives dedicated to strengthening the Agency's management and governance, ensuring increased transparency accountability and sound financial management, outlined in a detailed Strategic Implementation Plan in consultation with donors, in particular with the Advisory Commission;

NOTING that the Financial and Administrative Framework Agreement signed between the European Union and the United Nations on 29 April 2003, as modified by addenda on 28 February 2014 and on 31 December 2018 respectively, recalls the signatories' firm commitment to the fight against international terrorism, and in particular, against the financing of international terrorism;

NOTING the importance of countering the politicisation, misrepresentation or misconceptions in relation to UNRWA's mandate and operations, and of ensuring trust and confidence in the Agency;

RECOGNISING that UNRWA is implementing its mandate against a backdrop of operational challenges further exacerbated by growing political and economic uncertainties in the region and that the growth in numbers of the Palestine refugees overall, along with increasing levels of poverty, unemployment, food insecurity and vulnerability amongst them, have led to increasing pressure on UNRWA and other actors to respond to those needs;

RECOGNISING the need to support UNRWA's ability to implement its mandate within Host Countries and the occupied Palestinian territory, including in East Jerusalem;

RECOGNISING the role played by UNRWA in the fight against the COVID-19 pandemic and its short and mid-term consequences that will also increase pressure on the delivery of services to Palestine refugees;

RECOGNISING the Agency efforts to provide emergency humanitarian assistance and its capacity to mobilize in emergency situations while continuously carrying out its core human development programmes;

RECOGNISING that in the course of its 70 year history UNRWA staff have paid and continue to pay a high price as front line service providers on behalf of the international community resulting in numbers of fatalities, wounded and missing;

RECOGNISING the need, in close cooperation with the Advisory Commission, UNRWA's Hosts and donors, and the international community, to put the Agency on a more sustainable and predictable financial footing, with a focus on preserving and prioritising essential services including basic education, primary health, relief and social services and protection, focussing on areas in which UNRWA has a comparative advantage and seeking alternative means to deliver services where this is not the case;

RECOGNISING UNRWA's efforts in expanding its donor base and the rigorous cost efficiency reforms and austerity measures implemented since 2015 to ensure the continuation of its core services;

RECOGNISING that cost reduction measures have repercussions on the Agency's delivery of services;

NOTING the need to ensure the sustainability of the Agency's core operations, necessary for stability in the region and to maintain human development achievements donors have been supporting;

ACKNOWLEDGING the need for greater burden sharing and calling, in this regard, for the predictable delivery of funding in line with financial commitments;

URGING cooperation with each other to encourage donors to engage in core funding multi-year agreements in order to increase UNRWA's budget predictability and improve budget planning and resources allocation;

RECOGNISING UNRWA's efforts to enhance resource mobilisation and to diversify donors and strongly encouraging progress, as well as the EU's valuable role in setting the example and encouraging both EU and non-EU Member States to grant their bilateral support, preferably on a multi-annual perspective, to UNRWA;

RECOGNISING UNRWA's efforts to establish and further develop partnerships for the benefit of Palestine refugees particularly in areas in which other actors have a comparative operational strength;

RECOGNISING that this Joint Declaration will be another pillar in the relationship between UNRWA and the EU, which should help equip the Agency to respond to the challenges up to 2024;

Therefore,

For its part, the European Union intends to:

Continue the strong support of the European Union for UNRWA's delivery of vital services to Palestine refugees, with a focus on its core mandate,

Assist, as appropriate, UNRWA in securing predictable financial resources to enable the Agency to implement the mandate recently renewed by the United Nations General Assembly, to operate on a sustainable and cost-effective basis, to ensure the quality and level of services provided to Palestine refugees, and to implement reforms, ensuring increased accountability, transparency and sound financial governance.

To maximize its impact, the EU support to the Agency may take the form of:

I. Strengthened political partnership

This political support would:

- a) Support UNRWA's ability to implement its mandate within its five fields of operations;
- b) Support UNRWA's core mandate and operations, including by addressing misconceptions, misrepresentation or politicisation of UNRWA's mandate and operations;
- c) Demonstrate a collective response from the EU with respect to UNRWA's financial situation;
- d) Promote political and financial support to the Agency through the EU's presence in multilateral fora, bilateral dialogues, high-level meetings, and use good offices with Hosts, fellow donors and partners.
- e) Support UNRWA's bilateral engagement with donors, multilateral organisations and regional groups by facilitating contacts with key stakeholders and sharing of information;
- f) Contribute to the improvement of the respect for the rights of Palestine refugees by Host Countries and Israel, particularly in the context of EU's human rights dialogues, and include the Palestine refugee dimension in Council Conclusions, EU statements, Human Rights and European Neighbourhood Policy reference documents/papers.
- g) Use EU's good offices with Hosts to support UNRWA's planned reforms under the Medium Term Strategy (MTS);

II. EU contribution to UNRWA's Programme Budget

As a reliable partner, the EU intends to endeavour to continue providing financial support to UNRWA's Programme Budget at a level similar to previous years, subject to budget availability. This contribution may take the form of a multi-year financing decision.

In view of the cash flow challenges UNRWA faces, the EU will endeavour to provide its support to UNRWA's Programme Budget through early disbursements at the beginning of each financial year.

Contributions from the EU Budget to UNRWA's Programme Budget are to be made in accordance with the provisions of the Financial and Administrative Framework Agreement and its Addendum signed between the European Union and the United Nations on 29 April 2003, on 28 February 2014 and on 31 December 2018 respectively, and in compliance with the EU Financial Regulation.

III. Complementary contributions

The European Union may examine other options in support of UNRWA's programmes and fields of operations, in response to *ad hoc* needs not targeted by the Agency's Programme Budget as appropriate. *Ad hoc* projects could be supported only insofar as they are time-bound, based on specific needs and when duly justified and necessary.

In particular, EU humanitarian funding could be provided to UNRWA in response to humanitarian crises in UNRWA's areas of operations, as appropriate.

When making complementary contributions to UNRWA, the EU would prioritize support to the Programme Budget.

In addition, the EU may explore the possibility to include Palestine refugees among beneficiaries of EU's programmes with Host Countries.

For its part, UNRWA intends to:

I. Within the process of establishing UNRWA's Medium Term Strategy (MTS) 2023-2028 that will define UNRWA's strategic direction, start a consultative process, in the spirit of genuine partnership with donors, Hosts and refugee communities, to determine an agreed set of shared priorities, preserving and prioritising the services which UNRWA is uniquely placed to deliver and contribute to the goals of the 2030 Agenda.

- II. Step up its significant reform efforts in several areas of management, governance, accountability and transparency, in particular through advancing the implementation of the Agency's management initiatives, and aiming at:
 - 1. improving its management structure, budgeting and overall strategic planning,
 - 2. strengthening and improving management of financial and human resources and innovation in programme implementation,
 - 3. sustaining internal measures aimed at containing costs and achieving further effectiveness while pursuing other areas where this may be possible,
 - 4. enhancing transparency, accountability, internal oversight and evaluation,
 - 5. ensure trust and confidence in the Agency, and counter the politicisation, misrepresentation or misconceptions of UNRWA's mandate and operations
- III. Weigh future undertakings and ventures carefully, always prioritising and preserving the services which UNRWA is mandated to deliver and ensuring that emergency assistance remains focused and targeted to the most vulnerable particularly in protracted crisis situations.
- IV. Without prejudice to UNRWA's mandate, the refugee status and Palestine refugees' rights, further advance partnerships opportunities with international partner organisations and other relevant actors and continue exploring the feasibility of different delivery models in some sectors, to help address the increasing needs of Palestine refugees and secure sustainable quality services while easing the burden on UNRWA's budgets.
- V. Continue its efforts in responsibility-sharing and broadening of its donor base particularly among regional donors and influential global stakeholders.
- VI. Continue enhancing communication with all stakeholders (donors, Hosts, staff and refugees) including on reforms implementation with the aim of building their trust in UNRWA and keep the EU regularly informed about the reforms progress.

VII. Ensure maximum visibility of EU financial support to the Agency, including under the Programme Budget, through specific visibility initiatives and activities with the character of a sponsorship arrangement, designed in such a way that it is clear that EU funds have been used. In addition to continued visibility actions in the Agency's areas of operation, awareness raising and visibility initiatives should also be carried out in Europe.

VIII. Enhance cooperation with Hosts on programmatic policy matters to safeguard and improve the harmonisation of approaches and the complementarity of interventions until a just and durable solution of the question of Palestine refugees has been found.

The two sides intend to continue to coordinate and share information, as appropriate, including by holding an annual strategic dialogue session between the two sides in order to jointly assess and review the cooperation under this Joint Declaration and the challenges UNRWA and the EU are facing.

This Joint Declaration is not intended to create rights or obligations under international or domestic law. It also does not have any financial implications on either side.

Signed in Brussels on 17 M 2021.

For the European Union

Vice-President of the Commission Borrell Fontelles

Commissioner Varhelyi

For UNRWA

Commissioner Constal Lazzarini