REVIEW OF THE ROLE OF IDRC in the Scholarship Fund for Palestinian Refugee Women in Lebanon

Gail Larose Consulting
Prepared for the International Development Research Centre

February 2006
# TABLE OF CONTENTS

Acronyms

Executive summary

1 Introduction
   Terms of reference
   Review, not evaluation
   Timelines

2 Background
   Program history and rationale
   Recent developments
   IDRC involvement

3 Methodology

4 Findings
   Managerial role
   Funding
   Relationships

5 Main issues
   Responsibilities
   Raising funds
   Relationships
   Program evaluation

6 Options
   Status quo
   Notice of resignation
   New arrangements

7 Recommendations

8 Conclusion

Appendices
   A Terms of reference
   B List of interviewees
   C International Policy Strategy
   D Global Fund Report 2005
   E Note on the consultant
ACRONYMS

CIDA       Canadian International Development Agency
EASF       Expert and Advisory Services Fund
FAC        Foreign Affairs Canada
IDRC       International Development Research Centre
MEPP       Middle East Peace Process
RWG        Refugee Working Group
UNRWA      United Nations Relief and Works Agency (for Palestine Refugees in the Near East)
EXECUTIVE SUMMARY

In October 2005, an administrative review was commissioned to examine the role of the direct involvement of the International Development Research Centre (IDRC) in the management of the Scholarship Fund for Palestinian Refugee Women and to assess whether this involvement should continue in the future from an IDRC institutional perspective, from a Canadian government perspective and from the perspective of the well-being of the program itself.

The scholarship program was established in 2000 and is expected to continue with its present funding until 2010. IDRC will manage the program and its existing selected students and report to existing donors to the fund until the completion of the current program. At issue for the administrative review was whether this direct involvement in the management of the program should continue after 2010 with new funds from donors being channelled through IDRC as they are now, or whether funds should be deposited directly with the United Nations Relief and Works Agency (for Palestine Refugees in the Near East), UNRWA, the scholarship program executing agency in Lebanon.

It should be noted that the terms of reference relate to an administrative review of IDRC’s involvement in the management of the program and not a full evaluation of the program itself. A number of larger issues such as the kind of arrangements that might work best for the Palestinian refugee community in Lebanon after 2010 are best left to this evaluation scheduled for 2007. The administrative review, of more limited scope and timelines, was carried out by means of an examination of documentation on file and interviews with 22 key players in the program, both Canadian and Palestinians in Lebanon.

Canada is a strong supporter of the Middle East Peace Process (MEPP), an active participant in this multilateral process and a significant contributor to assistance programs in the region. While the need for post-secondary education for all Palestinian refugees is enormous, the barriers to higher education put women at a distinct disadvantage. The offer of a generous contribution from the Qatar Foundation that promotes education for women, headed by the wife of the Emir, which was offered on condition of matching funds, was a catalyst for the scholarship program.

The creation of the program and the garnering of further funds was a Canadian initiative led initially by Canada’s then coordinator of the MEPP. Funds were raised from a variety of donors, including the Canadian International Development Agency (CIDA), the United States through the State Department, the European Union, OPEC, Spain and France. The Expert and Advisory Services Fund (EASF) project, funded by CIDA and managed by IDRC, commissioned two feasibility studies that recommended establishing a scholarship fund program in Lebanon. At the request of Foreign Affairs Canada (FAC), the IDRC Board of Governors agreed that IDRC should play a role in coordinating “…the receipt of donor contributions to the Scholarship Fund and oversee[ing] the selection and the work of the Administering Agency in Lebanon.”
The scholarship program has had positive results. A total of 154 women students, some from difficult family backgrounds, have been granted scholarships and to date only one has not remained in her course of study. All graduates of the program have found work, many in the Palestinian refugee primary school system, thus enhancing basic education capacity for future generations. Some difficulty, however, has been experienced recently in gathering pledged contributions in a timely fashion, including some from the CIDA, necessitating stopgap measures to ensure that scholarships could be awarded to allow recipients to pay tuition for the 2005-2006 academic year.

The findings gleaned from the documentation on file and obtained from Web-based sources as well as the interviews conducted for the review have been grouped under three headings: IDRC’s managerial role; the question of future program funding; and the relationships of the parties involved. It was reported that IDRC has managed the program well but that the ad hoc timing of the arrival of funds has taken a toll in terms of burdensome program administration. Moreover, there is a lack of clarity about the roles and responsibilities of partners in terms of fund-raising; FAC should, however, take the lead in this area. The scholarship program does not easily fit the mandate of any of the three Canadian partners; combined with changes in personnel and a resulting lack of administrative continuity or memory, relationships among the Canadian partners have become strained as each tries to make the program ‘fit’ its own strategic objectives and policy guidelines.

A number of issues raised in this review should be resolved before further funding is sought. These include clarifying the responsibilities of each of the three Canadian partners. It also requires FAC to take the lead in organizing a targeted fund-raising campaign that would include the other two Canadian partners. Relationships among the three partners need to be based on trust that each is committed to an accountable, transparent and cost-efficient program.

The administrative review outlines three basic options available to IDRC in determining its future level of involvement in the scholarship program whose objectives are to build capacity, empower women and contribute to the solution of the Palestinian refugee situation in Lebanon; it can maintain its current level of involvement/status quo; it can serve notice it will not manage the fund after 2010; or it can seek to resolve the administrative issues raised in this report and accept management of the fund after 2010. It should be noted, however, that many decisions are of the “chicken-and-egg” and even of the “catch-22” variety. For example, it is be impossible to make decisions about continuing involvement in the program after 2010 in the absence of assurances about ongoing funding. The following are recommended actions arising from the various options:

1) It is recommended that IDRC encourage its partner, FAC, to take a more pro-active leadership role vis-à-vis fund-raising, perhaps through communication between the President of IDRC, Maureen O’Neil, and the Deputy Minister of Foreign Affairs, Peter Harder.
2) It is further recommended that IDRC request FAC to prepare a memorandum outlining how the scholarship fund strategically fits Canada’s foreign policy and MEPP priorities.

3) In light of the FAC memorandum noted in recommendation #2, it is recommended that IDRC’s senior management and/or Board once again decide whether, given IDRC’s current mandate and financial position, they feel it is worthwhile to continue IDRC’s managerial involvement after 2010 should further funding for the scholarship program be obtained.

4) It is further recommended that IDRC’s senior management and/or Board decide whether it will continue to waive its normal administrative fee as a contribution to the program or serve notice to donors that it intends to recover these costs. Whether waived or not, the appropriate level of administrative fee that IDRC might normally charge to manage a program of this value and complexity should be calculated by IDRC’s finance services division and be included in the reckoning of total donor contributions.

5) As background to the decision-making outlined in the previous recommendations, it is also strongly recommended that a brief background paper be prepared by IDRC’s Middle East Unit to set out the conditions under which the scholarship fund should be managed. The background paper should address, inter alia, optimum payment scheduling, liabilities for shortfalls in contributions, and a communications plan that includes recognition in Canada and Lebanon (ambassadorial reception) of the contributions of all the partners, especially FAC, CIDA and IDRC, in the fund.

6) In addition, it is recommended that the background paper should include a section or introduction addressing the ways in which the scholarship program could be defined as meeting the objectives of each of the partners. For example, a large proportion of scholarships could be earmarked for teacher training places thus supporting the provision of basic education for development. Likewise, the costs and activities covered by administrative fees and overheads in Canada and Lebanon should be clearly set out, differentiated and rationalized.

7) If IDRC decides to retain management of the program, it is recommended that IDRC take the initiative in asking CIDA and FAC to join it in developing a comprehensive communications strategy (also see recommendation # 5) with respect to the scholarship fund and the program that would highlight Canada’s role and the achievements of the various donors. In addition, IDRC should continue to consult its partners in order to maintain an effective convenor role from both operational and political perspectives.
Many in Canada and Lebanon see IDRC as pivotal to the well being of this scholarship fund. Its high standards of probity and accountability, financial and managerial expertise and knowledge of the region all combine to make it a manager of choice. In addition, IDRC’s solid reputation stands as a proxy for Canada’s. IDRC belongs to Canada’s foreign policy family and, through its management of the scholarship fund, it joins its two Canadian partners in implementing this policy. Nonetheless, a number of administrative loose ends need to be woven back into the fabric of the program for it to succeed smoothly after 2010. IDRC must weigh the considerations noted in this report against its corporate mandate and priorities and at the same time encourage its Canadian partners to look to the future of the fund now.
1

Introduction

Terms of reference

On October 20, 2005 an administrative review was commissioned to examine the role of the International Development Research Centre (IDRC) in the management of the Scholarship Fund for Palestinian Refugee Women. At issue was whether this direct involvement in the management of the program should continue. Current funding for the program will run for five years until 2010. The question of whether to channel any further funds raised to support the program after 2010 through IDRC needed to be answered immediately, however, before efforts were made to identify potential donors.

An external reviewer was engaged to gather responses to this question from individuals currently involved in the management of the program, from both donors and administrators. The review was to reflect what was heard from those interviewed. Specific questions to be addressed by the review included determining the general costs and benefits for IDRC, whether the program has raised IDRC’s visibility in Canada, Lebanon and the Middle East and what role IDRC might play in the future. The review was also asked to look into the role of IDRC in promoting Canada’s objectives and whether a withdrawal of IDRC as manager would create an administrative gap. Lastly, the impact to the program itself of IDRC’s withdrawal as manager and fund holder was to be assessed.

The complete terms of reference appear in Appendix A.

Report not evaluation

It should be noted that the terms of reference relate to an administrative review of IDRC’s involvement in the management of the program and not an evaluation of the program itself. A full program evaluation was an element of the original contribution agreement IDRC concluded with CIDA. Nonetheless, administrative and program issues are closely interdependent (the success of one enhances the success of the other). Where it is possible to clearly identify topics that were raised in the course of this administrative review that are better addressed in a program evaluation, they have been so noted.

Timelines

A mission to the Gulf States to raise funds to secure the future support of the Scholarship Program is anticipated in early 2006. In preparation for this round of visits, IDRC would like to determine its future administrative involvement in the program. The review was commissioned in late October and a report was requested for November 30, 2005. The timelines were, therefore, very limited. The author is grateful to the many individuals who were willing to share their thoughts about the program at such short notice.
The timing meant, however, that a number of stakeholders were unavailable for comment. Others, like Japanese and European Union officials responsible for their own scholarship programs for Palestinian refugees, could not be located in the time available.

For reasons of timing, it was also not possible for the author to travel to Lebanon as noted in the original terms of reference. To compensate, a number of long-distance telephone conversations and e-mail exchanges with interlocutors in Lebanon and Jordan filled in many blanks.
Background

Program history and rationale

Canada is a strong supporter of the Middle East Peace Process (MEPP), an active participant in this multilateral process and a significant contributor to assistance programs in the region. The continuing plight of Palestinian refugees is among the most important issues to be addressed by the MEPP. At present there are 3.7 million refugees in Jordan, Lebanon, Syria and the West Bank and Gaza who are registered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

The "Madrid" process, launched in 1991, was based in part on United Nations Security Council Resolution 242 of 1967 and its principle of direct negotiations between the parties concerned. This meeting was followed by a further conference held in Moscow in 1992 to launch the multilateral process. At that time, five multilateral Working Groups were set up to address regional issues. The Refugee Working Group (RWG) along with four others on water resources, environment, arms control and regional security, and regional economic development were established at the Moscow conference.

Having accepted to act as chair or "Gavel" of the RWG, Canada engaged in activities seeking to produce tangible benefits for Palestinian refugees. A Canadian-led International Mission to Refugee Camps in Lebanon in 1997 noted in its report the desirability of enhanced scholarship programs for Palestinian refugees. Given the severe poverty that the refugee community faces in Lebanon, Palestinian refugee students who complete secondary school find continuing their studies prohibitively expensive. While the need for post-secondary scholarships for all Palestinian refugees is enormous, the barriers to higher education put women at a distinct disadvantage. The offer of a generous contribution from the Qatar Foundation, headed by the wife of the Emir, which was offered on condition of matching funds, was a catalyst for the scholarship program.

In late August 1998, just as donors to an existing UNWRA scholarship program cancelled its funding, a Canadian study commissioned by IDRC to explore the possibility of creating a scholarship program for women concluded that there was potential for a post-secondary scholarship program for Palestinian women refugees in Lebanon, a country where Palestinian refugees are particularly vulnerable. The pool of eligible candidates would be small, an estimated 2,000, but the socio-economic rewards for individuals, their families and their community would be substantial. The study recommended the broad lines and selection criteria of such a scholarship program.

---

1 The Qatar Foundation believes that in order for the Arab-Muslim world to protect its rich culture, a major investment in and commitment to education is essential.
**IDRC involvement**

In May 1999, in a memorandum to the IDRC Board, the President of IDRC, Maureen O’Neil, noted that under a 1992 contribution agreement with CIDA that had been extended to a second phase in 1997 IDRC had managed an Expert and Advisory Services Fund (EASF) on behalf of IDRC, CIDA and the then Department of Foreign Affairs, now Foreign Affairs Canada (FAC). She sought approval from IDRC’s Board to respond positively to a request for assistance in foreign policy implementation to support Canada in its role as the RWG “Gavel” by receiving and managing funds from Qatar and other donors and take advantage of an opportunity that “might be lost within day-to-day departmental routines”. Although the program did not fall specifically within IDRC’s mandate to “…initiate, encourage, support, and conduct research into the problems of the developing countries of the world…” the Board agreed with the President that IDRC should take on this management role with respect to the scholarship fund.

In an attachment to a March 2000 internal approval document, IDRC’s role is described as coordinating “…the receipt of donor contributions to the Scholarship Fund and oversee[ing] the selection and the work of the Administering Agency in Lebanon. It will abide by the conditions of contribution agreements signed with each donor and will provide the [IDRC] Board of Governors with annual progress and financial reports on the project. IDRC’s audit policies and procedures will apply. IDRC will disburse funds to the Administering Agency and receive technical and financial reports from the Agency. IDRC will act as Secretary to the [scholarship] Board. This function entails assisting the Ambassador in Beirut in organizing meetings of the Board, providing regular updates on the program to the Board, and writing minutes of the meetings.”

On May 31, 2000 during a trip to Canada by Sheika Mozah Nasser Al-Misnad of Qatar, Maria Minna, Canada’s Minister for International Cooperation, announced a $500,000 contribution from CIDA to support the scholarship fund. Other contributions to the fund were also secured and an executing agency in Lebanon was sought and found (UNRWA) through tender. Canada offered to cover all administrative costs, including management of the scholarship fund itself as well as the administrative contract (with UNWRA), in order to attract donors by disbursing the totality of their pledges, a sort of scholarship “loss leader”.

At the last moment in July 2000, however, a disagreement between CIDA and IDRC on the positioning of the scholarship project with respect to the EASF arose, threatening to derail the program and leading IDRC to offer to withdraw from the agreement on the scholarship project. At issue was a question of administrative “double-dipping” and whether salary and other charges were being covered twice, once by the EASF and again by the scholarship fund. From CIDA’s perspective, this issue still remains to be completely resolved. Nonetheless a solution was found in 2000 whereby IDRC’s contribution of $70,000 in salary and travel funding was recognized along with the waiver of its usual administrative fee that would have amounted to some $300,000. The first scholarships were awarded in September 2000.
Recent developments

In September 2004, IDRC received word that the US proposed to supplement its initial contribution of $451,000 with a further $200,000. Qatar has also informally expressed a willingness to increase its commitment although no firm assurance has yet been received.

During the visit of Palestinian Authority President Mahmoud Abbas to Ottawa in late May 2005, Prime Minister Martin announced that Canada would provide an additional $500,000 contribution to the one-million-dollar project. The press release announcing Canada’s increased commitment goes on to say that the program is designed to help”…Palestinian women develop professional skills so that they can become income-earners and play a leadership role in the Palestinian community.”

According to IDRC’s 2005 Global Report to Donors, the added contribution from CIDA along with IDRC’s contribution of $70,000 and some direct management costs now make Canada the largest donor to the program with a total six-year commitment of $1,077,000. The Qatari pledge, originally the largest financial component of the program, totals US $800,000, that of the US $651,000 for the six-year period. Other donors (Spain, OPEC Fund for Development Cooperation, France) contributed a further approximately $360,000 over four years.

Some difficulty, however, has been experienced recently in gathering pledged contributions, necessitating stopgap measures to ensure the timely awarding of scholarships in order to pay tuition for the school year. In some cases, IDRC has advanced its own funds to cover the shortfall; in others, the tardy deposit of pledges has required scholarship awardees to make personal loans to cover the interim shortfall, a difficult challenge for those already in a precarious financial situation.

---

2 All amounts are expressed in US dollars.
Methodology

Six tasks

The terms of reference of the administrative review outlined six tasks for the reviewer:

- Review all documentation pertinent to this program that was to be made available by IDRC;
- Interview all parties involved in this project: IDRC, CIDA, FAC, Canadian Ambassador in Lebanon, UNRWA, selection committee members, donors to this program;
- Travel to Lebanon for one week to conduct the interviews in Lebanon;
- Interview Canadian interlocutors in Ottawa;
- Interview other donors by phone and UNRWA team in Amman by phone; and
- Write a report which will not exceed 20 pages including an executive summary and submit it by November 30 (this report).

Documentation review

The examination of documentation was completed in the first few days of the administrative review. Thanks must be expressed to IDRC staff whose efficiency was impressive in locating correspondence, program and financial reports, some dating back to 1998. The documentation was extremely helpful in identifying administrative issues that have been present since the inception of the program.

Interviews

Although the terms of reference listed 53 individuals in a variety of departments and agencies, both in Canada and abroad, some retired and others still active, albeit some no longer connected with the program, a total of 22 were actually interviewed by the author and represent all categories noted for this task with the exception of scholarship holders. Interviews were based on a list of general questions drawn from the terms of reference but the conversations were wide-ranging. The list of interviewees and interview questions appear in Appendix B.

Contact was made with four other potential respondents but timing precluded a formal interview. Follow-up may be made with these individuals to complete the report but the results will probably not alter the main findings as the interviews produced fairly homogeneous views.

On-site visit

As noted in the introduction, a trip to Lebanon was not feasible given the timing, the nature and the budget of the review. As with the interviews, follow-up can be made using the interview questions as background with site visits to Lebanon and the region by IDRC staff.

Ottawa interviews
Most of the interviewees (15 of 22) located in Ottawa that are listed in the terms of reference were interviewed in person.

**UNRWA and others**
Long-distance telephone interviews were held with UNRWA staff and selection committee members in Beirut and Amman.
Findings

The findings gleaned from the documentation on file and obtained from Web-based sources as well as the 22 interviews conducted for the review can be grouped under three broad headings: IDRC’s managerial role; the question of program funding; and the relationships of the parties involved.

Managerial role

IDRC has acted as an honest broker with respect to the EASF since 1992. As a result of its experience with the EASF, IDRC was asked to take on the additional management of the scholarship fund. Having accepted a role as manager of the this fund in 2000 in order to ensure that Canada’s good intentions with respect to the refugee file were given concrete expression, IDRC found itself in a position where it had to carry out a number of related tasks in a short timeframe. Not only was approval from its own Board of Governors required to allow it to receive funds from a variety of donors, it was also necessary to create a donor-representative body for the program that would oversee general policy guidelines, consult, draft and approve selection criteria, agree on the role to be played by an advisory and/or selection committee, arrange for the appointment of advisory committee members, and organize the administration of the program once recipients were selected.

The clerical administration of scholarship programs is extremely labour-intensive. Tasks include publicizing the program, collecting applications and screening them for eligibility according to the criteria decided by the donor committee, convening selection committee meetings, informing candidates of the results, verifying enrolment in approved programs of study at approved institutions, disbursing funds to institutions for tuition and other fees, disbursing funds to students for books and support, maintaining records, reporting on students’ progress and on receipt of funds and expenditures. To carry out these tasks, IDRC contracted with a local agency familiar with the community from which candidates would be drawn.

The agency, UNRWA, was chosen after an open bidding process and the administration of the program is the subject of a contract between UNRWA and IDRC. This involved a good deal of project preparation work for IDRC (drafting and circulating RFP’s, convening an adjudication committee, communicating with bidders, etc). Follow-up required the drafting and negotiation of a contract with UNRWA.

Although it contracted out administrative tasks in Lebanon, IDRC has nevertheless retained an active role in those aspects of the program related to policy, selection criteria, relationships with donors, and with its Canadian partners, and with financial matters concerning the receipt, placement and disbursement of funds from donors.
There is little doubt that IDRC has managed the scholarship fund well. Donors seem satisfied with the timing, format and accuracy of reporting. The executing agency in Lebanon, UNRWA, is satisfied with the way its contract with IDRC has been handled.

Nonetheless, the attention demanded in IDRC finance and grant administration divisions by a non-routine program has taken a toll. Some pledges have been slow to arrive, sometimes because reporting has been slow and funds will not be disbursed by donors before reports are received or sometimes because of other donor delays. This jeopardized the start of the 2005-2006 academic year for numbers of students who had to take out personal loans to bridge the gap.

In order to maximize the amounts available for scholarships and help mitigate the impact of delinquent donor accounts, IDRC’s finance division takes advantage of favourable exchange rates. This requires very pro-active attention to accounts and takes considerable time and expertise. At some points, IDRC has advanced its own funds to cover shortfalls so that students are not penalized. The cost of so doing has not been calculated as part of IDRC’s contribution.

Reports from UNRWA are also slow to arrive at times, requiring IDRC staff to undertake labour-intensive follow-up and reminders. The reports did not necessarily contain information in the format requested by donors and needed to be reformulated by IDRC staff. As one respondent put it, “Transaction AND emotional costs are high. If the program had not been successful in reaching its objectives, management staff would not have been as supportive.” While some interviewees felt that IDRC’s management flexibility, neutrality and understanding were positive attributes that allowed it to agree to manage the scholarship fund, some staff believed that the normal IDRC management framework was distorted to accommodate the program and should be regularized. However, the consensus from IDRC staff at all levels was that if IDRC should decide to relinquish its management role, it should do so in a way that would not result in the collapse of the scholarship program.

Notwithstanding the labour-intensive financial management burden that IDRC shoulders on behalf of the donors to the scholarship fund and even though the local administrative tasks in Beirut do not overlap financial management in Ottawa, CIDA respondents raised the issue of paying twice for overheads as a result of IDRC’s involvement through IDRC’s “cascading administration to UNRWA.” The impression was that while there were benefits to having IDRC involved at the outset, this arrangement may have outlived its usefulness and that it was now time to focus on program efficiencies. At the heart of CIDA’s concerns was IDRC’s waiver of its normal administrative fee. If the fee were to be reintroduced, CIDA would see this as raising arguments about the efficiency of program management and “it (CIDA) would have questions about double overheads.” Although clearly noted and differentiated in all financial reports from IDRC to CIDA, there also seems to be lingering confusion at CIDA, as reported in response to interview questions, about the way in which the EASF and the scholarship fund intersect financially and administratively.
**Fund-raising**

After the initial round of visits by the Special Coordinator for the Middle East Peace Process in 1998 organized by FAC, IDRC’s pledge-gathering services have led IDRC to make special requests to the initial donors to top up their contributions and thus maximize the number of scholarships awarded. IDRC has thus taken on a quasi-fund-raising role in which the support of the Canadian Ambassador to Beirut has been instrumental. Coordinated fund-raising by Canada for the next stage of the program after 2006 seems to have stalled and although Qatar has informally promised further funding, this has not yet materialized. It is important that the momentum of the program not be lost. As one respondent commented, “It is bad psychology to try to raise funds when the pot is empty because the requests sounds like charity instead of an investment in the future.”

While IDRC is experienced in fund-raising and fund-managing for its own programs, seeking like-minded donors and managing multi-donor funds, the multi-party and collaborative nature of the scholarship fund and the Canadian foreign policy framework in which it operates makes it awkward for IDRC to take the lead. More than one interviewee maintains that FAC should take the leadership role in this aspect of the program given that it is a Canadian foreign policy initiative.

There is no doubt that the future of the program thus revolves around future funding being obtained and this in turn will depend on CIDA funding to leverage funds from other donors. The President of IDRC indicated that if funds were forthcoming from CIDA, IDRC would be pleased to continue its role as fund manager. Both FAC and CIDA have suggested, however, that to make the program more sustainable in the long term, an endowment fund ideally supported in large measure by the Gulf States but continuing to be supported in part and managed by Canada, should be established.

**Relationships**

The assigning of roles at the inception of the scholarship program was made rather haphazardly without close consideration of the eventual implications. Moreover, changes in personnel, especially at FAC and CIDA, have contributed to a loss of corporate memory. In terms of benefits to personnel deriving from management of the scholarship fund, one respondent from FAC felt it was good for IDRC to get “close to the coal face” in terms of direct experience with scholarship recipients and that contacts with international donors were beneficial to IDRC’s and Canada’s reputation for honest and responsible management outside the scholarship program.

Another FAC respondent expressed the opinion that much discomfort would be created if IDRC were to withdraw from the program since it brings transparency, credibility, accountability and scrutiny to the program and “can bludgeon the other partners into responsible behaviour.” Another respondent described this role as honest broker as being the “meat in the sandwich” as IDRC attempted to be the “…arbiter of incompatibility” between departments and agencies of differing mandates and objectives.
The files and many interviews refer to the tri-partite Canadian collaboration as a partnership. Certainly IDRC and FAC consider their relationship to be that of equal partners. On the other hand, as a major financial donor, CIDA’s business diligence has created a contractual relationship between it and IDRC, one that could be handled in principle by any other contracting agency, thus calling into question the notion of partnership on equal terms.

This has led to a current situation of shared misunderstanding among the Canadian partners as to which organization, if any, “owns” the program, how the partnership should work and what responsibilities each should have with regard to the well being of the program and of the partnership itself.
Main issues

The main issues to emerge from this review are derived from the findings outlined in the previous section. They can be summarized as: IDRC’s and other partners’ responsibilities for the program; the question of raising funds; and the sorting out of informal, contractual and collaborative relationships. All three are interrelated but can be considered separately.

Responsibilities

IDRC may have misjudged the management needs of the scholarship fund in 1998 when it accepted management responsibility for it. It certainly underestimated the scope and volume of work required to set up the scholarship program and manage the contributions of donors. It was felt that the extra work required would be marginal and that IDRC’s program flexibility would allow it to fold in the management with other programs, particularly the EASF. As it turned out, this was optimistic. Scholarship programs are labour-intensive and the management of a multiple-donor fund brings its own complications. IDRC has not only been a direct donor to the program through a partial contribution of salaries and travel costs, but has also waived its usual administration fee, usually between eight to 20 percent of the total fund managed. In this case, the waiver could amount to between $275,000 and $685,000, a considerable sum that deserves to be recorded in the donor list in its own right.

Both FAC and CIDA should also accept to play the roles they have been assigned or have accepted. This means ensuring that funds are raised, pledged and transferred without delay, that meetings are organized, that the good offices of the Ambassador are engaged on behalf of the scholarship fund and that all parties are kept up to date on developments.

Funding

The question of fund-raising is a thorny one and was raised in almost all interviews and was noted in almost every entry in the documentation. It goes without saying that ongoing funding is necessary to maintain the scholarship program. If the program is deemed to reach its objectives and is worth maintaining, then further funds must be secured. Since the program is a Canadian initiative with an original contribution from Qatar, Canada needs to make a conscious decision whether it should continue to raise funds. To maintain the program after 2010, funds must be secured now.

The situation is one of the “chicken-and-egg” variety. Funding past 2010, some four years hence, must be pledged now since it takes a considerable amount of lead-time to arrange scholarship program details (see Findings section on managerial role). Applications from potential candidates must be sought at least a year in advance of the academic year for which awards will be made. Conditions of the awards must be settled by the scholarship fund steering committee at least six months previous to that to allow
sufficient time to advertise for suitable candidates. In advance of advertising, a new commitment from and administering agency must be negotiated and set in place.

Leadership from FAC to clearly state that the scholarship program is a strategic priority within the MEPP is required immediately in order to move the fund-raising task forward. The current approach, however, is not coordinated nor do the messages seem clear and consistent. Fund-raising should be a strategic effort supported by a communications strategy in which all Canadian partners can feel represented and see themselves reflected.

**Relationships**

The relationships of the individuals and organizations involved in the scholarship fund are the most difficult to control. Over time, changing mandates and strategies have altered the perspective of the scholarship fund for each of the Canadian players. CIDA is operating under its own policy constraints and a focus that does not seem to allow for much programming flexibility. FAC has no funding of its own to contribute to the plan but takes the lead for many Canadian foreign policy initiatives of which the scholarship fund is one. IDRC has some funds, expertise and flexible management capability. Although it considers the scholarship program to be a direct contribution to capacity building, both in UNWRA and in the Palestinian refugee community, undergraduate university scholarship programs are outside IDRC’s main mandate and program objectives.

Throughout this review, reference has been made to a partnership of IDRC, FAC and CIDA in promoting Canada’s foreign policy. The impression left by the file documentation and the interviews is that IDRC and FAC respondents do indeed consider their relationship with regard to the scholarship fund to be one of partnership. On the other hand, CIDA respondents do not seem to appreciate that there is added value by considering IDRC to be a partner as the fund manager. They appear to consider any agency with appropriate credentials and experience suitable managers of their contribution. Such a purely contractual service relationship would, moreover, guarantee that program management was in line with CIDA’s development priorities and administrative requirements.

The visions of CIDA, FAC and IDRC are consistent within Canada’s foreign policy and development assistance objectives but do not coincide in all respects. None of the partners currently sees fulfillment of its main priorities through the program. In relation specifically to the scholarship fund, the programming objectives of the three Canadian partners are not currently seen by those involved to be fully met by it and it is thus considered an outlier to all.

While the program can certainly be seen to be building capacity, both in terms of providing well-qualified teachers for the basic education system for Palestinian refugees in Lebanon and throughout the Middle East as well as administrative expertise in UNWRA, the program seems to have been interpreted as an undergraduate scholarship program, which it also is but which is not included in either IDRC’s or CIDA’s
programming priorities. Regular changes in staff assignments to the program also increase the potential for an inconsistent approach. The original rationale for the program may not have been passed down equally among the partners, leaving the program open to question.

The relationships among the three Canadian partners with respect to the scholarship program (fund-raising and management) and the relationship of each to the scholarship program must be clarified. If the scholarship program is to continue, a positive interpretation and accommodation of the program must be made by each Canadian partner in terms of its own objectives.

Recognition

Recognition for IDRC’s contribution by other stakeholders, especially donors, is important to its visibility as a credible partner, not just as another administering agency. In addition, communication of the program in terms of the MEPP and the RWG, in other words as part of Canada’s foreign policy strategy, was not felt to be particularly effective in raising Canada’s visibility. The annual reception given by the Canadian Ambassador to Lebanon was noted as a highlight among the scholarship recipients, their families and the community but this event was not held in the fall of 2005.

Although the EASF operated with no publicity, given the volatility of the situation in the Middle East, there is no reason why the scholarship program should do so. Responsibility for communication to raise IDRC’s, CIDA’s, Canada’s and other donors’ visibility should be agreed among the Canadian partners and the other donors. An enhanced communications program could be an agenda item for the next meeting of the scholarship fund’s board.

Program evaluation

Questions of mandate and mission, of the sustainability of the program, and what mechanisms and approaches work best for the Palestinian refugee community itself are more properly addressed in the full evaluation of the scholarship program which is scheduled to be undertaken in 2007. An official tracer study of the whereabouts and progress of former scholarship holders will begin in 2006 according to the program schedule. This will doubtless have a positive message as already some 33 students have successfully graduated and are working.

In the meantime, the seeming reluctance of some donors to accept the program or interpret it in positive rather than negative terms has had an impact on administrative relationships. The issue of the relationship of the Canadian partners must be clarified in the program evaluation as it affects not only the management of the scholarship fund but also has implications for other shared programs and initiatives.

Related to the question of partnership was an inclination by some interviewees to view the scholarship program as being “politically” motivated and therefore not
developmentally sound even though the two are not mutually exclusive. This underlined
the impression given by CIDA respondents that they were being asked to respond to a
“political imperative”. This may relate to a sense that the agenda for initiatives of this
kind are outside the control of the agencies that are called upon to deliver them. When in
addition, the initiatives are difficult to translate into agency objectives, a negative
dynamic is created that may be difficult to resolve. This might also point to a disconnect
between development strategies and needs that require different solutions, e.g., basic and
higher education.

One CIDA interviewee questioned the development rationale of the scholarship fund,
offering the opinion that scholarship programs for higher education “…produce more in
the way of individual rather than societal benefits.” The author was told that CIDA “is
looking for a more coherent approach with its basic education policy focus” than an
undergraduate scholarship program but little attempt seems to have been made to
consider how the program could be interpreted as helping to meet the development
objectives of the International Policy Statement (e.g., by providing teacher training to
strengthen basic education for the Palestinian refugee community).

Undergraduate university scholarship programs are not a priority for any of the Canadian
partners. On the other hand, such a program may be an appropriate vehicle to achieve
basic development as well as political objectives. This means that the program must be
viewed as more than just providing scholarships. It should be seen as a capacity-building
exercise both for the students themselves and for the local administering agency
(UNWRA). It should be seen as a direct contribution to the improvement of basic
education in Lebanon, particularly for the Palestinian refugee community as many
graduates of the program, especially science and mathematics students, are teaching in
primary schools. It should also be seen in the light of empowering women to undertake
the development of their own community, both socially and economically. All these
issues are central to the mandates of the three Canadian partners.

While not central to the administrative review, the positive messages contained in the
files and reinforced by many interviewees on the effectiveness of the program and its
value to scholarship recipients might be flagged for the program evaluation. Many
interviewees were also quick to praise IDRC for its role as secretary to the scholarship
fund board made up of donor representatives and in its role as a member of the
advisory/selection committee made up of UNRWA and community representatives.
Indeed, more than one respondent identified the openness and transparency that IDRC’s
involvement had brought to the scholarship selection process as one of the most
important elements of the transfer of knowledge that has been an unexpected benefit of
the program. As manager, IDRC has provided a capacity-building opportunity that
UNRWA recognizes and of which it takes advantage. It has used the IDRC model,
including selection criteria and reporting and decision-making processes, to establish
parallel scholarship programs for other donors (Japan and the European Union).
Options

There are three main options or decision points for IDRC in relation to the management of the intake of new scholarship program funds after 2010. They are summarized with brief arguments for and against each in the section that follows.

Status quo

It is tempting when faced with a complicated and multi-faceted situation to do nothing in the hope that some other individual or agency will resolve difficulties. In the present case, administrative arrangements have become more or less routine and the key players are known to one another, making the maintenance of current arrangements a functional possibility. If the status quo sometimes creates misunderstandings because of delayed reports or delinquent donors, these are still known quantities and ways have been found to deal with them.

This approach, however, is not particularly realistic given the current situation. It would not address the increasing challenge the program represents to the mandates and visions of the partners that was expressed in the interviews for this review. Neither would it deal with the sustainability of the program, with the need to raise funds now, to clarify the assignment of tasks and timelines, to rationalize IDRC’s financial contribution to the program and to come to an understanding by all the stakeholders about the various roles and responsibilities of each. In any event, IDRC is totally committed to managing the scholarship fund until 2010 so problem areas should be addressed as soon as possible.

Resignation

IDRC may wish to disentangle itself from the task of manager of the program by simply resigning its role in the management of new funds after 2010. Indeed, that option was suggested by more than one respondent. It has the benefit of freeing scarce human resources in program and financial administration for other tasks more directly aligned with IDRC’s mandate. It would also reduce exposure to risk from financial shortfalls in the fund and the need to commit IDRC bridging funds to maintain the program.

While it may be that the program would continue without IDRC management, for example, by having future CIDA program funds transferred directly to UNRWA, FAC sees a resultant loss in the benefits that IDRC brings to the program with respect to the transfer of democratic values, openness, transparency and credibility. FAC would be “uncomfortable were IDRC to withdraw” since it provides confidence to other donors (that FAC has invited to participate) that funds are well spent. If IDRC withdraws as manager of the fund, especially if a non-Canadian agency were to be the new principal administrator, a critical component of Canadian visibility would be lost.
New arrangements

If IDRC were to continue to manage the fund after 2010, it would first need to be asked to continue its management role by FAC, the fund initiator. To ensure the sustainability of the scholarship program, funding must be known as far in advance as possible and FAC should be the catalyst for new fund-raising efforts. To derive maximum strategic benefit from a new infusion of funds to the program, for example targeting certain fields of study like pedagogy, IDRC must be able to plan ahead in order that UNWRA could advertise, recruit and select appropriate candidates. FAC must thus raise funds as soon as possible before the current program expires in order not to lose momentum.

IDRC is committed to respond positively to a new invitation to manage the fund but it should do so with the understanding that the program is of direct benefit, whether as a contribution to a mandate that supports capacity-building or as an enhancement of its reputation in Canada and the region. It should also determine as soon as possible the appropriate level of compensation for its management. The question of whether IDRC might continue to waive this compensation as a contribution to the program along with its program expertise and some direct salary and travel costs requires a separate decision that should be made by IDRC senior management.

Any new arrangements would have to lay to rest as far as possible the current questioning of the mandate of the program. As members of the Canadian foreign policy family, all three Canadian partners share a responsibility to carry out Canada’s foreign policy strategy and should find ways to support one another in these efforts and in the effective implementation of the program.

Continuing involvement in the management of the program should also bring recognition of IDRC’s contribution as well as that of other donors. FAC should be encouraged to use ambassadorial opportunities to present scholarship recipients to the community in Lebanon. This need not coincide with a donors’ meeting although this is desirable, as the happy results of past events have demonstrated. A communications strategy should be prepared to maximize the program’s visibility and the donors’ role in it in Canada in print and on the Canadian partners’ Web sites as well as in the region. Messages can focus on Canada’s development priorities and how scholarship recipients are helping to strengthen basic education (through teaching at the primary level), how the program is addressing gender issues, and how Canada’s democratic values are promoted through the program.

The challenge would be to negotiate new arrangements with all the parties involved, especially CIDA that would have to be convinced that the scholarship program is consistent with international development objectives and that administrative costs are not duplicated as has been previously demonstrated in IDRC reports. Part of the new arrangements would require that FAC take on a more active fund-raising role in creating an endowment fund, partly, albeit generously, subscribed by Gulf States, that could be managed by IDRC according to the current understanding and contracts.
Recommendations

The preceding section has outlined three options among which IDRC may choose its future level of involvement, if any, with the scholarship program. Many decisions are, as has been pointed out, of the “chicken-and-egg” and even of the “catch-22” variety. For example, it is be impossible to make decisions about continuing involvement in the program after 2010 in the absence of assurances about ongoing funding. Even should IDRC decide to maintain current arrangements or to resign from further management of the scholarship program, a number of actions will be required. The following are recommended actions arising from the various options:

1) It is recommended that IDRC encourage its partner, FAC, to take a more pro-active leadership role vis-à-vis fund-raising, perhaps through communication between the President of IDRC, Maureen O’Neil, and the Deputy Minister of Foreign Affairs, Peter Harder.

2) It is further recommended that IDRC request FAC to prepare a memorandum outlining how the scholarship fund strategically fits Canada’s MEPP priorities.

3) In the light of the memo from FAC noted in recommendation #2, it is recommended that IDRC’s senior management and/or Board once again decide whether, given IDRC’s current mandate and financial position, they feel it is worthwhile to continue IDRC’s managerial involvement after 2010 should further funding for the scholarship program be obtained.

4) It is further recommended that IDRC’s senior management and/or Board decide whether it will continue to waive its normal administrative fee as a contribution to the program or serve notice to donors that it intends to recover these costs. Whether waived or not, the appropriate level of administrative fee that IDRC might normally charge to manage a program of this value and complexity should be calculated by IDRC’s finance services division and be included in the reckoning of total donor contributions.

5) As background to the decision-making outlined in the previous recommendations, it is further recommended that a brief background paper be prepared by IDRC’s Middle East Unit to set out the conditions under which the scholarship fund should be managed. The background paper should address, *inter alia*, optimum payment scheduling, liabilities for shortfalls in contributions, and a communications plan that includes recognition in Canada and Lebanon (ambassadorial reception) of the contributions of the partners, especially FAC, CIDA and IDRC, to the scholarship fund.
6) In addition, it is recommended that the background paper should include a section or introduction addressing the ways in which the scholarship program could be defined as meeting the objectives of each of the partners. For example, a large proportion of scholarships could be earmarked for teacher training places thus supporting the provision of basic education for development. Likewise, the costs and activities covered by administrative fees and overheads in Canada and Lebanon should be clearly set out, differentiated and rationalized.

7) If IDRC decides to retain management of the program, it is recommended that IDRC take the initiative in asking CIDA and FAC to join it in developing a comprehensive communications strategy with respect to the scholarship fund and the program that would highlight Canada’s role and the achievements of the various donors. In addition, IDRC should continue to consult its partners in order to maintain an effective convenor role from both operational and political perspectives.
Conclusion

While the scholarship fund does not directly address IDRC’s mandate of funding research on and with developing countries, it nonetheless represents a special initiative through which IDRC can demonstrate its support, together with its Canadian partners, of Canada’s foreign policy and international development strategy.

It is clear from the documentation and the interviews that IDRC was seen by many respondents, in particular FAC and UNWRA, to be pivotal to the well-being of the program, in particular in its support of the work of the Canadian “Gavel” of the RWG. Its high standards of probity and accountability, financial and managerial expertise and knowledge of the region all combine to make it a manager of choice.

Based on responses from interviewees in Lebanon, the program has raised IDRC’s visibility there and in the region. It has also raised IDRC’s profile with FAC. IDRC would not have any role in the scholarship program were it to give up its management of the fund. However, the review has identified some general costs and benefits of the scholarship fund for IDRC. The relationship of the program to the work of the EASF that IDRC would continue to manage should be clarified. IDRC is on record as being willing to help if requested. Even were it not to manage new program funding, it would always provide background information and advice.

It is unclear whether CIDA could ensure the same program success by channeling its funding direct to UNRWA. CIDA respondents congratulated IDRC on the way it has helped build capacity in UNRWA and feels that as a result, UNRWA could manage the scholarship fund directly. CIDA respondents did not, however, deal with questions of Canadian visibility, and recognition and were perhaps not as concerned with this aspect of the management of the program.

Although opportunities were not found to speak with other donors to the fund for a variety of reasons, reaction from a number of interviewees leads the author to surmise that the withdrawal of IDRC would be viewed with dismay in Lebanon. UNRWA in particular prefers to deal with IDRC rather than multiple donors even though it does so with other programs.

Defining, agreeing and assigning areas of responsibility for the program would help smooth relationships among the three Canadian partners and prevent further instances where IDRC has had to take on a role it had not anticipated. This would also mean that the details of the program would be appropriately managed without losing sight of the broader commitment to Canada’s foreign policy strategy.

The scholarship fund continues to be “good news”. A number of respondents referred to the scholarship program as a “do-good, feel-good” initiative. It is difficult to disengage
from involvement with a program that is clearly appreciated by its beneficiaries and seems to be achieving its objectives.

Appendices

Appendix A    DRAFT Terms of Reference – October 20, 2005
Palestinian Review of the role of IDRC in the Scholarship Fund for Refugee Women Program

Appendix B    List of interviewees

Appendix C    Excerpt Canada’s International Policy Statement – Making a Difference Globally

Appendix D    Global fund report 2005

Appendix E    Note on the consultant / author of this report
Appendix A

**DRAFT Terms of Reference – October 20, 2005**

Review of the role of IDRC
in the Scholarship Fund for Palestinian Refugee Women Program

The purpose of this review covered by the following terms of reference is to examine the pros and cons of IDRC’s direct involvement in the management of the Scholarship Fund for Palestinian Refugee Women and to assess whether this involvement should continue in the future from an IDRC institutional perspective, from a Canadian government perspective and from the perspective of the well-being of the program itself. The program was established in 2000 and is expected to continue with present funding until 2010. IDRC will continue to manage the program and its existing selected students and report to existing donors to the fund until the completion of the existing program in 2010. The question is whether new funds from donors should be channeled through IDRC or whether they should be sent directly to the executing agency in Lebanon, UNRWA.

**Background**

As "Gavel" of the Refugee Working Group (RWG), Canada has engaged in activities seeking to produce tangible benefits for Palestinian refugees without prejudice to their rights and future status. A Canadian-led International Mission to Refugee Camps in Lebanon in 1997 noted in its report the desirability of enhanced scholarship programs for Palestinian refugees. Given the severe poverty that the refugee community faces in Lebanon, Palestinian refugee students who complete secondary school find continuing their studies prohibitively expensive. While the need for post-secondary scholarships for all Palestinian refugees is large and increasing, the barriers to higher education put women at a distinct disadvantage.

Setting up the program was a Canadian initiative led initially by Andrew Robison, Canada’s Coordinator of the Middle East Peace Process. The Ottawa-based International Development Research Centre (IDRC), through the Expert and Advisory Services Fund project (funded by CIDA), commissioned two feasibility studies to establish such a scholarship fund program in Lebanon, at the request of Foreign Affairs Canada (FAC). IDRC was later asked by FAC to manage the Scholarship Fund for Palestinian Refugee Women in Lebanon, which was started in 2000 and IDRC’s Board of Governors gave its approval for IDRC to manage these funds.

IDRC conducted a competition to select a local organization to manage the program in Lebanon and selected UNRWA out of a qualified pool of six or seven applicants. To ensure transparency, and to ensure that the Palestinian community is closely involved in the administration of the Fund, an Advisory Committee made up of Palestinian experts and UNRWA staff was established. (At the time of the choice of UNRWA, there were also rumors of widespread corruption within UNRWA management). The selection committee, in which IDRC participates, is involved in major decisions concerning the administration of the Fund, especially the selection of scholarship recipients. A Board of Governors composed of representative donors oversees the Fund. Canada, through its Ambassador in Lebanon, chairs the Board whose primary function is to review the project's progress.

**IDRC role**
- IDRC through the CIDA-funded EASF, conducted two feasibility studies before setting up the program.
- Conducted a competition to select the executing agency in Lebanon and selected UNRWA.
- With UNRWA support, established the selection committee in Lebanon.
- Participates in every selection meeting in Lebanon (meetings are conducted in Arabic).
- Approved the selection criteria for the program that were developed by UNRWA and the selection committee. These criteria are reviewed every year by IDRC and the selection committee prior to the selection process.
- Monitors the progress of the project.
- Is the financial manager and recipient of funds from the various donors.
- Receives reports from UNRWA, financial and technical on a semi-annual basis.
- Reports both technically and financially to every donor on their contribution and globally on the financial and technical progress of the program.
- Is the secretary of the Scholarship Fund Board of Governors.
- Actively contributes to fundraising efforts.
- Will conduct an evaluation of the program.
- Will support UNRWA in the development of a tracer study methodology. UNRWA is expected to begin a tracer study at the end of the academic year 2005-2006.

To date, IDRC has charged no indirect costs but has charged direct costs in salaries and travel. These direct costs have been shared between IDRC and CIDA.

Results to date

To date, a total of CAD 3,298 million has been raised. The Canadian International Development Agency and the State of Qatar are major donors to the Fund. Other donors include the United States, the OPEC Fund for International Development, France, Spain, and IDRC. As of September 2005, these funds have allowed the selection of 158 students who are undertaking studies in such fields as medicine, mathematics, sciences, dentistry, business administration, computer science, and pharmacy. Forty-three students have already graduated and most have found jobs as teachers in UNRWA schools while others are working in the private sector in Lebanon. Another 33 students will graduate in June 2006. Tracer studies will be conducted beginning in summer of 2006.

Students are generally excelling in their studies and as a group, they have to date attained an average grade of around 80 per cent. Several students have achieved averages exceeding 90 per cent and a few have been exempted from paying school fees. The savings have been spent on other scholarships. Only four students have dropped out of the program.

Fundraising and leveraging other funds

With support from the Canadian Ambassador in Lebanon, the Chair of the Board of Governors, IDRC has made sustained efforts to fundraise for this program. IDRC is in touch on a regular basis with potential donors to urge them to consider increasing their contributions to the project or providing one to the program. To date, the Canadian Ambassador in Lebanon has hosted two meetings of the Board of Governors and has organized an annual basis a reception to which students and selection committee members are invited to interact with a great number of diplomatic representatives in Lebanon and raise awareness about the program.

To date, most donors have given one-off contributions with the exception of the US State Department and CIDA. The US State Department has topped up its original contribution of CAD
100,000 to reach a total of CAD 880,000. CIDA has also increased its contribution from an initial CAD 500,000 to reach a total of CAD 1.5 million, including a recent pledge of CAD 500,000.

The existence of the Canadian-supported and managed scholarship fund program has provided a model to inspire other efforts. Both the European Commission and Japan recognized the importance of providing university scholarships to Palestinians but chose to channel their funds directly through UNRWA. The European Commission has established a broad program of support to the Palestinian community in Lebanon which includes a one-time only scholarship fund component worth CAD 1.46 million. In September of this year and through a model that mirrors that of the Scholarship Fund program, 57 students both male and female were selected to receive university scholarships. The selection committee for the EC program included the same UNRWA representatives and some of the same Palestinian experts who are part of the selection committee for the Canadian Scholarship Fund program. EC representatives from Lebanon participated in the selection meeting. The Japanese Government also provided a one-off contribution of CAD 110,000 to UNRWA this year that allowed for the selection of 7 female students. It is important to note that the selection of students this year for the Canadian Scholarship Fund program was done in a way which took into account the selection criteria of the EC and Japanese grants to allow for maximum complementarity between the three.

Rationale for the proposed review

The Scholarship Fund program has been very successful in Lebanon and fills a major gap in higher education needs of the Palestinian community. The fund responds to a need in the Palestinian community to prepare a cadre of educated people who will become tomorrow’s leaders. It is worth noting that this gap in higher education needs was highlighted at the 2003 Stocktaking Conference on Palestinian refugee research. The program also provides Canada with great visibility in this area and as Gavel of the Refugee Working Group, responds to its mandate of improving living conditions of refugees including those in host countries. Lebanon has always been a special case. Restrictions imposed by the Lebanese Government on this community over the years compounded by a deteriorating economic situation in that country and a cut to UNRWA resources, have made for an increasingly poor and marginalized community.

Given all these considerations, Canada through its Coordinator of the Middle East Peace Process, has stated its interest in maintaining the Scholarship Fund program by generating additional funds to support more Palestinian women. A fundraising trip to Qatar and the Gulf region is proposed for November 2005 to match and hopefully exceed the latest pledge (September 2005) made by CIDA of CAD 500,000. IDRC plans to participate in this fundraising trip.

General questions to be addressed by the review

In recent discussions, questions have been asked by CIDA whether IDRC should manage new contributions to the program. One general question that needs to be addressed by this review is whether the channeling of funds through IDRC over the years, rather than directly to UNRWA, has led to IDRC-added-value and been effective. The review will assess the pros and cons of IDRC’s direct involvement in the management of the Scholarship Fund for Palestinian Refugee Women. It will also assess whether this involvement should continue in the future from an IDRC institutional perspective, from a Canadian perspective and from the perspective of the well being of the program itself.

In any case, IDRC will continue to manage the program and its existing selected students and will continue reporting to existing donors to the fund until the completion of the program in 2010.
Specific questions to be addressed by the review

IDRC

The Scholarship Fund program does not fall directly within IDRC’s mandate of funding research on and with developing countries. It is a special initiative within IDRC that has been managed at the request of FAC because of IDRC’s involvement in managing another program, the CIDA-funded EASF, which supports the Canadian role in the Middle East Peace Process on the question of Palestinian refugees.

- What are the general costs and benefits in financial and other terms for IDRC for managing the program?
- Has the program brought visibility to IDRC in Lebanon and in the region?
- Has the program brought visibility to IDRC in Canada?
- What role is there, if any, for IDRC to play if it were to stop being the manager of new funds and the link to each donor?

Canada

The scholarship Fund program began as an initiative of Andrew Robinson, Coordinator of the MEPP at FAC who was able to obtain funds from Qatar and CIDA and other donors to establish the program. It was established to respond to the mandate of Canada’s role as Gavel of the RWG to improve the living conditions of refugee without prejudicing their rights and future status.

- How has the program increased Canada’s visibility in Lebanon, in the region and with the international community?
- How has the program contributed to fulfilling Canada’s mandate as Gavel of the RWG?
- How has the management of IDRC been useful in promoting CIDA and FAC’s objectives to raise Canada’s profile, increase Canadian visibility on this file and improve living condition of refugees through scholarships?
- What are the gains and losses to Canadian Government, mainly CIDA and FAC, if IDRC no longer manages new funds directed to the program?
- What if anything would CIDA and FAC need to do to fill the gap of IDRC management of new funds?

Program itself

UNRWA was selected as executing agency by IDRC to manage the Scholarship Fund program in Lebanon. To ensure transparency, a selection committee was created and is made up of four representatives from the Palestinian community and three UNRWA staff, in addition to IDRC.

- How would the program be impacted if new funds for the program were channeled directly to UNRWA?
- What has the program gained from IDRC’s role as manager of the program and holder of the funds?
- How has the work of UNRWA which accounts to IDRC on the progress of the work, been impacted by IDRC’s role as manager of the program?
- How would UNRWA be impacted if it were to directly account to various donors instead of just reporting to IDRC?
- Are there donors who would drop out their contribution if funding were directly to UNRWA?
- If IDRC stopped being the holder of the funds, should it continue to have any involvement in managing any new funds?
- Should IDRC continue to be the Secretary of the Board of Governors?

Tasks of the reviewer

Timeline:
November 1 to November 30, 2005

- Review all documentation pertinent to this program – to be made available by IDRC
- Interview all parties involved in this project: IDRC, CIDA, FAC, Canadian Ambassador in Lebanon, UNRWA, selection committee members, donors to this program. A list is provided below.
- Travel to Lebanon for one week to conduct the interviews in Lebanon
- Interview Canadian interlocutors in Ottawa
- Interview other donors by phone and UNRWA team in Amman by phone
- Write a report, which will not exceed 20 pages including an executive summary, and submit it by November 30

List of people to interview

IN OTTAWA

IDRC
Maureen O’Neil
Rohinton Medhora
Chris Smart
Tim Dottridge
Roula El-Rifai
Eileen Alma
Richard Albert
Julie Gohier
Lynne Richer
Vilma Colindres

FAC
Andrew Robinson
Michael Molloy
Jill Sinclair
Geoffrey Dean
Peter McRae
Ex Canadian Ambassadors in Lebanon: Daniel Marchand, Haig Sarafian, Michel Duval
Jill Tansley (by phone, lives in London, Ontario)

CIDA
Michel Archambault
Adele Shaughnessy
Ed Doe
Danielle Chiasson
IN LEBANON

UNRWA
Richard Cook
Afaq Younis
Jihad Maarouf
Diab Tabari

A maximum of five students to be selected by UNRWA
Two graduates and three currently enrolled

Selection Committee members
Wafa Yassir
Samar Yassir
Sukaina Salameh
Qassim Aina

Canadian Embassy
Ambassador Louis Lorimier
Claude Senay – CIDA representative

Donors who contributed separate funds for university scholarships- directly through UNRWA
Japan - get name from UNRWA
European Commission – get name from UNRWA

BY PHONE

Other donors
Qatar – Representative from Sheikha Moza’s office
OPEC Fund for International Development – Ikhlass Najib
US State Department – Elizabeth Dibble, Karen McCarthy, Chuck Lawson
Spain - Ricardo Martinez Vazquez

UNRWA representatives in Amman who oversee the financial reporting to IDRC
Zeyneb Cordoba
Emmy Takahashi

Palestinian officials in Palestine
Someone in the Palestinian PMO
Saji Salameh, DoRA
Appendix B

List of interviewees

October 31, 2005
Roula El-Rifai, Senior Program Specialist, Middle East Unit, IDRC
Eileen Alma, Research Officer, IDRC

November 2, 2005
Michael Molloy, FAC (retd.), former Canadian Special Coordinator for the Middle East Process

November 3, 2005
Maureen O’Neil, President, IDRC

November 4, 2005
Chris Smart, (retd.), former Director Special Initiatives, IDRC
Richard Albert, Manager Financial Services, IDRC
Julie Gohier, Financial Services, IDRC

November 7, 2005
Lynn Richer, Grant Administration Division, IDRC
Vilma Colindres, Grant Administration Division, IDRC

November 8, 2005
Michel Duval, FAC (retd.), former Canadian Ambassador to Lebanon
Rohinton Medhora, Vice-President Program and Partnership Branch, IDRC

November 9, 2005
Tim Dottridge, Director, Special Initiatives, IDRC

November 10, 2005
Jill Sinclair, FAC, Special Coordinator for the Middle East Process
Geoffrey Dean, FAC, Middle East Division
Ed Doe, CIDA, Middle East program manager
Hélène Kadi, Middle East program assistant

November 11, 2005
Wafaa Yassir, member program advisory and selection committee Beirut

November 11, 2005
Sukaina Salameh, member program advisory and selection committee Beirut

November 14, 2005
Diab Tahari, UNRWA administrative officer, Beirut
Jihad Marouf, UNRWA guidance officer, Beirut
Zeynap Cordoba, UNRWA financial officer, Amman
Afa Younis, UNRWA scholarship program manager, Beirut

November 29, 2005
Gilles Rivard, Vice-President, CIDA
Appendix C
Excerpt Canada’s International Policy Statement – Making a Difference Globally
(author’s highlights)

Building Genuine Development

Throughout its history, Canada has been committed to both generating and sharing wealth. We identify public health care and comprehensive social welfare programs as integral features of our society. And as individual Canadians have experienced structural changes in our economy, the Canadian model has come into its own, sharing the risk involved and supporting those who experience short-term dislocation. Yet these safety nets are notably absent at the international level.

For many countries, market-led growth has proven elusive or insufficient, making it difficult to build and maintain adequate welfare systems. Too often the poor bear a disproportionate burden for the lack of economic progress. Better conditions for domestic and international commerce will be decisive if developing countries are to generate sufficient resources to lift themselves from poverty. The reduction of poverty is one of the most difficult challenges the global community confronts over the next decade. But it is a challenge all nations must commit to meet. In addition to our efforts at the WTO, there is much Canada can do unilaterally. Improving access to Canadian markets for goods and services from developing countries will help foster entrepreneurship. In turn, offering advice and assistance to potential exporters will enable them to take advantage of new commercial opportunities. Similarly, extending research and development partnerships to poor countries will facilitate the transfer of technical skills and technology, building their capacity to compete in the global marketplace.

Helping to create the economic foundations for private sector growth is an essential step. For some countries, however, the challenge is even greater, as they lack the basic resources necessary to participate in international commerce. In this context, debt relief can form a crucial part of the solution. Relieving the debts of the world's poorest countries will allow them much needed respite from the crushing financial burdens that currently hamper their development. While Canada has recently granted unilateral debt relief to Ethiopia, Ghana and Senegal, bringing the total forgiven under the Canadian Debt Initiative to over $1 billion, the global effort needed is still falling short. In this context, the Government of Canada has advocated within the G8 for a more ambitious debt servicing relief scheme, beginning with a core group of countries but with the possibility of expansion to others. It will also press for greater participation in debt relief by international financial institutions (such as the World Bank and International Monetary Fund), without jeopardizing the viability of these institutions or world markets.

Canada is a testament to the belief that institutions can bring disparate interests together in a common cause. Governing such a large and diverse territory has been an ongoing challenge for our political leaders, but they have responded with solutions that reaffirm the values of individual freedom and collective responsibility. Canada's Parliament and provincial legislatures, combined with more recent innovations such as the Charter of Rights and Freedoms and the Social Union Framework, have given coherence to our transcontinental partnership of regions and languages.

For those in countries where violence threatens to overtake political accommodation as the answer to competing interests, Canada's long history of accommodation of linguistic, ethnic and cultural differences-dating from the Quebec Act of 1774-offers a glimmer of hope. Our system of governance represents a laboratory full of intriguing experiments that can assist others engaged in
the complex task of institution building. This understanding of the "DNA" of governance is an important resource Canada can use to make a difference.

The establishment of good governance in other societies around the globe will make Canadians safer and more prosperous. In a globalized world, where threats are transnational and greater wealth depends upon deeper forms of exchange, the creation of stable and capable states will form a major part of Canada's global agenda.

The plight of failed and fragile states is where Canada's interests and obligations are most closely aligned. National interest dictates that we look beyond our borders to treat the root causes of instability. At the same time, Canadians have demonstrated that they will not turn a blind eye to the poorest and most destitute of the world. The tremendous response to the recent Indian Ocean tsunami and Canada's enthusiastic contribution to facilitating the democratic transformation in Ukraine reflect our growing sense of global solidarity and awareness of shared vulnerability. As the world moves toward a more mature phase of globalization, there is greater concern with the uneven impact of this powerful process.

Weak states in the global community confront unique and particularly daunting governance challenges. Many are locked in vicious circles where insecurity undermines prosperity, and underdevelopment generates instability. Any solution to their dilemma must operate within this security-development nexus, seeking to embed efforts to provide a safe and secure environment in a broader framework of human development. Tragically, very few of these societies have sufficient resources—financial or human—to begin addressing these problems. With vital technical capacity already lacking, the spread of HIV/AIDS compounds the crisis, and civil wars drag whole regions backwards.

Canada can make a difference in three main ways. First, our commitment to support short-term humanitarian relief will continue. Realizing that crises disproportionately afflict the poor and vulnerable, we will respond rapidly to natural disasters and humanitarian emergencies, deploying our Disaster Assistance Response Team (DART). We will also provide coherent financial and technical support through international agencies and Canada's network of expert non-governmental organizations. Without this assistance, weeks of turmoil can undermine years of progress.

Second, in failed states wracked by civil war, Canada can help lay the initial groundwork by establishing stability and then providing development assistance to further processes of state building.

Third, in stable but poor countries, Canada's traditional development assistance framework will be most applicable. We will focus on a set of basic building blocks-functioning markets, effective governance structures, and robust health and education systems-that can create a "virtuous cycle" of economic growth and social progress. Here the Government will work in partnership with others to reinforce good governance, improve social conditions and resources, and bolster the impetus for economic growth.

Canada's current bilateral development programs are more widely dispersed around the world than those of any other donor country. Of the 155 countries that currently receive development assistance from Canada, only 18 receive assistance valued at more than $10 million annually, and 54 receive less than $1 million annually. This wide dispersion of our aid program makes it more difficult to develop the knowledge and contacts in any one place to ensure that our dollars are used effectively. In addition, the proliferation of small-scale programming on the part of donors
like the Canadian government puts a greater coordination and cost burden on recipient countries. Finally, the fragmentation of aid programs increases the management and overhead costs of the Government itself.

To achieve measurable impact, we must make choices. By refocusing our development strategy and moving away from an extremely broad but often thinly spread presence, Canada will strive to make a greater difference in fewer places. In so doing, we will further the interests of our development partners, the international community at large and Canada itself. Priority will be given to Africa, the region where the needs are most pressing.

The Government will reorient overall bilateral programming at the country level by placing enhanced focus on long-term bilateral programs with a core group of 25 "Development Partners." These countries are selected from among the poorest, where effective programming to reduce poverty is possible and where Canada can add real value. This does not mean that we will abandon our established relationships with other countries. Instead, we will assist countries through a transition period during which our relationship will graduate from a focus on development assistance to a recognition of broader mutual interests. Where we are not directly engaged, Canada will continue to offer support through multilateral institutions, working through the World Bank, regional development banks and specialized UN agencies. But our priority will be results over process. We will focus greater support on those institutions that are most effective in promoting global governance and contributing to poverty reduction.

The need to act selectively to achieve greater impact applies equally to the sectors in which Canada seeks to make a difference. The United Nations has established eight Millennium Development Goals, with specific targets to be achieved by 2015. The MDGs are the world's agreed-upon benchmarks for faster, measurable progress in reducing poverty. A very wide range of interventions and programs could contribute to these broad goals. But Canada's assets and modest share of global development assistance call for greater focus. We will tailor our distinctive contribution by targeting five areas: governance, private sector development, health, basic education and environmental sustainability. These five will help us advance all eight MDGs, which are the keys to reducing poverty in developing countries.

PRIORITIES FOR THE GOVERNMENT OF CANADA

Focus our contribution to the Millenium Development Goals on governance, private sector development, health, basic education and environmental sustainability.

Ensure our development assistance efforts systematically incorporate gender equality throughout.

Key Initiatives

- Provide additional funding to combat HIV/AIDS, tuberculosis and malaria through the World Health Organization's "3 by 5" initiative and the Global Fund to fight HIV/AIDS, TB and malaria.
- Encourage implementation of Canada's new generic drug legislation in other countries.
- Focus education assistance on improving community access to schools, increasing the quality of teaching and supporting life skills training.
- Launch the Canada Investment Fund for Africa to provide risk capital to support growth-generating private sector development.
- Renew Canada's Climate Change Development Fund as an important mechanism to help combat the challenges of global warming in developing countries.
The rationale for sector concentration is threefold. First, consistent with the core objective of reducing poverty, these five areas are critical to the achievement of a number of other MDGs. Second, these sectors have been identified by our long-term development partners (governments and civil society groups) as their highest priorities. Thus, elevating them in our development strategy honours the principle of local ownership—a key ingredient in aid effectiveness. And third, these are the sectors in which Canada can add greatest value in the form of appreciable Canadian expertise.

Canada is especially well poised to offer governance assistance. Our experience with human rights yields valuable insights for those seeking to build pluralistic societies, and Canadian experts have played a productive role in the establishment of human rights commissions and legal frameworks abroad. The formation of Canada Corps extends this model further by creating new partnerships between government, civil society and the private sector.

**PRIORITY FOR THE GOVERNMENT OF CANADA**

Establish Canada Corps as a key mechanism for providing governance assistance to developing countries.

**Key Initiatives**

- Use Canada Corps to develop collaborative partnerships across government, and with non-governmental organizations, the private sector and Canadian citizens.
- Create coherent governance assistance programs with a focus on sharing Canadian expertise in the rule of law and human rights.
- Create a single portal for Canadians to access international volunteer opportunities.

Canada possesses large reserves of skills and knowledge necessary for effective governance. Canada Corps will combine this experience from the private, public and not-for-profit sectors with the energy, enthusiasm and new ideas of younger generations to promote good governance at two levels. The first is at the level of statehood: governments, courts and elections. But beneath these formal institutions and processes lie the less formal but critical elements of any successful society: a human rights culture, a thriving civil society and sound public sector management. Working at both these levels, Canada Corps initiatives will mobilize Canadians of all ages and backgrounds, providing new opportunities for individuals to contribute to capacity building in the developing world. By combining the dynamism of youth and the experience of professionals, it will prepare the next generation while passing on the wisdom of the present.

We are also at the forefront of new approaches to private sector development. The Report of the UN Commission on the Private Sector and Development, *Unleashing Entrepreneurship*, sets out a new case for private sector-led growth, arguing that markets only work for the poor when the right conditions are established. It is here that governance and private sector development intersect. Effective public institutions, private organizations and property law all form part of an enabling environment that encourages the poor to lift themselves from destitution through entrepreneurship.

Even where these are present, however, many will often require direct assistance if they are to emerge from a sustained condition of poverty. Innovative microfinance schemes and progressive
capital funds can provide these resources, extending credit and loans to those previously unable to hold a bank account. By focusing on these strategies, Canada can help foster local growth, giving the poor the tools they need to generate income and make their own development choices.

Improvements in basic health and education work together with better governance and economic opportunity as key foundations of development and good development cooperation. They are essential in enabling poor people to participate in the political and economic life of their communities and countries, and are crucial in themselves to meeting the Millennium Development Goals.

The health and education sectors rank high in all the priority requests to Canada for assistance from developing countries. In health, two major strengths explain this demand. Canada's longstanding experience in strengthening accessible health care systems at home and abroad has been reinforced by its clear global leadership in recent years in fighting communicable diseases; strengthening sexual and reproductive health (especially for women); and improving infant and child health and food security.

In education, developing countries come to Canada for its well-established expertise in learner-centred approaches, teacher training, curriculum development, and the creation of child-friendly, girl-friendly schools. Another special strength for the conditions of many developing countries is built on our geography-Canada's leadership in distance education and new technology to develop educators and expand access to education information and resources.

Environmental sustainability must be integrated at planning and programming levels to ensure that programs and projects are implemented in a sustainable manner that meets agreed standards. Healthy ecosystems at the local level are essential to long-term, meaningful development and sustainable livelihoods for many of the world's poor. At the same time, many environmental challenges are global in their causes and impacts and require a coordinated response through multilateral channels. We will work on a global level to ensure that developing countries are able to participate fully in global environmental initiatives, such as combatting climate change, that meet our common goals.

Gender equality will be a crosscutting theme. Empowering women to participate fully in the political and economic activities of their communities is an MDG in its own right and is essential to achieving poverty reduction. Canada has been a leader among donors in promoting gender equality, both as a global issue and as a practical matter in implementing programs and projects. Across all five sectors, gender equality will be systematically integrated into programming. The focus will be on equal participation of women as decision makers, on their full human rights, and on their equal access to and control over community and household assets.
Appendix D

GLOBAL FINANCIAL REPORT 2005

PROJECT TITLE: Scholarship Fund for Palestinian
Women in Lebanon

IDRC’S REFERENCE/FILE #: 100486

(In Canadian dollars)

<table>
<thead>
<tr>
<th>Donor Name</th>
<th>Estimated Pledged</th>
<th>Contributions</th>
<th>(Note 1) Estimated Pledged</th>
<th>Budget</th>
<th>Actual Expenses up to Nov.30/01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar</td>
<td>1,151,940</td>
<td>1,151,940</td>
<td>0</td>
<td>115,325</td>
<td></td>
</tr>
<tr>
<td>OPEC</td>
<td>142,408</td>
<td>142,408</td>
<td>0</td>
<td>65,594</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>132,359</td>
<td>132,359</td>
<td>0</td>
<td>49,131</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>713,850</td>
<td>648,954</td>
<td>64,896</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>France (Note 3)</td>
<td>51,105</td>
<td>46,040</td>
<td>5,065</td>
<td>32,928</td>
<td></td>
</tr>
<tr>
<td>Canada (CIDA)</td>
<td>1,000,000</td>
<td>657,622</td>
<td>342,378</td>
<td>45,071</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>163,783</td>
<td>147,552</td>
<td>16,231</td>
<td>19,050</td>
<td></td>
</tr>
<tr>
<td>IDRC (Note 2)</td>
<td>70,000</td>
<td>0</td>
<td>70,000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$3,425,444</td>
<td>$2,926,875</td>
<td>$498,570</td>
<td>$327,099</td>
<td></td>
</tr>
</tbody>
</table>

Note 1: These amounts were converted to Canadian dollars at the exchange rate in effect at the time of signature, but will be adjusted upon receipt.

Note 2: This represents the cash portion only. IDRC's total contribution (cash and in-kind) to the programme is US $77,000

Note 3: Budget and expenses were adjusted to reflect France's revised commitment
APPENDIX E

Note on the consultant

Over the past 25 years, Gail Larose has been a senior manager with the Association of Universities of Colleges of Canada (where she was Director of International Relations and Scholarship Administration), Head of the Higher Education Unit at the Commonwealth Secretariat in London, England and Director of Research Communication and International Relations with the Social Sciences and Humanities Research Council of Canada. During this period, she spent close to ten years as Secretary to the Canadian Commonwealth Scholarship and Fellowship Plan. More recently she has been the Secretary-General of the Canadian Alliance of Education and Training Organizations and the National Coordinator of the Canada Career Information Partnership.

Over the past ten years, she has acted as a consultant and program evaluator on various occasions for, among others, the Canadian Information Centre on International Credentials, the Association of Universities and Colleges of Canada and the Council of Ministers of Education, Canada.

She is currently a member of the Board of Governors of Carleton University in Ottawa and chairs its strategic planning committee. She is also a member of the advisory committee to World Education Services, a foreign-credential review service in Ontario.

Gail Larose holds a B.A. Honours and an M.A. in French from Carleton University and is also a certified translator from French to English. Her areas of expertise are international student mobility; international credential assessment and recognition; scholarship administration; and not-for-profit organization management.