Brussels, 18.8.2020
C(2020) 5737 final

COMMISSION IMPLEMENTING DECISION

of 18.8.2020

on the annual action programme part I in favour of the European Neighbourhood Instrument (ENI) South countries for 2020

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THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012[1], and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action[2] and in particular Article 2(1) thereof,

Whereas:

(1)   In order to ensure the implementation of the Annual Action Programme part I in favour of the ENI South countries for 2020, it is necessary to adopt an annual financing Decision, which constitutes the annual work programme for 2020. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing Decisions.

(2)   The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU[3].

(3)   The Commission has adopted the European Neighbourhood Instrument (ENI) Regional South Strategy Paper (2014-2020)[4] and the Multiannual Indicative Programme (2018-2020)[5] which set the following priorities: building resilience and promoting stability, fostering inclusive and sustainable economic development and job creation, promoting connectivity and the sustainable use of natural resources, support for capacity development/institution building of regional bodies.

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[1]   OJ L 193, 30.7.2018, p.1.

[2]   OJ L 77, 15.03.2014, p. 95.

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

[4]   http://eeas.europa.eu/archives/docs/enp/pdf/financing-the-enp/regional_south_strategy_paper_2014_2020_and_multiannual_indicative_programme_2014_2017_en.pdf

[5]   Commission Implementing Decision C(2018) 6362 adopted 5 October 2018.

(4)   The objectives pursued by the Annual Action Programme to be financed under the European Neighbourhood Instrument[6] are to: contribute to promoting innovation in the Southern Mediterranean partner countries through a regional approach, to further support independent media that have the vocation to serve the public with verified information in line with high ethical journalistic standards, as bulwarks against authoritarianism, hate speech and dis-information and finally, to promote the conditions for a sustainable resolution of the Israeli-Palestinian conflict through civil society and citizens' positive engagement.

(5)   The first action entitled 'Strengthening innovation through supporting clusters and start-up ecosystems' (Annex 1) aims to support innovation in the Southern Mediterranean partner countries through a regional approach. Innovation contributes to the competitiveness of small and medium enterprises, enabling them to grow and create jobs. The action will in particular strengthen institutions and organisations, which act as enablers and multipliers leveraging the regional dimension of the action by interlinking them across the Mediterranean and within the South Med region.

(6)   The second action entitled 'Support to Independent Media Serving the Public Interest in the Neighbourhood South' (Annex 2) aims to support independent media that have the vocation to serve the public with verified information in line with high ethical journalistic standards, as bulwarks against authoritarianism, hate speech and dis-information. It also aims to support citizens in making informed choices, and having critical opinions by having access to high-quality, pluralistic, reliable, fact-based and fact-checked information.

(7)   The third action entitled 'Middle East Peace Process (MEPP) – EU Peacebuilding Initiative (EUPI) 2020' (Annex 3) aims to support and promote the conditions for a sustainable resolution of the Israeli-Palestinian conflict through civil society and citizens' positive engagement, in alignment with the EU Council Conclusions on the Middle East Peace Process.

(8)   It is appropriate to authorise the award of grants without a call for proposals, pursuant to Article 195 of Regulation (EU, Euratom) 2018/1046.

(9)   The Commission should authorise the launch of a call for proposals by means of a suspensive clause before the adoption of this Decision.

(10)   It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.

(11)   In order to allow for flexibility in the implementation of the programme, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.

(12)   The actions provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee established under Article 15 of the financing instrument referred to in recital 4 and footnote 6.

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[6]   Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27).

HAS DECIDED AS FOLLOWS:

Article 1
The programme

The annual action programme part I for 2020 in favour of ENI South countries, as set out in the Annexes, is adopted.

The programme shall include the following actions:

a)   Annex 1: Strengthening innovation through supporting clusters and start-up ecosystems;

b)   Annex 2: Support to Independent Media Serving the Public Interest in the Neighbourhood South;

c)   Annex 3: Middle East Peace Process (MEPP) – EU Peacebuilding Initiative (EUPI) 2020.

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme for 2020 is set at EUR 34 000 000, and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

-   budget line 22.040102 for an amount of EUR 29 000 000;

-   budget line 22.040103 for an amount of EUR 5 000 000.

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

Article 3
Flexibility clause

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

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

Article 4
Grants

Grants may be awarded without a call for proposals pursuant to Article 195 of Regulation (EU, Euratom) 2018/1046 to the bodies referred to in point 5.3.1 of the Annex 2.

Done at Brussels, 18.8.2020

For the Commission
Olivér VÁRHELYI
Member of the Commission

<u>**ANNEX 1**</u>

of the Commission Implementing Decision on the annual action programme part I in favour of the European Neighbourhood Instrument (ENI) South countries for 2020

<u>**Action Document for Strengthening innovation through supporting clusters and start-up ecosystems**</u>

<u>**ANNUAL PROGRAMME**</u>
This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	Strengthening innovation through supporting clusters and start-up ecosystems (EU4Innovation) CRIS number: ENI/2020/042-576 financed under the European Neighbourhood Instrument
2. Zone benefiting from the action/location	Southern Neighbourhood countries: Algeria, Egypt, Israel ([1]), Jordan, Lebanon, Libya, Morocco, Palestine ([2]), Syria ([3]) and Tunisia, and where relevant neighbours of the neighbours in Africa and in the Gulf The action shall be carried out at the following locations: Neighbourhood South and EU countries
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) 2014-2020- Regional Neighbourhood South Strategy Paper (2014-2020) – and Multiannual Indicative Programme (2018-2020)[4]
4. Sustainable Development Goals (SDGs)	SDG 8: Decent work and Economic Growth; Other significant SDG(s): SDG 1: No Poverty; SDG 5: Gender Equality; SDG 9: Industry, Innovation, and Infrastructure; SDG 12:

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[1] See Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards on http://eurlex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2013.205.01.0009.01.ENG.

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

[3] On hold – activities suspended in previous phases due to conflict.

[4] Commission Implementing Decision C(2018) 6362 adopted 5 October 2018.

	Responsible Consumption and Production Implementation	
5. Sector of intervention/ thematic area	Private sector development/Innovation	DEV. Assistance: YES
6. Amounts concerned	Total estimated cost: EUR 15 000 000 Total amount of European Union (EU) contribution: EUR 15 000 000	
7. Aid modality(ies) and implementation modality(ies)	Project Modality **Direct management** through: - Grants	
8 a) DAC code(s)	250 Business and other services with - 25010 Business Policy and Administration and - 25030 Business development services	
b) Main Delivery Channel	20000 - NON-GOVERNMENTAL ORGANISATIONS (NGOs) AND CIVIL SOCIETY	

9. Markers (from CRIS DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	x	☐
	Aid to environment	x	☐	☐
	Gender equality and Women's and Girl's Empowerment	☐	x	☐
	Trade Development	☐	X	☐
	Reproductive, Maternal, New born and child health	x	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity	x	☐	☐
	Combat desertification	x	☐	☐
	Climate change mitigation	x	☐	☐
	Climate change adaptation	x	☐	☐
10. Global Public Goods and Challenges (GPGC) thematic flagships	Not applicable		

SUMMARY

The main objective of this action is to support innovation in the Southern Mediterranean partner countries through a regional approach. Innovation contributes to the competitiveness of small and medium enterprises (SMEs), enabling them to grow and create jobs. The action will in particular strengthen institutions and organisations, which act as enablers and multipliers leveraging the regional dimension of the action by interlinking them across the Mediterranean with EU-based actors and within the South Med region. This will contribute to structuring innovation environments in the South Med countries, increasing their visibility

and with it improving access to finance and to markets for start –ups, scale ups and SMEs. As such the proposed action will support the socio-economic recovery following the Covid-19 crisis.

The proposed action has two components, which complement each other:

1) **Component 1**: Strengthening industry clusters (EUR7 000 000)
Experience in the EU and partner countries has demonstrated the importance of clusters[5] in increasing the competitiveness and scaling-up of SMEs. SMEs located in clusters tend to be more competitive, grow faster and create more and better quality jobs than those firms that are isolated. The proposed action aims at supporting cluster policies to create an enabling environment for clusters through policy reviews, peer-to-peer learning and public-private dialogue. It proposes to advocate for structured clusters where they do not exist and , where they exist, professionalise cluster organisations of specific sectors to improve their service delivery to members on aspects such as increasing their innovation potential, value-chain cooperation, integration into the green economy and internationalisation. This will be achieved among others by developing close links with their peers in the EU and across the region to establish and/or deepen cooperation.

2) **Component 2**: Strengthening start-up ecosystems (EUR 8 000 000)
With the increasing importance of innovation for the economies in the Neighbourhood South, the number of actors in the start-up ecosystems [6] has grown exponentially. To contribute to the maturing of ecosystems and to create an enabling environment in which start-ups can innovate, scale up and contribute to the creation of decent jobs, this component proposes to enhance the policy level through North-South and South-South cooperation. It also aims at strengthening the institutional level by developing the capacity of Tech Hubs (incubators, accelerators) in their service delivery, and establishing networks among them.

1. **CONTEXT ANALYSIS**

1.1 Context Description

The economic context in the Southern Neighbourhood remains difficult, with low levels of regional economic integration and diversification. Limited growth, high unemployment, especially among the young and women, compounded by refugee flows and migration are challenges faced by all partner countries.

In their pre-Covid-19 MENA Economic Update, the World Bank expects a real Gross domestic product (GDP) growth in the Middle East & North Africa (MENA) region of 2.6%

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[5]   Clusters are understood to be 'a group of firms related in the production and distribution of good and services such as suppliers, research and designer centres, engineering and technological companies, distributors that overcome complex problems and reduce risk inherent to innovations', Porter, M. E. (1990).

[6]   Ecosystems in this document and in line with a definition emerging among different EC services have the same characterises as clusters, but are not yet or still less structured and do not necessarily have the same geographic proximity.

in 2020 and 2.9% in 2021. However, this is largely driven by increasing infrastructure investment in the GCC countries and the recovery of Iran's economy[7]. The outlook for the Neighbourhood South countries is very divers, with a forecast for Egypt at one end of 5.8% and 6.0% of real GDP growth in 2020 and 2021 respectively and at the other end Palestine with -1.1% and -0.4% forecasted for 2020 and 2021. The World Bank recommends to 'focus on both, demonopolising their markets and harnessing the collective domestic demand of their economies to achieve export-led growth regionally and internationally'[8].

This would benefit the around 6 million SMEs, who could be the main creators of decent and sustainable jobs. However, their level of productivity, innovation and integration into world value chains remains low.

Despite efforts to stimulate, innovation countries in the region lag behind. The 2019 Global Innovation index, which analyses 129 countries, ranks Tunisia as the highest in the region (70/129) followed by Morocco (74), Jordan (86) Lebanon (88), Egypt (92) and finally Algeria being ranked 113 out of 129 economies[9].

This contributes to the high unemployment rates in the region, which are among the highest in the world. Algeria recorded in 2017 an unemployment rate of 20.7% among women and 9.4% among men, Morocco 17.7% and 8.8% respectively while in Palestine unemployment reached 48.2% among women and 23.2% among men[10].

These figures reflect the large gender gap in the regional workforce. Across the region, with the exception of Israel, estimated earned income of women amounted in 2015 to one quarter or less of the estimated income of men[11]. The Organisation for Economic Co-operation and Development (OECD) reports that 'women's entrepreneurship levels in the MENA region are the lowest in the world. The ratio of female to male entrepreneurial activity rates is higher for engagement in nascent ventures than in older firms.'[12]

Moreover, youth unemployment is among the highest rates in world and leads to one of the world's largest brain drain[13]. Educated young women and men systematically seek opportunities abroad. Employment opportunities for them are lacking. At the same time, in a context where young women and men have limited possibilities to take their future in their own hands, unemployment bears risks of wider unrest across the region.

The economic outlook for the years to come will be heavily impacted by the Covid-19 crisis, SMEs and start-ups will be particularly affected and will need support in their recovery.

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[7]   MENA Economic Update: Reaching New Heights: Promoting Fair Competition in the Middle East and North Africa, World Bank 2019, p. 9.

[8]   MENA Economic Update: Reaching New Heights: Promoting Fair Competition in the Middle East and North Africa, World Bank 2019, p. 2.

[9]   Global Innovation Index (GII), WIPO 2019.

[10]   International Labour Organisation, 'Key indicators of the labour market, 6th edition , as compiled by Medstat IV, Gender indicators for the European Neighbourhood Policy South countries , November 2018.

[11]   'Selected comparative Gender indicators for the European Neighbourhood Policy South Countries, Volume 1,Key Indicators, Estimated earned income, p. 19.

[12]   'Empowering women-led SMES: economic development and the new Arab world', May 2012, p. 11, draft issues paper, MENA OECD Investment Programme.

[13]   'A new economy for the Middle East and North Africa, p 27, MENA Economic Monitor, Oct 2018,World Bank Group.

1.2 Policy Framework (Global, EU)

A key pillar of the EU's overarching objective of contributing to the stabilisation of the Neighbourhood South is the promotion of inclusive growth and job creation for women and men in partner countries. This pillar is also a main objective of the EU Gender Action Plan for External Action 2016-2020, in which women's equal access and professional development within job market and broader economic structures is key for strengthening economic governance in the region.

A vibrant private sector and job creation are key conditions for, prosperous and resilient societies where women and men can thrive as economic agents and actors. In this respect, enhancing the competitiveness and inclusiveness of SMEs and their internationalisation, fostering innovation and promoting new business models such as social, green, and circular economy has been a key objective of EU-funded private sector development initiatives at policy and programming level and will remain so beyond 2020.

Under the reinforced European Fund for Sustainable Development (EFSD+), the EU aims at leveraging approximately 44 billion euro in private sector investment. An enabling business environment is a prerequisite for these investments to flow to the partner countries and contribute to inclusive growth in a sustainable manner.

The EU's approach to cooperation with the Neighbourhood South countries largely draws on policies and initiatives implemented successfully at EU level. The EU's strategic approach to industrial competitiveness aims to empower citizens, both women and men, revitalise regions and have the best technologies for the smart, clean and innovative industry of the future[14].

Innovation is vital for competitiveness in the global economy. The EU is implementing policies and programmes that increase investment in research and development, to successfully convert research into goods, services, or processes. DG GROW has launched a new EU policy for industrialisation and an SME strategy for a sustainable and digital Europe, in close cooperation with other DGs such as EMPL, RTD, CLIMA on 10 March 2020.The New Industrial Strategy for Europe aims at supporting European industry at becoming an accelerator and enabler for change and innovation. The SME strategy puts forward actions which support SMEs in their transition to sustainability and digitalisation.

This proposed action contributes to meeting the objectives of the European Green Deal and its emphasis on supporting the EU's immediate neighbours by fostering innovation and by using the EU's "influence, expertise and financial resources to mobilise its neighbours and partners to join it on a sustainable path".

In addition, the action will contribute to the commitment under the new Circular Economy Action Plan (CEAP) communication to promote the circular economy in the context of neighbourhood cooperation programmes.

Current policies and programmes support among others innovation development in priority areas and in SMEs, mainly through Horizon 2020, foster the commercialisation of innovation in the EU, develop sector policies to modernise the EU's industrial base and accelerate the market uptake of key enabling technologies, improve regulatory conditions for innovation

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[14]   Communication from the Commission to the European Parliament, the European Council the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank: Investing in a smart, innovative and sustainable Industry: A renewed EU Industrial Policy Strategy (COM (2017) 479 final of 13.9.2017.

with measures for start-ups, entrepreneurship, access to finance, digital transformation, intellectual property and standards. This includes also the monitoring of innovation performance and innovation uptake as well as the development and cooperation of clusters to boost SME innovation.

The development of clusters contributes strongly to the revitalisation of regions through facilitating cooperation between businesses, investors, local authorities and universities and research centres. Clusters are groups of enterprises and related supporting actors cooperating in a particular location or industry sector. 38% of European jobs are based in such regional strongholds. Evidence suggests that SME participation in clusters leads to more innovation and growth. The 2014 Communication, 'For a European Industrial Renaissance' [15] highlighted clusters as being able to facilitate cross-sectoral and cross-border collaboration, helping SMEs to grow and internationalise.

Among the existing EU initiatives, the European Cluster Collaboration Platform (ECCP) promotes cluster and business network collaboration across borders and sectoral boundaries, within and beyond Europe. The ECCP organised for example together with the regional programme 'The Next Society' a successful cluster matchmaking in Morocco in March 2018. The 'Cluster Excellence' action provides benchmarking and training tools for cluster organisations. The 'Cluster Internationalisation' programme enables EU clusters to profile themselves, exchange experience and search for partners for trade, investment and cooperation beyond the EU. Specifically, the European Strategic Cluster Partnerships for Going International (ESCP-4i) action supports European clusters in jointly developing and implementing internationalisation strategies that facilitate the integration of European SMEs into global value chains.

The EU Digital Innovation Hubs were launched in 2016 as part of the 'Digitising European Industry' initiative in response to concerns over the slow uptake of digital technologies, which poses a risk to the EU's ability to compete in the global economy, to grow and create new jobs, and is a source of inequalities. Digital Innovation Hubs are not-for-profit, one-stop-shops that support companies, in particular SMEs, and public organisations in their digital transformation, through a set of targeted services encouraging companies to make the most of the opportunities digital has to offer.

DG RTD is leading on the 'European Innovation Council' pilot, an initiative funded under Horizon 2020. It brings together funding, advice and networking opportunities innovators, entrepreneurs, small companies and scientists with bright ideas and the ambition to scale up internationally.

'Start-up Europe' is an initiative lead by DG CNECT designed to connect start-ups, investors, accelerators, entrepreneurs, corporate networks, universities and the media through an array of networks. It also aims to connect local start-up ecosystems around Europe and enhance their capacity to invest in other markets such as Silicon Valley. New initiatives are in preparation which foster the aspect of connecting ecosystems and increasingly support start-up and scale-ups in open innovation teaming them up with international cooperates.

This action will contribute to the regional economic response to Covid-19. The support to industry clusters, SMEs, Tech Hubs and start-ups in the post Civid-19 phase will be important for the socio economic recovery of the region.

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[15]   https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014DC0014.

1.3 Public Policy Analysis of the partner country/region

At regional level, the work programme of the Union for the Mediterranean (UfM) experts group on industrial cooperation sets out the actions to be undertaken during the period of 2018-2020. One of its four pillars is 'internationalisation and export of MSMEs, promoting innovation and clusters cooperation'.

In their Declaration, the participants of the Ministerial Conference on Strengthening Euro-Mediterranean cooperation through Research and Innovation (Valletta, 4 May 2017) stress their willingness to encourage the development of further priorities for future research and innovation cooperation, including in areas of high industrial relevance. [16]

In addition, the participants of the UfM Ministerial Conference on Strengthening the Role of Women in Society acknowledge that women's economic empowerment among other through access to full work, access to finance 'and women's entrepreneurship are key to sustainable development and the economic wellbeing of countries in the Euro-Mediterranean region'[17].

All partner countries have defined comprehensive industrial policies, which cover to varying degrees innovation clusters and related public-private partnerships. Few countries, though, have translated these policies into concrete actions and instruments. As an example, Egypt has dedicated a nationwide financial scheme in 2016 to support innovation clusters under 'Knowledge and Technology Alliances' programme with an annual budget of EUR 8 million. It has a special focus on textiles, renewable energy, water desalination and management, agri-food and smart factory, as well as deepening local manufacturing in the petrochemicals and chemistry industry. The Egyptian clusters involve more than 135 companies, 18 local authorities and municipalities, 20 NGOs and 55 research institutions. The Egyptian model has some similarities with the "Morocco Innovation Initiative Clusters". Morocco has put in place ambitious cluster policies under the Industrial Acceleration Plan 2014-2020, that aim at shaping a more competitive economy through innovation. This strategy, which relies particularly on innovative clusters and industrial ecosystems, is supervised by the Moroccan Ministry of Industry, Trade, Investment and Digital Economy. Its sets specific targets for clusters, as part of performance contracts agreed between the holders of clusters projects and the state, especially in terms of job creation, added value, and export capacity.

Stimulating entrepreneurial innovation, in particular for innovative start-ups, has hence moved up on the agenda of policy makers, but implementation strategies and legislative measures do not always progress at equal speed [18]. Among the most recent developments are the Algerian law of orientation on scientific research and technological development, issued on 30 December 2015, which introduced new supporting mechanisms for seed funding to innovative enterprises and technology transfer activities, in addition to measures to ensure valorisation of value-added technologies. Tunisia issued its 'Start-up Act' on 20 April 2018, one day before Egypt's new law on incentives of technology and innovation was issued. For the first time in both countries, a set of new incentive packages was provided to entrepreneurs,

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[17]   Union for the Mediterranean Ministerial Conference on Strengthening the Role of Women in Society Cairo, 27 November 2017, Adopted Declaration as of 27.11.2017, point 8.

[18]   Mid-term Evaluation 'THE NEXT SOCIETY ' – supporting innovation ecosystems in the Neighbourhood South - CTR 382-726 AND CTR 382-723, SWECO Denmark AS, September 2019.

innovative enterprises and research institutions. The laws tackled also several bureaucratic hurdles that innovative projects faced when creating new business structures.[19] A similar law was issued in Morocco a few years earlier, with particular focus on allowing research institutions, among others, to acquire stakes or set up businesses.

Among these developments, only the Start-up Act in Tunisia tackles internationalisation by making it legal for prospective entrepreneurs to set up a foreign currency account which they can use to procure materials and set up branches or invest in companies abroad. A number of gaps and obstacles exist in many partner countries within the legislation and policy frameworks, including crowdfunding regulations, internationalisation and local business climate. Industrial policies, which also promote the growth of SMEs are essential in ensuring decent work and economic growth (SGD 8), both for women and men. By increasing the competitiveness of SMEs this contributes to SDG1 (No Poverty), SDG 5 (Gender Equality) and SDG 16 (Peaceful and inclusive societies).

1.4 Stakeholder analysis

Component 1:

There are three main types of stakeholders:

- Policy makers at national and sub-national level to exchange experiences on best practices in innovation and cluster policies in the neighbourhood region and the EU, including the SBA coordinators

- Cluster organisations and similar structures, be they public or private, depending on the specific situation in the partner countries and in the EU.

- SME's, larger companies and start-ups, in Europe and in the region who are members of these clusters.

Component 2:

There are three main types of stakeholders:

- Policy makers at national and sub-national level to exchange experiences on best practices in policies conducive to promote innovative start-ups in the neighbourhood region and the EU.

- Tech hubs (accelerators, incubators, potentially Technology Transfer Offices and research centres) in the Neighbourhood South and the EU.

- Research institutions, start-ups, larger and smaller private companies for the pilot component

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[19]   Tunisia's Start-up Act provides exemption for start-ups from corporate taxes for up to eight years, special custom procedures, exemption from capital gains tax on investments made in start-ups, up to one year of time off from their current jobs. Egypt's innovation incentive law provides exemptions from taxation and tariffs including the value added tax on equipment and materials imported from abroad. For the first time in Egypt, the new law allowed research institutions and universities to create spinoff companies.

1.5   Problem analysis/priority areas for support

The number of actors involved in innovation has grown exponentially in the past years. In an effort to increase competiveness and promote innovation the region saw the first ecosystems emerging around incubators dedicated to information and communication technologies towards the end of the 1990ies. Incubators like El Ghazala in Tunisia, Berytech in Lebanon and Casablanca Technopark played a leading role in developing innovation ecosystems in their countries. While by the end of the 1990ies, there were around 10 innovation hubs in the region including Turkey, by 2012 the Southern Neighbourhood (excluding Turkey) hosted about 276 innovation hubs. This reflected the emphasis put by the public and private sector on promoting a culture of innovation and entrepreneurship and their setting up of business angle networks, accelerators, incubators, co-working spaces and fablabs. By 2017, innovation hubs have mushroomed to about 478[20].

A very small number is specialised on women entrepreneurs or social entrepreneurs[21]. In effect, statistics of start-up entrepreneurs in the MENA region reflect the absence of women entrepreneurs. According to a study by MAGNiTT female-only founded start-ups accounted for only 8% of all investments since 2008, with mixed gender and male-only founded start-ups accounting for 10% and 82% respectively. This includes the Gulf countries with 35% of start-ups in the region being based in the United Arab Emirates (UAE**)**, 19% in Egypt and 10% in Saudi Arabia [22].

The analysis of public policies for clusters and start-up ecosystems in section 1.3. outlines the latest developments. It reflects the very different situations of the ecosystems in the region and the support they receive. While the role of clusters in innovation and socio-economic growth is being acknowledged, the measures enabling them to take on this role to its full potential are limited and often, like in the case of Egypt, brought in top-down with limited resonance for companies. Cluster organisations would need to be strengthened in their ability to bring SMEs together and stimulate cooperation. Where they exist, such as in Morocco or Tunisia, they need to be reinforced in their capacity to facilitate access to funding and access to markets at regional and international level and to build bridges to larger companies or research institutions to facilitate the bringing to market of innovation. Where they do not exist or are weak, such as in Jordan, raising awareness for cluster organisations as a driver for a conducive ecosystem should be raised. Cluster organisations also have a role to play in supporting women entrepreneurs and unleashing their potential as economic actors.

However, policies can only be as effective as their implementing measures. The promulgation of the Tunisia 'Start Up Act' has been noted with interest by innovation actors across the region. There is an eagerness to exchange on this experience and learn from it. This should however not be limited to the drafting of legislations/regulations but include the implementation and governance of the Act in the next years, the impact it has on the startup scene as much as on the organisations supporting them in their growth and job creation.

Currently, across the region too few SMEs succeed in scaling up to become major employers or gain a significant market share. It is important to strengthen an enabling environment to

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[20]   Based on surveys carried out by ANIMA Investment Network, in 2017 in the framework of the EU - funded regional programme 'The Next Society'.

[21]   Only anecdotal evidence, no hard figures found.

[22]   The Start-up Ecosystems in the Arab World 2019, MAGNiTT, aggregated data 2008-2019.

ensure that companies can grow and develop more efficiently, to accelerate and improve the uptake of technologies, particularly among SMEs and traditional industries, namely through the implementation of initiatives aiming at enhancing the innovation management capacities of SMEs including coaching support to develop businesses plans and strategies to innovate and internationalise.

The region typically suffers from weak support structures for SME, which can rarely provide services of the quality required. Often a top down approach is pursued in government policies with the lack of capacity on lower levels to implement these policies and ensure the success of support programmes and initiatives. Although some support organisations are dedicated to supporting women in business, and others offer specific women in business training programmes, this type of support remains scattered and is not systematic.

Countries in the MENA region and their private sectors are lagging behind in terms of digitalisation. Just 8% of businesses in the MENA region have a digital presence (in the United States it is 80%), and only 1.5% of retail sales are done on-line [23]. The list of countries of the World Economic Forum's Network Readiness Index of 2016, which assesses countries' preparedness to use emerging technologies and to capitalize on the opportunities presented by the digital revolution is headed by Singapore. Israel ranks 21, Jordan 60, Tunisia 81, and Lebanon 88 to give a few examples from the Neighbourhood South[24].

These points have also been raised as major barriers to entrepreneurship by the 150 young entrepreneurs and start-ups, 45% of them were women, who participated on invitation of Commissioner Hahn in the May 2019 event 'EU Med means business'. Among their recommendations was the connection of ecosystems to the public sector via public private dialogues and partnerships, the creation of North-South and South-South networks of ecosystem actors as well as the professionalisation and sustainability of support structures such as accelerators and incubators.

Regional programmes are uniquely placed to facilitating North-South and South-South cooperation and eventually economic integration through enhanced trade and business ties. Their added value lies in policy dialogues and peer learning at institutional level to stimulate innovation, increase competitiveness and open up markets enabling SMEs to grow and create sustainable jobs. Moreover, when it comes to supporting SME competitiveness and entrepreneurship, providing access to market and access to finance, regional programmes are able to bring in the critical mass by pooling companies from across the region, making exchanges interesting for European companies and investors.

This is even more so the case when working with multipliers such as cluster organisations, incubators, accelerators etc. To mobilise European counterparts and identify relevant expertise, regional programmes are based on a close cooperation with DG GROW, DG TRADE, DG RTD and the JRC.

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[23]   John McKenna, World Economic Forum 2017, https://www.weforum.org/agenda/2017/05/what-you-need-to-know-about-the-middle-easts-start-up-scene-in-five-charts/

[24]   https://reports.weforum.org/global-information-technology-report-2016/executive-summary/

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Political instability possibly leading to security risks and preventing a regional focus on economic development, drop of business linkages, trade and investment flows	Moderate to high	Adoption of a progressive or variable geometry approach
Limited involvement of stakeholders and uneven interest from public authorities	Low to moderate	Identification of stakeholders to be involved in the project and ensure their implication from the early stage of the design
Sustainability of the action	Moderate	Focus on sectors of mutual interest to the private sector EU and partner countries
Overlap with on-going initiatives at the national level	Low	Focus on leveraging the regional set up of the programme to facilitate South – South and North-South cooperation
Gender blind approach to economic development and entrepreneurship		Gender analysis made of the sector, with a focus on clusters, SME and start-ups to incorporate women's potential and resources into the formal job market.
Responsibility for initiatives on clusters/innovation ecosystems are spread out among different ministries which do not systematically coordinate	High	The action will ensure close coordination with all relevant stakeholders
Assumptions		

- Partner countries and private sector stakeholders are willing to co-operate at national level and within the region with each other, the EU and the international community to adopt modern policies and institutional frameworks, tools and instruments.
- Policy makers in the region are looking for innovative political initiatives and co-operation strategies to increase trade and economic integration, and to tackle high unemployment. Countries are willing to develop joint actions, tools and methods targeting new business opportunities and job creation in particular for youth and women.
- Partner countries are willing to reach a higher degree of co-operation within the region and with the EU.
- Private sector takes on its responsibility for innovation and job creation.
- The Covid-19 crisis has demonstrated the importance of cooperating in research, innovation and production across sectors and borders, as well as the advantage of cooperating in clusters in some of the partner countries.

3.   LESSONS LEARNT AND COMPLEMENTARITY

3.1.   Lessons learnt

The proposed action will capitalise on the results and recommendations of previous and ongoing related programmes.

The regional pilot programme 'Support to the development of Creative Industries and Clusters in the Southern Mediterranean' implemented by UNIDO over five and a half years (Dec. 2012 – June 2019), clearly demonstrated how the enhancement of clusters can increase creativity, competitiveness on international markets and the creation of decent jobs, for both skilled and less qualified workers, in a labour intensive sector such as the handicrafts industry. Out of the 700 jobs created or maintained under the programme, 42% were for women. The UNIDO methodology on 'Mainstreaming Gender in Cluster Development' concludes that introducing a gender perspective within cluster development programmes is a necessary element for ensuring inclusive and sustainable industrial development, where no one is left behind[25].

The regional pilot programme also showed the limited impact and sustainability of clusters if they are not embedded in an enabling policy framework. In Algeria, Morocco, Tunisia, Lebanon and Jordan the clusters reinforced under this programme continue to be supported at bilateral level by the EU and other donors and/or the concept is being replicated to other sections of the handicraft industry. This underlines the success of the approach.

The midterm evaluation of The Next Society, the regional programme that strengthens innovation ecosystems through advocacy for enabling policies, capacity building and networking of support organisations (Tech Hubs, cluster organisations and others) as well as capacity building of start-ups highlights a series of lessons learned. It underlines the challenges but also the importance of supporting exchange of best practices and knowledge for policy development and the need to focus on implementing measures to contribute to environments conducive to innovation.

As to female entrepreneurs, The Next Society finds it challenging to meet its target of 25% of female beneficiaries among start-ups. By late 2019, it had reached 19% of female beneficiaries with an uneven distribution among the 7 countries (most of the women coming from Tunisia and Lebanon). The evaluation pointed out that the gender perspective needs to be covered already at the programme design phase to have an impact later on.

In terms of digitalisation, the experience of The Next Society shows the presence of a vibrant IT entrepreneur community in the region that is in need of support to grow further. Over 2/3 of the researchers and entrepreneurs supported developed projects in the field of Tech & Software, Health and Green Tech. Of the start-ups who benefited from support in 2019 17% are working in Health, 14% in Tech & Software, 10% in Green Tech, 11% on business solutions..

In addition, the evaluation highlights the very limited cooperation between the private and the public sector in the region. This is partly due to the weak IPR policies, which represent a

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[25]   Mainstreaming Gender in Cluster development, UNIDO, 2018, p. 30.

challenge for the development of a systematic approach to technology transfer and the scaling up of start-ups. This finding is confirmed by a JRC- led benchmarking study[26].

Finally, it acknowledges the considerable work done in enhancing the capacity of selected clusters as engines for innovation, but also underlines the need for more sustained capacity building, through the creation of stronger ties with European or regional clusters. The programme demonstrated the strong interest for and the potential of North-South cluster cooperation through the European Cluster Collaboration Platform but also the difficulties that less mature clusters face in helping their members to grow and internationalise.

Regional programmes in the field of private sector development have proven to be most successful when focusing on multipliers, in this case intermediaries such as business support organisations, cluster mangers and Tech Hubs. Since they operate at regional level, they are able to pool actors from across the region and hence create the critical mass important to mobilise European counterparts. The success of regional programmes not only depends on the network and credibility they have in the South Med region but also on their capacity to mobilise top-end European peers and expertise.

3.2. Complementarity, synergy and donor co-ordination

The proposed action aims at complementing initiatives in the field of private sector development by making the best possible use of enhanced North-South and South-South cooperation to increase competiveness of SMEs, stimulate innovation and open up access to international markets.

It will build on the network and lessons learned of the current regional programme promoting innovation ecosystems in the Neighbourhood South, The Next Society and EBSOMED, which strengthens business support organisations in their management and service provision including specific services for women entrepreneurs.

The proposed action will also benefit from synergies with the regional programme MedMSMEs on 'Support to an enabling business environment for MSME development and financial inclusion' for the aspects of policy development and access to finance, with a particular attention to how women entrepreneurs are being taken into account in policies and in access to finance measures and tools.

Component 1 will closely coordinate its activities with the regional programme Switchmed II on the textile and food sectors and on green economy to capitalise on mappings done, trainings provided and hands-on experience gained in supporting male and female entrepreneurs in these sectors. Moreover, the activities of this component in support to SMEs emerging through innovative clusters and their possible integration into value chains will need to be coordinated with the Trade and Competitiveness Facilities financed under the Neighbourhood Investment Platform. They provide finance for clusters and value chains. Their focus on larger companies can be a driving force for bringing innovations to market and helping start-ups in scaling up.

Close cooperation with initiatives and programmes at EU level, be it the European Cluster Collaboration Platform for component 1 and for component 2 with the Enterprise Europe Network, which has been extended to a number of Mediterranean countries, and which

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[26]   Diagnostic and Benchmarking Study on Technology Transfer in the EU Neighbourhood Countries, JRC, 2019-2020.

provides a range of integrated services in relation to SME internationalisation, will be essential.

Component 2 should aim at synergies with DG RTD's 'Africa Europe Innovation Programme', which maps and supports incubators mainly in sub-Saharan Africa. A successful cooperation with 'The Next Society' has already been put in place. Possible synergies between existing and future initiatives need to be developed as best possible This is also valid for initiatives focusing mainly on Europe such as the a cluster cooperation programme for countries eligible under Horizon Europe, currently in preparation.

Overall, at programme level, co-ordination and synergies will be ensured with other relevant EU programmes at country level, by closely involving EU Delegations, in the monitoring and consultation of activities planned, as well as the organisation of specific events and co-ordination meetings in each country with relevant stakeholders. The proposed action will in particular link with bilateral SME development and innovation programmes such as 'Innovation Tunisia', 'Innovate Jordan' and 'Innovation for Inclusive Growth and Job Creation' in Egypt, which take mainly private sector-driven approaches in supporting the different actors of the ecosystems. Policy makers are not/ or only marginally involved.

Close coordination between the activities planned under the Administrative Agreement on Cluster Cooperation that are currently being explored between the European Commission under the lead of DG GROW and the Ministry of Industry and Commerce in Morocco and component 1 is required to ensure that both initiatives mutually reinforce each other and add coherently to the dynamics in international cluster cooperation.

Similarly, coordination and synergies should be created with initiatives launched by other donors such as the World Bank-led pilot programme on creating networks on start-up support organisations in the Maghreb region (Maghreb Start-up Network).

At regional level, the programme will also be co-ordinated with activities developed by the Union for the Mediterranean (UfM) on industrial cooperation, development of SMEs led by female and male entrepreneurs and their access to finance as well as job creation.

4. DESCRIPTION OF THE ACTION

4.1. Overall objective, specific objective(s), expected outputs and indicative activities

The overall objective of the proposed action is to contribute to the maintenance and creation of sustainable jobs in the Neighbourhood South by increasing competitiveness of SMEs and stimulating an environment conducive to sustainable innovation

The action will have two components:

Component 1: Strengthening industry clusters in the Neighbourhood South

Component 2: Strengthening start-up ecosystems in the Neighbourhood South

Component 1: Strengthening clusters

Specific objective: Strengthening of clusters in specific sectors in the Southern Neighbourhood at policy and operational level for competitiveness and job creation for both, women and men.

Expected outputs are:

- **Expected output 1:** Improved policies, regulatory frameworks, measures and tools stimulating the development of clusters in Southern Mediterranean countries.

- **Expected output 2:** Improved capacities of cluster management organisations to support their members, especially SMEs led by male and female entrepreneurs, in their sustainable innovation and growth.

- **Expected output 3**: Improved South-South and North-South networking and cooperation among clusters for the benefit of the internationalisation efforts of their members, both female and male entrepreneurs.

The component proposes to focus on up to four industry sectors. These sectors will be defined by the European Commission in the guidelines for the calls of proposals or by the applicants during the action's inception phase, based on their relevance in ensuring long-term competiveness of the countries in the Neighbourhood South and the EU, and in creating sustainable decent employment opportunities. They could be IT and AI, green technologies including renewable energy, agrifood, textile and creative industries[27].

Indicative activities include [28], but are not limited to:

For expected output 1: A gender responsive mapping of best practices in implementing cluster policies/initiative and their impact on male and female entrepreneurs, selection and sharing of best practices, organisation of exchanges, virtual or face-to-face study visits and assistance in developing specific policy aspects and measuring their impact. Improved initiatives/measures/policies stimulating social or entrepreneurial innovation.

For expected output 2: Capacity building through training, mentoring, peer review and peer cooperation, networking and exchanges of good practices between clusters and in particular cluster management organisations. It should also include strengthening cluster management organisations' ability in assisting women entrepreneurs as well as all their members in the transition to green economy, digitalisation, accessing finance and stimulating innovation.

For expected output 3: Facilitating EU - Med cluster cooperation in view of promoting trade, investment and partnering opportunities, facilitate cooperation between both, cluster organisations and cluster members, virtual or face-to-face matchmaking events. Actions should actively use the tools and opportunities offered by the European Cluster Collaboration Platform and other cluster networks funded by the EU.

Component 2: Strengthening start-up ecosystems

Specific objective: Contribute to the maturing of start-up ecosystems by strengthening Tech Hubs (incubators, accelerators etc.) as innovation enablers and hence contribute to an enabling environment in which start-ups can innovate, scale up and contribute to the creation of decent jobs.

- **Expected output 1:** Improved innovation and entrepreneurship policies and implementing measures, addressing multiple stakeholders.

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[27] Defined to include a diverse number of market sub-sectors, from art, design, music, fashion and publishing through to computer games, the performing arts and film.

[28] Guidelines to be published for the call implementing this action should adapt the list of activities to possible travel restrictions and social distancing measures should these be still in place.

- **Expected output 2:** Improved capacities and networks of Tech Hub organisations (such as incubators and accelerators) supporting technical or social innovation in particular with EU counterparts and across the region

- **Expected output 3:** Pilot innovation partnerships among different actors of start-up ecosystems across the region and with the EU stimulating the bringing to market of innovative concepts through financing of third parties (sub-granting).

Indicative activities[29] include, but are not limited to**:**

For expected output 1: Identification and sharing of best practices, organisation of exchanges, study visits and assistance in developing specific policy aspects and their governance and measuring their impact resulting in improved measures/policies. Attention will be paid to the impact of such measures on female entrepreneurs and the participation of women in such exchanges will be supported.

For expected output 2: Gender responsive needs assessment of a range of private and public Tech Hubs, provision of information on available innovation schemes/measures training and mentoring with a systemic approach, promotion of innovation partnerships through matchmaking events for Tech Hubs from the EU and the region, capacity building, mentoring and peer-to-peer reviews, peer cooperation, twinning's, participation in international events such as Emerging Valley taking place in the wider region including Gulf countries.

For expected output 3: Identification and implementation of a set of complementary pilot projects for innovation; technical and financial support (funding for third parties) to these projects, also involving women entrepreneurs, ensuring visibility of the initiatives.

4.2. Intervention Logic

The strength of regional actions lies in their ability to bring together peers from different countries in the region and the two shores of the Mediterranean for exchanges of experiences, best practices and concrete actions in areas were the countries of the region face similar challenges. Innovation and entrepreneurship are such areas where exchanges of best practices and cooperation can contribute to an increased dynamic on policy reforms, governance, the strengthening of Tech Hubs and support organisations.

The two components of the action address different aspects of innovation and are inter-linked in the realisation of the global objective of job creation by increasing the competiveness of SMEs.

The two components are built around the experience that regional programmes are able to bring together the critical mass of actors by pooling them from across the region, making exchanges interesting for European peers and investors.

The creation of clusters and professionalisation of Tech Hubs cannot rely on the initiative of the private sector alone. Authorities at local and/or national level need to create an environment conducive for companies and other organisations to cooperate rather than compete. Exchanges on the impact of the wide range of tools available should create awareness and stimulate discussions at national level. In the case of clusters, their importance

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[29] Guidelines to be published for the call implementing this action should adapt the list of activities to possible travel restrictions and social distancing measures should these be still in place.

should be enhanced in national SME policies and measures. In the case of innovation ecosystems, technical assistance can help to put some of the measures identified for specific countries into practice. An early involvement of stakeholders is required in the identification of measures and integration of existing policy /regulatory framework. This requires close coordination with ongoing regional and bilateral initiatives.

Capacity building and creating linkages across the region and with the EU leading to cooperation between organisations (clusters, tech hubs), will not only strengthen the organisation in the Neighbourhood South but also allow them to help their members in their attempts to access international markets in a sustainable manner.

In the case of the start-up ecosystems, pilot initiatives will encourage innovation partnerships between very different types of actors of the ecosystem, preferably across the region and the EU. Lessons learned from these pilots will help to shape the enabling environment and potentially the role of the different actors in the ecosystem.

Taking into account the increasing interest in the sub-Saharan African markets from both, Neighbourhood South and EU-based companies as well as the innovative ideas coming from the African region, the activities under this action will cover the countries of the Neighbourhood South, the EU as well as the neighbours of the neighbours.

4.3. Mainstreaming

The proposed action will address the gender aspects of job creation by reinforcing sectors, which have a high percentage of women employees or entrepreneurs, promoting reforms including equal pay for work of equal value, but also opening up sectors for women which are still male-dominated. This approach should support diversification and access of highly skilled women to other disciplines.

Both components are well suited to contribute to strengthening gender equality in the region as they contribute to a systemic structuring of clusters and innovation enablers. The gender dimension has hence to be included from the design of the action, to its implementation, to its evaluation at policy and operational levels. Special efforts should be made to involve women entrepreneurs and women-led organisations as beneficiaries and participants to ensure that the proposed action contributes to socio-economic inclusion and uses the available innovation potential to its fullest.

Engagement with civil society: public-private policy dialogue and civil society engagement are very important for the success of this intervention, including social partners through structured public-private dialogue. Inclusion of Women's Civil Society Organisations will be ensured to strengthened women's participation in decision-making, public-private dialogues, and policy reforms.

Given the challenges in the Neighbourhood South region, the programme will facilitate and promote resources efficiency, sustainable production and eco-innovation to enhancing green growth, in particular by supporting the private sector in its transition to green economy. Companies and other actors who are part of clusters and ecosystems will be encouraged to and supported in aligning with Responsible Business Conduct policies with economic, social and environmental impact.

4.4. Contribution to Sustainable Development Goals (SDGs)

This intervention is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG 8: Decent work and Economic Growth. It aims to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all' through the strengthening of clusters and support to the start-up ecosystems. Through its focus on clusters and innovation enablers, strengthening the policy level as much as the operational capacity of these actors, the action is likely to contribute to SDG 9: Industry, Innovation, and Infrastructure.

As the action proposes to work with multipliers/enablers be they clusters or Tech Hubs with a gender-sensitive approach, it can contribute to gender equality in the region, to SDG 5: Gender Equality. In so doing, the proposed action also contributes to SDG 1: No Poverty.

By supporting cluster organisations in preparing their members for the transition to green economies and circular economies the proposed action will contribute, albeit to a limited extend to the SDG 12: Responsible Consumption and Production Implementation.

5. IMPLEMENTATION

5.1. Financing agreement

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

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

The Commission's responsible authorising officer may agree extensions of the implementation period by amending this Decision and the relevant contracts and agreements.

5.3. Implementation modalities.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[30].

5.3.1. Grants (direct management)

(a) Purpose of the grants

Grants for component 1 will to contribute to job creation and inclusive growth by increasing competitiveness of SMEs through the strengthening of clusters in specific sectors in the Southern Neighbourhood.

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

Grants for component 2 will contribute to the maturing of ecosystems by supporting the professionalisation of specific type of actors and create an environment in which innovation flourishes, start-ups can scale up and contribute to the creation of decent jobs and inclusive economies.

(b) Type of applicants targeted

The grants are targeting the following types of applicants should be:

- Legal entities.

- Established in a Member State of the European Union or a country that is a beneficiary of the ENI Regulation, a country that is a beneficiary of an Instrument for Pre-Accession Assistance set up by Council Regulation (EC) No 1085/2006 (IPA) or a Member State of the European Economic Area (EEA). As the proposed actions are regional programmes, a minimum of three co-applicants should be based in the Neighbourhood South to ensure the best possible impact.

- Directly responsible for the preparation and management of the action with the co-applicants and affiliated entities, not acting as an intermediary.

- The added value of regional programmes lies in their ability to bring relevant European and South Med stakeholders together. The effectiveness and efficiency of this depends very much on the professionalism, expertise and overall quality of the partners in the South Med as much as in the EU. This aspect should be reflected in the guidelines.

5.4. Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5. Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
Grants – total envelope under section 5.3.1 of which	**15 000 000**	N.A.
Grants for component 1 - Strengthening of industry clusters in the Southern Neighbourhood	7 000 000	
Grants for component 2 - Strengthening start-up ecosystems in the Southern Neighbourhood	8 000 000	

Evaluation (cf. section 5.8) Audit/ Expenditure verification (cf. section 5.9)	will be covered by another Decision	N.A.
Communication and visibility (cf. section 5.10)	N.A.	N.A.
Total	**15 000 000**	**N.A.**

5.6. Organisational set-up and responsibilities

This action will be managed by the Directorate General for Neighbourhood and Enlargement Negotiations (DG NEAR) and, where relevant, in close co-operation with other Commission services (DG GROW, RTD, JRC, CLIMA, ENV). A Steering Committee will be established for each of the components. The Commission reserves the right to have those organised back to back to ensure the participation of the relevant representatives from both actions attending both steering committees to ensure coordination, complementarity and synergies. The participation of relevant Commission services is foreseen in each of these.

5.7. Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partners' responsibilities. To this aim, each implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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

5.8. Evaluation

Having regard to the nature of the action, a mid-term evaluation will be carried out for this action or its components via independent consultants.

It will be carried out for problem solving and learning purposes in particular with respect to future actions in the field of economic cooperation.

The Commission shall inform the implementing partners at least 60 days in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all

necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

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

5.9. Audit

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

The financing of the audit shall be covered by another measure constituting a financing Decision.

5.10. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures, which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

	Results chain: Main expected results (maximum 10)	**Indicators (at least one indicator per expected result)**	**Baselines (incl. reference year)**	**Targets (incl. reference year)**	**Sources of data**	**Assumptions**
Impact (Overall Objective)	Contribute to the maintenance and creation of sustainable jobs in the region by increasing competitiveness of SMEs and stimulating an environment conducive to innovation	- Employment rate, disaggregated by sex, age -New jobs created/jobs maintained per sector / type of skills disaggregated by gender - Increase in the value-added of jobs created disaggregated by gender	World Bank, OECD, UN /ILO reports where possible based on 2019 data		Statistics from partner countries World Bank, OECD, UN /ILO reporting	*Not applicable*
Outcome(s) (Specific Objective(s))	**Component 1: Strengthening of industry clusters** **Component 2: Strengthening start-up ecosystems**	Number and specialisation of industry clusters in the region Increased regional/international cluster cooperation to build specialisation and complementarity Improved innovation policies and regulatory framework including incentives for ecosystems development and implementation mechanisms Improved service delivery of Tech Hubs in supporting viable start-ups /scale-ups. Improved collaboration of Tech Hubs across the region and in the EU Number of partnerships/joint projects between Tech Hubs in the region and the EU	The inception phase will define the baseline of each country and aggregation at regional level	The inception phase will define the baseline of each country and aggregation at regional level	Government statistics where available and relevant Programme reports, reports of complementary EU-funded programmes Programme Surveys	Political instability preventing a regional focus on economic development, drop of business linkages, trade and investment flows
Outputs	1.1. Improved policies, regulatory frameworks, measures and tools stimulating the development of	Number of legislative & administrative reforms introduced through a 3-year period Assessment of progress in implementing the	Proposals submitted through the calls for proposals	Proposals submitted through the calls for proposals	Statistics from partner countries	Limited involvement of stakeholders and uneven interest

	clusters in Southern Mediterranean countries. 1.2. Improved capacities of cluster management organisations to support their members, especially SMEs, in their growth 1.3. Improved South-South and North-South networking and cooperation among clusters for the benefit of the internationalisation efforts of their members 2.1. Improved innovation policies, action plans and implementing measures 2.2. Improved capacities of organisations supporting technical or social innovation in the region and stronger networks in particular with EU counterparts and across the region, 2.3. Pilot innovation partnerships among different actors of start-up ecosystems across the region and with the EU	SBA - 8b: Innovation policy framework for SMEs Number of innovation SME-clusters supported Number and type of services offered by clusters Number of young / women entrepreneurs supported Number of partnerships between Southern countries' clusters and clusters in the EU Number and type of cooperation between Tech Hubs Number of successful pilot projects implemented Diversity of actors involved in innovation partnerships and range of countries they come from	will define the baseline.	will define the targets.	World Bank, OECD, UN /ILO reporting Project/programme reports	from public authorities Responsibility for initiatives on clusters/innovation ecosystems are spread out among different ministries which do not systematically coordinate Gender blind approach to economic development and entrepreneurship

[23]

<u>ANNEX 2</u>

of the Commission Implementing Decision on the annual action programme part I in favour of the European Neighbourhood Instrument (ENI) South countries for 2020

<u>Action Document for Support to Independent Media Serving the Public Interest in the Neighbourhood South</u>

ANNUAL PROGRAMME
This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	Support to Independent Media Serving the Public Interest in the Neighbourhood South CRIS number: ENI/2020/042-653 financed under the European Neighbourhood Instrument
2. Zone benefiting from the action/location	Southern Neighbourhood countries: Algeria, Egypt, Israel ([1]), Jordan, Lebanon, Libya, Morocco, Palestine ([2]), Syria ([3]) and Tunisia, and where relevant neighbours of the neighbours in Africa and in the Gulf The action shall be carried out at the following locations: Neighbourhood South and EU countries
3. Programming document	Programming of the European Neighbourhood Instrument 2014-2020-Regional Neighbourhood South Strategy Paper (2014-2020) – and Multiannual Indicative Programme (2018-2020)[4]
4. Sustainable Development Goals (SDGs)	SDG 5 SDG 16

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[1]   See Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards on http://eurlex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2013.205.01.0009.01.ENG.

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

[3]   On hold – activities suspended in previous phases due to conflict.

[4]   Commission Implementing Decision C(2018) 6362 adopted 5 October 2018.

	SDG 17	
5. Sector of intervention/ thematic area	Media and free flow of information	DEV. Assistance: YES[5]
6. Amounts concerned	Total estimated cost: EUR 14 000 000 Total amount of European Union (EU) contribution: EUR 14 000 000	
7. Aid modality(ies) and implementation modality(ies)	Project Modality **Direct management** through: - Grants	
8 a) DAC code(s)	15153 Media and free flow of information	
b) Main Delivery Channel	20000 - NON-GOVERNMENTAL ORGANISATIONS (NGOs) AND CIVIL SOCIETY	

9. Markers (from CRIS DAC form)[6]	**General policy objective**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	x	☐
	Aid to environment	☐	☐	☐
	Gender equality and Women's and Girl's Empowerment [7]	☐	x	☐
	Trade Development	☐	☐	☐
	Reproductive, Maternal, New born and child health	☐	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity	☐x	☐	☐
	Combat desertification	☐x	☐	☐
	Climate change mitigation	x☐	☐	☐
	Climate change adaptation	x☐	☐	☐

10. Global Public Goods and Challenges (GPGC)	Not applicable

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thematic flagships	

SUMMARY

Independent media play a vital role in holding authorities to account, exposing corruption, providing information to citizens, offering a platform for debate, and shaping opinions. These functions make independent media a particular target of authoritarian regimes, and those with vested interests. Accurate and quality information and analysis produced by independent professional journalists are public goods that are becoming increasingly scarce in the Southern Neighbourhood partner countries. Professional independent media (or those aspiring to be so), which in many places are trying to make up for the absence of an independent public media, face particularly uphill struggles, many of those relating to financial sustainability and long-term viability. In addition, such media outlets require skilled employees, expensive technical equipment, and are in direct competition with well-established and far better funded national and/or regional media which promote the political and social agendas of their paymasters - whether private and/or state owned.

This action, therefore, seeks to support independent media that have the vocation to serve the public with verified and quality information in line with high ethical journalistic standards, as bulwarks against authoritarianism, hate speech and dis-information. It also aims to support citizens in making informed choices, and having critical opinions by having access to high-quality, pluralistic, reliable, fact-based and fact-checked information. In so doing, the programme will address the need to improve a) the quality of content and capacity of media actors, and b) the financial sustainability and viability of media outlets, and c) the coordination of the support provided by donors and media development organisations to the media actors in the region of Neighbourhood South.

1   CONTEXT ANALYSIS

1.1   Context Description

With the rise of hyper-nationalism, populism, fake news and state sponsored propaganda threatening freedom of press and curbing people's access to reliable information globally, professional and principled journalism is more important than ever in order to provide the populations with access to verified and independent information, in order to foster civic mindset and thus ultimately contribute to the democratic aspirations of the societies around the globe.

Independent media actors are facing difficulties specific to the socio-political and economic environment where they operate. In its **World Press Freedom Index 2019[8], Reporters Without Borders** notes a deterioration in conditions for media in many countries of the EU Southern Neighbourhood, with increasing persecution of government critics and authoritarian control over news and information. In the most restrictive environments, independent media are banned, denied licenses, and/or harassed through denial of premises. They are also exposed to raids on their offices, and to false legal charges against journalists, followed by

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[8]   https://rsf.org/en/ranking

their arrest. Attacks and intimidation of journalists are common, often with apparent impunity, and self-censorship is often necessary for these media to survive.

Global media trends are reflected and magnified in the region of the Neighbourhood South. Traditional media are trying to come to terms with the dramatic ascendancy of social networks which enjoy greater immediacy and ease of access. Digital advertising is on the rise but a growing proportion of these revenues are leaving local markets, drawn down by tech giants such as Google and Facebook. Meanwhile, mainstream media struggle to survive on shrinking budgets which leave little margin for investing in people, technology or content.

Fragile business models expose media outlets to diverse pressures from politicians and power-brokers. With advertising contracts or core funding often dependent on toeing the line, editorial teams routinely practice self-censorship, often forced to second-guess what might and might not displease their paymasters. In this environment, where safety concerns and a lack of job security are widespread, it is unsurprising that many practitioners feel under-supported and demotivated.

Growing encroachment of the state over the media is a recurrent theme across the region, ranging from a virtual annexation of media outlets by the intelligence services in Egypt to efforts to cripple independent journalism outlets with heavy registration and license fees in Jordan. Crowding out alternative and independent voices by filling the media space with conflicting narratives has a similar effect without the need to infringe the principles of free expression.

An overview of the Southern Neighbourhood countries offers a unsettling picture: In Egypt and, to a lesser extent, Algeria, restrictive legislation and operating environments prevent civil society and independent media outlets from developing and functioning at full capacity with access to international support, which impacts negatively on people's right to quality and impartial information. Similarly, in Lebanon, the vast majority of media is funded and controlled by political and sectarian agendas, which directly impoverish media pluralism and men's and women's rights to make informed decisions. In Syria and Libya, the security and political situation provides a very difficult operating environment for civil society and independent media, and international donors. In Jordan, the conditions for civil society and independent media remain difficult despite a number of positive improvements in some areas (such as the establishment of Al Mamalaka TV defined as public service media independent from the control of the authorities and from economic interests) . In Morocco, in the field of freedom of media and expression, the Moroccan authorities continued to use the carrot and stick method to ensure control over the media landscape. Although some of these challenges are being addressed, in part, by the media actors themselves, the conditions for independent media to survive, function and thrive are dire.

Given the narrow parameters in which they operate, journalists struggle to put up a credible defence against disinformation campaigns, often exacerbating the situation by plagiarising contaminated material from the Internet or publishing poorly sourced stories. Faced with staid or editorially compromised content that fails to reflect their interests or concerns, young people have gravitated towards social media where they seek out like-minded peers and look for validation of their views. However, the unfettered nature of the social media space leaves them vulnerable to agenda-driven narratives propagated by state and non-state actors.

Donor funding continues to offer a lifeline to beleaguered media outlets across the region but the mechanisms and conditions for providing this support remain a bone of contention. From the donors' perspective, beneficiaries struggle to meet their declared objectives to achieve sustainability, which is unrealistic in the current context in the industry in the region. Grantees argue that funding programmes place too much emphasis on producing thematic programming which rarely reflects their audiences' key concerns and forces them to divert resources from core activities. Nevertheless, the vast majority of media professionals are eager to find a way of working with donors to ensure that the battle against agenda-driven or tendentious content is not lost. They see value in regional as well as bilateral engagement and agree that, crucially, donor funding enables them to remain connected to regional or global trends as well as to strengthen their position on the local market.

For all the reasons above, this action seeks to provide comprehensive support to independent media, journalists to provide balanced and objective high quality content in line with ethical journalistic standards.

1.2 Policy Framework (Global, EU)

Through the adoption of **Lisbon Treaty**, the European Union has identified itself as a community of values in which human rights represent its cornerstone. Freedom of expression and information is internationally recognised as one of the core elements of the human rights and fundamental freedoms' architecture. It has been enshrined – among others – in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the European Convention of Human Rights. The case-law of the European Court of Human Rights, as well as the work carried out by several international organisations (UN, OSCE, Council of Europe), has developed and clarified its field of application. Article 11 of the Charter of Fundamental Rights of the European Union has formally broadened its scope by including freedom and pluralism of the media in the domain of protection. Taken together, all these instruments consolidate a precise responsibility of the Member States and the EU itself to fully protect this fundamental human right and, at the same time, to put in place positive measures to proactively promote its progress[9].

In synergy with these principles, the **Reviewed European Neighbourhood Policy**[10] emphasises that democracy, human rights and the rule of law are key elements for stabilisation, and for developing sustainable, peaceful and resilient societies. It also points out how independent media plays a role in good governance building, acting as bulwark against authoritarianism, allowing citizens to make informed choices, and supporting them to hold governments accountable. Improving the pluralism, independence, and professionalism of the local independent media, helping it to act as a forum for public debate, and as the catalyst for change in partner countries is also a priority under the Reviewed ENP.

The ENP is also in dialogue with the **UN 2030 Agenda**, which highlights free, independent media as one of the pillars of democracy (SDG 16, goal 16.10). Besides its intrinsic status as human right, freedom of expression and pluralist and independent media perform also a

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[9]   Report on Media Pluralism and Media Freedom in the European Union. http://www.europarl.europa.eu/doceo/document/A-8-2018-0144_EN.html?redirect#title2
[10]   http://eeas.europa.eu/archives/docs/enp/documents/2015/151118_joint-communication_review-of-the-enp_en.pdf

fundamental social role, acting as public watchdog, sheltering citizens from States' as well as private interests' abuses, and empowering them to actively participate in the democratic life.

In this respect, the **EU Gender Action Plan 2016-2020**, in synergy with all the policy frameworks above, is key for respecting, protecting and fulfilling women's human rights in EU external action, including freedom of expression. Within the GAP II, independent media is a powerful tool to combat and eradicate negative socio-cultural norms and misinformation, offering counter-narratives to permeating gender stereotypes, and entrenched discriminatory beliefs about women and men. Independent media can shed light into women's realities and experiences, enhance their participation in public life and decision-making, and report and render visible on-going violations of women's human rights. Likewise, an independent media, responsive to the gender dimension of the information that it produces, manages and delivers is key for developing pluralistic and inclusive societies where women and men are equally heard and represented, and for producing high-quality information that speaks and accounts for both women's and men's realities.

1.3   Stakeholder analysis

National governments consider the independence of media as a priority to very varied extent across the region, from supportive, as in Tunisia, to highly repressive, as in Egypt. The mezzo-level governance actors, such as associations, trade unions, are developed unevenly across the region and therefore a regional action would not be the best tool to use for such technical regulatory aspects, nonetheless vital. It is considered that such level of governance development is to be better addressed at bilateral level.

In the absence of independent public service media (whether broadcasters or national newspapers), it is often relatively small internationally funded independent media that provide independent and verified information to the public in the region. Independent media and journalists are scrambling for funds usually from multiple sources, while trying to protect their editorial independence. As such, they have to choose carefully from where they get their support – further restricting the already scarce opportunities for funding. Their resources, both in terms of finance and staff are stretched and therefore capacity building and administrative reporting requirements need to take these realities into account, so that the opportunity for capacity building and/or for funds is actually feasible and beneficial for the media and journalists ("do no harm" principle). There is also the need for support to stay connected and up to speed with the global media community and the global trends in the industry as regards the quality of content, formats (suitable for social media and the online world), etc.

The main target groups of the project will focus on existing independent media and journalists, as well as other relevant media industry professionals.

Specific beneficiaries of the project will include (list non-exhaustive and to be adjusted based on the needs at the time of contract implementation):

- Individual independent journalists and media professionals, writers, and influencers, including bloggers and social media activists, based in the EU Southern Neighbourhood;

- Existing small, start-up and/or community media initiatives both registered and unregistered (including digital) serving specific segments of population who would not have access to independent verified information otherwise based in the EU Southern Neighbourhood;

- Existing, larger, established, professional media outlets whose core operating costs are significant (e.g. investigative media) and who nevertheless need support;

- Existing media alliances and coalitions, networks;

- Women journalist and media professionals, already facing multiple discrimination by not complying with gender expectations within their communities, challenging gender norms, and facing gender stereotyping in their profession, plus all forms of sexual violence. They are doubly discriminated against by their gender and by working in a profession under multiple threats, so the action will seek to specifically support them.

- Media-industry related initiatives such as organisations working on fact-checking, research, audience analysis, monitoring violence against media and journalists, provision of legal support to journalists, media monitoring, publishing, etc.

1.4 Problem analysis/priority areas for support

To higher or lesser degrees, Southern Neighbourhood countries uphold their own legislative matrix to regulate/control, limit and even stifle the activity of independent media. Together with investigative journalism, independent media in the Southern Neighbourhood region face multiple **challenges** regarding self-sustainability and survival, which range from financial starvation to governmental harassment, censorship and prosecution, to scarcity of established independent media, vibrant industry networks and safe spaces where to operate (shrinking space).

The political pressure to stifle if not suppress independent media involves instruments ranging from intelligence, police raids, to inefficient regulation failing to protect freedom and plurality of media, to targeted heavy regulations and fees. Self-censorship is widely practiced for economic as well as political (often disguised as legal or regulatory) reasons. **Legal assistance** to independent media will be important component in this comprehensive action, in order to support independent media in their independence, safety and security, both physical in person as well as digital online.

The traditional legacy media have been facing the challenge of the **online and social media transition in the industry** leaving them struggling to adjust their business strategies and to generate the necessary income. The advertisement income online has become largely diverted from the media outlets to the Internet giants (e.g. Google or Facebook) cutting further the scarce financial resources. Alongside with online media, there is still much of potential opportunities in this transition to be reaped in terms of audience reach, advertising and monetisation, as well as countering dis-information by engaging more high-quality content on social media. In this context, the lack of or minimal at best understanding audiences is another bottleneck on the programming and income generator strategies of the independent media in the region.

Independent media particularly face **unequal competition** in the form of well established and far better funded national and/or regional media, which promote the political and social agendas of their paymasters - whether private and/or state owned.

Scarcity of capacity and resources to invest in technological advancement, better resources management and development (including human resources), improving the quality of the content published, developing, experimenting with and implementing self-sustainable media business models, together with a governmentally monitored legal and political environment, are key factors that are arresting the existence of independent media and journalism per se.

While the **support from donors** and implementing partners is varied and significant, the efforts are rarely coordinated, with chronic lack of agreed vision, all that to the detriment of the final beneficiaries who receive or have to scramble for scattered support instead of a more comprehensive coordinated one. As such, there is a room for improvement to enhance and possibly maximize the impact of the efforts that the donor community invests.

In this respect, and as identified by the 2019 *Needs Assessment for Independent Media in the Neighbourhood*, regional programming can be strategic for developing an independent media sector, as regional actions may complement or stir national initiatives without the need to seek national governments' consent in the form of Financing Agreement. They also open the possibility of working with individual organisations at regional level, a collaboration that could be difficult if framed within national boundaries.

In light of the above, identified **priority areas** for intervention will need to cover

- the financial viability of independent media, paired with

- enhanced capacity building of independent media outlets, journalists and professionals in terms of business viability, and

- improved quality and relevance of the content produced.

- Additional capacity building depending on the needs (protection and safety of journalists, legal assistance, security including cyber-security, social rights, gender equality, operating a new software/apps/equipment, data protection, copyright, etc.)

- Networking opportunities will be key to complement the above with peer-to-peer learning, exchanges, best practices, as well as options to establish or further creative coalition and alliance co-operation and collaboration (e.g. on content co-production or joint income generator strategies)

- Improved effectiveness of international donor and implementing partners assistance

A number of principles will need to be comprehensively weaved into the programme design at the activity level:

- ensure that independent media is **inclusive** and **representative** of the plurality of voices and experiences that conform the rich social tissue of the Southern Mediterranean region, where vulnerable groups are addressed, represented and heard (i.e. women and youth). This may translate into supporting outlets serving specific segments of populations that might not have access to other sources of verified independent information. A pluralistic independent media needs to count on women's voices and experiences, which are recurrently marginalised from mainstream media outputs and information, mostly gender blind and male-centred. In this respect, both women, and young women and men, need to be included as both producers and recipients of impartial and well-researched information and media content. As a result, a gender responsive approach to support to independent media and independent media needs to be developed, in line with rights-based approach principles of "leaving no one behind" and "doing no harm".

- Ensure that the support is provided in a **partnership-like approach**, developing the concrete support with the media outlet, journalist or other media professional as tailor-made as possible, based on needs and mutual trust, while allowing for flexibility in order to accommodate the volatile political and economic context in the region. The administrative burden should be absolutely minimal in order not to divert the scarce resources and staff that independent media and journalist have available.

- Ensure that at least **minimal standards of working conditions** (e.g. fair and gender equal salaries, job safety, zero tolerance to gender inequality – including gender-based violence and harassment, decent work principles, etc.) are respected during the implementation of the present action.

2   RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Shrinking space and increasingly restrictive environment for media outlets and journalists operating in some of the target countries.	H	Close monitoring of the situation in the EU Southern Neighbourhood in order to be able to adapt and respond quickly to the changing environments.
Political situation becomes more autocratic and government cracks down on opponents, including by full implementation of restrictive Civil Society and Media Laws.	H	Support to civil society, independent media actors will be ensured to counteract shrinking space. Working in confidential and safe environments to guarantee this support (via specific instruments) will be applied as appropriate. Strengthen alliances with other stakeholders and national actors to continue EU support to Civil Society and independent media. Make use of specific financial support mechanisms at hand to ensure continuity of civil society and independent media at regional and national levels.
Weak sustainability for media in the medium-term	H	Strengthened and ongoing long-term support to independent media through on-going long-term funding possibilities and relevant business capacity building to enhance financial viability aiming for

		sustainability in the long-term.
Negative perception of media supported by the international donors	M	Strict no-interference in the editorial line or themes of the content under the present programme, combined with visibility waivers if the lack thereof would jeopardize the reputation and/or integrity of the media and journalists
Low absorption capacity on the side of the beneficiaries	L	Tailor-made capacity building provided to the independent media outlets and journalists on the management and administrative requirements related to the support provided

Assumptions
- The political and security situation in all countries will allow the smooth implementation of the programme.   - The partners involved are committed to participate in all activities throughout the duration of the programme.

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The past and still ongoing programmes supporting media and youth engagement with media, as well as the recent Independent Media Needs Assessment have collected the following lessons learnt:

Capacity building

- Prioritize production-led result-oriented capacity building

- Prioritize in-house capacity building

- Promote capacity building for journalists as well as their management and senior management (e.g. editors) targeting the entire workflow of content creation, production to publication.

- Promote partnership engagement with the beneficiaries based on mutual trust and genuine needs, as opposed to top-down donor-beneficiary dynamics.

- Prioritize expertise by media professionals (e.g. former journalists, editors, publishers, producers etc.) as opposed to professional trainers with minimal or now experience in the media industry

- Prioritize local expertise as opposed to same quality but more expensive international expertise

Funding

- Financial support needs to be accompanied but capacity building in terms of professional development (e.g. content production, business, governance), as well as improved administration of the funds, etc.

- Provide flexible as well as long-term (at least 3-5 years) funding, including core funding, allowing for incubation and experimenting with new formats and new income generating strategies and business models

- Promote transparent competition for funds (e.g. such as hackatons by CFI under the D-Jil programme)

  Industry trends

- Focus to support independent journalism per se. Steer away from too narrow theme oriented funding which only sways media, journalists and other industry actors in that narrow direction and away from their core mission of independent journalism as such.

- Continue to promote engagement with youth and possibly explore and pilot engagement with children, too.

- Promote better understanding of audiences

- Regional approach is highly appreciated but has to allow for differentiation to meet the specific needs in the specific country context

3.2 Complementarity, synergy and donor co-ordination

Apart from the EU, a number of other organisations such as the Council of Europe, United Nations agencies, Civil Society Organisations, and International Financial Institutions (i.e. World Bank), as well as the EU Member States are actively working towards more transparent communication and information environments in the Southern Neighbourhood area. The programme will be exploring possibilities of co-operation in areas of mutual interest.

In line with the European Consensus on Development, the Paris Declaration, the Accra Agenda for Action and the Busan Partnership for Effective Development Cooperation harmonisation will be sought in the field of donor co-ordination and information sharing with other international organisations and bilateral donors to avoid duplication of activities. This will ensure effective and efficient action and raise the profile of the activities, and will avoid duplication of efforts. In practical terms this means co-ordination in partner countries with the Embassies of the Member States and within EU institutions for specific regional activities.

The present action will build on the achievements of the regional programme OPEN Media Hub and seek synergies with the two regional programmes targeting youth engagement in media (D-Jil and Shabab Live, European Endowment for Democracy), as well as with existing and/or upcoming bilateral programmes (e.g. in Tunisia).

Furthermore, the present action itself envisages a mechanism for regular and comprehensive, bottom-up driven donors and implementing partners coordination to maximize the impact of their respective assistance through synergies and complementarity.

4   DESCRIPTION OF THE ACTION

4.1   Overall objective, specific objective(s), expected outputs and indicative activities

Overall objective: To support pluralism, independence and resilience of independent media, which act in the public interest as bulwark against authoritarianism, hate speech and dis-

information, and to promote critical thinking and civic-oriented mind-set in the population, thus contributing to the democratic aspirations and resilience in the societies in the region.

Specific Objective 1: To strengthen the independence of independent media and journalists serving the public interest

Expected Outcome 1.1: Independent and verified information and high quality content (reliable, fact-based, fact-checked, timely and gender responsive) is produced and shared within/out of the region reaching relevant audience (including underserved populations, e.g. language minorities, etc.).

Expected Outcome 1.2: Independent media outlets have improved their financial viability thanks to access to long-term funds, as well as by exploring, developing and implementing new business models, and new revenue generator models. Particularly, independent media professionals and outlets serving the public interest, including a specific segment of population that would not have access to independent and verified information otherwise continue their service with improved resilience and viability.

Expected Outcome 1.3: Strengthening of existing (and creation of new if absolutely necessary) channels, platforms and networks, as well as of coalitions, alliances and global partnerships for knowledge transfer, experience and good practice sharing, promotion of innovative and creative approaches and solutions, as well as for opportunities to develop business collaboration and/or content co-production, among independent media actors, both women and men, and across all sectors of the media industry.

Indicative Activities:
Capacity building
- Production-led result-oriented capacity building trainings. Women journalists and media professionals will be specifically targeted.
- In-house tailor-made capacity building for managers and editors (e.g. programming, audience understanding, fact-checking, newsroom workflows, etc.). Women as producers and managers of media content will be specifically targeted, and their editorial point of view, included and disseminated/promoted.
- In-house tailor-made capacity building in programming (enhanced children' programmes, investigative content, hyperlocal content, repackaging existing content in children- and youth-friendly and/or innovative formats, etc.), which will also target women journalist.
- In-house tailor-made gender responsive capacity building for managers of media outlets as well as of alliances and coalitions (resources management – HR, internal policies, business models, income generation, etc.), which will also target women in those positions, or women who wish to access those positions.
- Tailor-made capacity building for existing networks, alliances and coalitions of media outlets and/or professionals to further their collaboration and experiment with new high quality content, formats, collaborative strategies, etc.
- Other relevant capacity-building on relevant themes (e.g. journalists safety, cyber-security, social rights, legal assistance, operating a new software/apps/equipment, data protection, copyright, etc.).
Funding
- Flexible and long-term funding (up to 3-5 years) for the following needs (list non-exhaustive):

- o core funding,
- o production of high quality content, including piloting new type/genre of content and/or programming (e.g. children programming),
- o new and innovative technical solutions to improve value for money and effective programming, as well as to enhance efficiency of the business operations (e.g. new software, apps, or even equipment if absolutely necessary and justified).

Networking

- Networking opportunities, in person and online, ideally in the margins of existing industry events related to relevant themes (e.g. business models and viability, journalist safety, investigative journalism, media outlets governance, audience understanding, fact-checking, media literacy, social rights, data protection, copyright, etc.).
- Peer learning and exchanges & best practices sharing (possibly theme, genre or profession focused), also among professionals along the supply chain of the media industry.
- Online and virtual opportunities (e.g. platforms) for networking, content and knowledge sharing.

Specific Objective 2: Promote the support to Freedom of Expression and independent media in the region to be among the top priorities on the donor agenda and to be done in the most effective way

Expected outcome 2.1: Support to Freedom of Expression and independent media in the region remains or becomes one among the top priorities on the donor agenda

Expected outcome 2.2: Best practices and new information on the conditions of production of quality information and content in the region, as well as relevant recommendations are exchanged and acted upon in an effective and coordinated manner

Expected Outcome 2.3 Regular needs assessment is carried out, published and disseminated in the donor community

Indicative Activities:

- Research (e.g. an ongoing assessment of needs of the independent media in the region, media industry, challenges, lessons learnt, country specific reports, etc.)
- Awareness raising on the perceived needs of independent media and journalists in the region, their challenges – whether of economic, regulatory, legal, safety or other nature.
- Coordination among donors and implementing partners as a tool for advocacy for the needs and of perceived needs of independent media and Freedom of Expression in general
- Donors & implementing partners coordination through regular conference at national and regional levels, wherever possible ideally adjacent to an existing well functioning conference (e.g. Assises Internationales du Journalisme Tours et Tunis), in order to maximise the effectiveness of the donors and implementing partners efforts based on the new information from the research, from the conference, as well as the needs and perceived of the media sector in the region;

- Organisation of preparatory and/or follow up coordination meetings, possibly theme, genre or profession focused (e.g. business forum, publishers, investigative journalists, etc) among the donors, implementing partners and the media professionals and stakeholders
- Exchange of best practices among the donors, implementing partners and relevant media professionals and stakeholders (including on implementation, operations as well as policy and regulations related to media reform, etc.).

Specific Objective 3: Strengthen the pluralism of independent media, their survival, diversity and financial viability

Expected Outcome 3.1: Independent media and journalists (including citizen bloggers, vloggers, etc.) are operational, are able continue their activity; continuously produce reliable, fact-based and timely news and analysis without gaps in capacity, even in case of emergency situations.

Expected Outcome 3.2: New media outlets operational and new media content products developed.

Indicative activities:

- Flexible and quick funding schemes with a call on a rolling basis: seed funding, bridge funding, core funding, etc.
- Core support or bridge funding for media to continue its production of unbiased qualitative content.
- Support to journalists and media organisations to enable them to continue their activity in a politically sensitive environment.
- Demand-driven support to independent media or journalists in case of emergency situation.
- Demand-driven support to newly established media initiatives.
- Support to new formats, new types of media activities, including social media and digital projects.
- Capacity building (e.g. legal assistance).

4.2 Intervention Logic

With a view to reaching the objectives and implementing the activities as described in section 4.1, and in the framework of direct centralised management, the proposed programme shall be implemented via grants as:

The grant scheme will allow for the distribution of grants and sub-grants based on needs rather than prescribed criteria that may become irrelevant in the volatile context of the Neighbourhood South.

Improved capacity of journalists, editors, media outlets and media alliances, including women, will lead to production of more high quality content relevant to the local context and needs of the local audiences (rather than internationally imposed agenda). Grants and sub-grants accompanied with tailor-made mentoring and coaching will allow the financial space for the beneficiaries to actually implement their new skills and improved capacity in high

quality content production, as well as working on and improving their business models and income generator strategies. Networking opportunities will contribute to further capacity building as well as improving funding strategies through peer learning or coalition building among others.

Consistent coordination of donors and of media development organisations based on bottom-up driven dynamic, centred around research on needs and challenges of independent media and journalists in the region, will improve the coherence and relevance of the assistance provided to the independent media and journalists.

Such long-term support to the resilience and strengthened independence of independent media will contribute to improved availability of verified and independent information to the local population, to the development of critical and civic-oriented mind-set (thus implicitly countering dis-information, propaganda, hate speech, radicalisation and authoritarianism), and ultimately to the long-term positive impact on the democratic aspirations and resilience of the societies in the region.

4.3   Mainstreaming

Women's unequal position within media power structures and discriminatory media representation of women are still worldwide concerns. According to Global Media Monitoring Project (GMMP)[11], progress towards media gender parity has almost reached a halt since 2010. 2015 GMMP findings show that women make up only 24% of the persons heard, read about or seen in newspaper, television and radio news. These findings also reveal that the journalistic gender lens in source selection is heavily male-centred, and further strengthens gender stereotyping.

In general lines, women are insufficiently present, and self-represented in the media, and gender blindness of media content (i.e. women's human rights issues, gender discrimination) is widespread, with only 4% of stories clearly challenging gender stereotypes, and only 4% of news media tweets doing the same[12]. Data relating to the Middle East specifically follows global trends in terms of women underrepresentation: Only 16% of news subjects are women, only 10% of political content represents women's voices, and only 19% of experts and 12% of spokespersons as authorities or experts are women[13]. If, on top of this, censorship laws restricting media content limit the scope for ground-breaking input by everyone, women and men, at all editorial levels, the media space for supporting women's human rights and gender equality is heavily thwarted.

Within this context, supporting a gender responsive independent media is key to advancing women's human rights in the region, and to ensuring high quality, plural and diverse media

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[11]   This global initiative assesses how media gender equality has progressed worldwide over the past 25 years. Results are based on data gathered by volunteer teams in 114 countries, who monitored 22,136 stories published, broadcast or tweeted by 2,030 distinct media houses, written or presented by 26,010 journalists and containing 45,402 people interviewed and/or subjects of the stories. (*Global Media Monitoring, 2015 Global Report,* [11] http://cdn.agilitycms.com/who-makes-the-news/Imported/reports_2015/highlights/highlights_en.pdf).

[12]   http://cdn.agilitycms.com/who-makes-the-news/Imported/reports_2015/highlights/highlights_en.pdf

[13]   *Global Media Monitoring Project. 2010 Regional Report Middle East.* http://cdn.agilitycms.com/who-makes-the-news/Imported/reports_2010/regional/Middle_%20East.pdf

content that addresses women's and men's realities. In order to generate this qualitative shift, women need to be involved as both producers and recipients of that content by supporting women media professionals. The action seeks to enhance the gender responsiveness capacities of independent media as a key player in upholding human rights, building peaceful societies for both women and men (SDG 16) and progressively changing traditional gender narratives on screen (i.e. TV, social networks), radio, online and/or paper.[14] Specific activities will be implemented to support women in these different positions, as well as gender responsive capacity building, content development and networking. In this respect, the action is strongly rooted in the EU Gender Action Plan 2016-2020, and directly supports the realisation of its three thematic objectives (Ensuring women's and girls' physical and psychological integrity, supporting women's economic empowerment and socio cultural rights, and supporting women's effective participation in political life and decision-making). The use of gender responsive indicators, and sex-disaggregated data are included in the logframe matrix, and the action aims to contribute to the production of gender statistics that can shed light on the complex gender dynamics of media production generally, and independent media specifically.

4.4 Contribution to SDGs

This action plays an important role in realising **SDG 16**, by contributing to countering violence, hate speech, disinformation through verified independent information, thus ultimately promoting access to information and accountability, which in turn, has a positive impact on developing good governance, strengthening rule of law and human rights in the region, and in realising **SDG 5**, which focuses on achieving gender equality more broadly. It will also contribute to the **SDG 17**, fostering global partnerships, through strengthening regional networks, coalitions and alliances in the media industry in the region.

5 IMPLEMENTATION

5.1 Financing agreement

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

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 96 months from the date of adoption by the Commission of this Financing Decision.

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

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[14] As example, research has proved that having gender balanced numbers of "women writers, producers and executive producers do influence the number and portrayal of female characters on screen. In addition, women occupying powerful roles increases the representation of women in other creative positions. They in turn influenced on-screen portrayals, including the number of female characters and their dialogue, measured in terms of their propensity to introduce topics, have the last word, and interrupt" (Sakr, Naomi. *Women and media in the Middle East*, 2004).

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[15].

5.3.1 Grants (direct management)

This action will be implemented by three grants.

(a) Purpose of the grants

The grants will contribute to achieving all the Expected results and Specific objectives:

SO1 – Strengthening the independence of independent media and journalists (call for proposals);

SO2 – Promote the support to Freedom of Expression and independent media in the region to be among the top priorities on the donor agenda and to be done in the most effective way (direct award to Journalisme et Citoyenneté);

SO3 - Strengthen the pluralism of independent media, their survival, diversity and financial viability of independent media (direct award to European Endowment for Democracy/EED).

(b) Type of applicants targeted

The applicants targeted will include legal entities such as international organisations, NGOs, economic operators (e.g. small and medium enterprises).

(c) Justification of direct grants

Under the responsibility of the Commission's authorising officer responsible, grants may be awarded without a call for proposals to Journalisme et Citoyenneté for SO2, and to the European Endowment for Democracy (EED), for SO3.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the specific characteristics of the action require a particular type of body on account of its technical competence and its high degree of specialisation[16].

- The choice of Journalisme et Citoyenneté for SO2 is justified because donor and implementing partners' coordination can only be effective when its agenda is fed with new and relevant information on the sector bottom up, and when its organisation is carried by an impartial and credible entity that is not necessarily in competition with donors and/or implementing partners. The NGO Journalisme et Citoyenneté is the organisation that has gained unique credibility in the eyes of the media industry despite the otherwise very competitive arena of media development. Journalisme et Citoyenneté has been regularly organising the highly respected conference Assises du Journalisme Internationales Tours et Tunis, conference with an impressive ownership by the media community, gathering large number of high-quality media professionals from the EU,

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

[16] Article 195 (f) of the EU Financial Regulation.

Neighbourhood South, and Western Africa, as well as almost all media development organisations, including securing their contributions to the organisation of the conference. Considering this already existing platform with strong credibility and buy-in from media professionals and the implementing partners, in the efforts to avoid duplication and re-establishing parallel structures, Journalisme et Citoyenneté is best placed to implement this project, also as they have ready access to large networks of media professionals to gather regularly new information and research to feed the international media development agenda.

- The choice for the European Endowement for Democracy (EED) for SO3 is justified because the financial viability of the independent media in the Neighbourhood South countries is a challenge, especially for smaller outlets, and it is very difficult for them to find private investors willing to invest, because of the political risks involved. Even though the European Union has moved away from giving out small grants, these are still needed in the case of media organisations in these countries, which often do not have the capacity or necessary legal status for applying for big multiannual contracts. The European Endowment for Democracy (EED) is currently filling this gap with its unique flexible and rapid funding scheme that media can apply for at any moment (ongoing call on a rolling basis). In addition, the EED has a unique mandate, as an independent foundation supported by the European Union and its Member States. It assists independent media organisations regardless of their size or formal status, provided that all the beneficiaries adhere to core democratic values and human rights. EED has a special focus on the European Neighbourhood and thus a solid experience in local contexts.

5.4   Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply keep the phrase if any cases below are included, subject to the following provision.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5   Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
Specific Objective 1 composed of: Grant (direct management) – cf section 5.3.1	**9 000 000**	N.A.
Specific Objective 2 composed of:	**2 000 000**	N.A.

Grant (direct management) – cf section 5.3.1		
Specific Objective 3 composed of: Grant (direct management) – cf section 5.3.1	**3 000 000**	N.A.
Total	**14 000 000**	**N.A.**

5.6 Organisational set-up and responsibilities

This action will be managed by Commission services (Directorate-General for Neighbourhood and Enlargement Negotiations) and, where relevant, in close collaboration with other relevant EU institutional stakeholders (European Parliament, EEAS, EU Member States). For each component, in the cases where a steering committee is created, the participation as observer of relevant Commission services is foreseen.

5.7 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, each implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log frame matrix.

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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

5.8 Evaluation

Having regard to the nature of the action, a mid-term and a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving, in particular with respect to possible needs to re-adjust the action in line with the political developments in the region.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that a possible second phase can be programmed on the basis of the lessons learned.

The Commission shall inform the implementing partners at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all

necessary information and documentation, as well as access to the project premises and activities.

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

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

5.9   Audit

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

The financing of the audit shall be covered by another measure constituting a financing Decision.

5.10   Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

However, in view of the sensitive nature of the subject, and in particular the risks for those who benefit from the grant support and its other activities towards target groups and individuals, visibility may, where or when relevant, be reduced vis-à-vis media and political decision makers or adapted in the light of specific situations

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[APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)]

<The indicative AD logframe should have a maximum of 10 expected results (impact, outcome and output) and associated indicators.

On the basis of this indicative logframe matrix, a more detailed logframe(s) might be developed at contracting stage linked to this AD. The indicative logframe matrix will evolve during the lifetime of the Intervention. The activities, the expected outputs and related indicators are indicative and may be updated during the implementation of the Intervention as agreed by the parties (the European Commission and the implementing partner/s).

The logframe matrix must be used for monitoring and reporting purposes. At the latest in the first progress report, implementing partner/s should include the complete logframe including all baselines and targets for each indicator). Each progress report should provide the most up to date version of the logframe as agreed by the parties (the European Commission and the implementing partner/s) with current values for each indicator. The final report should enclose the logframe with baseline and final values for each indicator.

Indicators to be presented, when relevant and possible, disaggregated by sex, age, urban/rural, disability, any disadvantaged group, income quintile etc.

Additional notes: The term "results" refers to the outputs, outcome(s) and impact of the Action. Assumptions should reflect risks and related management strategies identified in the Risk analysis. >

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources of data	Assumptions
Impact (Overall Objective)	Independent media act as bulwark against authoritarianism, hate speech and dis-information and promote critical thinking and civic oriented mind-set in the population and thus ultimately contribute to the long-term positive impact on the democratic aspirations and resilience of the societies in the region	For example: Ranking as per the World Press Freedom Index by Reporters without Borders .			Yearly Reporters Without Borders Report on World Press Freedom Index	*Not applicable*

| Outcome(s) (Specific Objective(s)) | SO1: Stronger independence of independent media

ER 1.1 Independent and verified information and high quality content (reliable, fact-based, fact-checked, timely and gender responsive) is produced and shared within/out of the region reaching relevant audience.

ER 1.2 Independent media outlets have improved their financial viability

ER1.3 Strengthening of existing (and creation of new if absolutely necessary) channels, platforms and networks, as well as of coalitions, alliances and global partnerships for knowledge transfer, experience and good practice sharing, promotion of innovative and creative approaches and solutions, as well as for opportunities to develop business collaboration and/or content co-production, among independent media actors, both women and men, and across all sectors of the media industry

SO2: Promote the support to Freedom of Expression and independent media in the region to be among the top priorities on the donor agenda and tobe done in the most effective way

ER2.1 Support to Freedom of Expression and independent media in the region remains or becomes one among the top priorities on the donor agenda
ER2.2 Best practices and new information | For example:

1.1 Number of content produced (sex disaggregated by author)

Increased engagement with the produced content by the audience

1.2 Increased resources and/or diversity of resources
Increased staff (sex disaggregated)
Increased staff with health and social insurance (sex disaggregated)

1.3 Number of content exchanged/republished

Number of co-produced content

Number of coalition/alliance-based funding models

2.1 Support to Freedom of Expression and Independent media ranks among the top priorities of the international donors active in the area
2.2 Number of conferences,
Number of preparatory and follow up meetings | For example:

0 or to be determined in a baseline study

0 or to be determined in a baseline study

0 or to be determined in a baseline study

0 or to be determined in a baseline | For example

5000 or to be determined

40%

To be determined

7000 or to be determined

1000 or to be determined

3

Top 10

20 | For example:

1.1 social media and website posts and traffic
1.2 Independent media budgets, payrolls, financial reports, tax declarations
1.3 social media and website posts, cross-posts and traffic; coalition/alliance MOU (or other relevant document) on their joint business model and the relevant financial report

2.1 Donors strategies and other relevant documents
2.2
2.3 Publication of | Shrinking space for independent media and civil society more broadly

Political repressions

Economic downturn

Social unrest

Conflict & violence |

	on the conditions of production of quality information and content in the region, as well as relevant recommendations are exchanged and acted upon in an effective and coordinated manner ER 2.3 Regular Independent Media Needs Assessment is carried out, published and disseminated in the donor community	at national and regional level (number of participants sex disaggregated) 2.3 Dates and places of publication of the Independent Media Needs Assessment report Dates of conferences/meetings based on the latest Independent Media Needs Assessment report	study	1/year, up to 4 in total	the report	
	SO3: Strengthen the pluralism of independent media, their survival, diversity and financial viability ER3.1 Independent media and journalists (including citizen bloggers, vloggers, etc.) are operational ER 3.2: New media outlets operational and new media content products developed	3.1 Number of supported independent media outlets that become/remain operational 3.2 Number of new media outlets become operational Number of new content produced and published	0 or to be determined in a baseline study 0 or to be determined in a baseline study	To be determined To be determined		
Outputs	Indicative: SO1: Production-led trainings In-house trainings related to content production and dissemination In-house trainings related to business, finance and resources management Tailor-made trainings for independent media coalitions and alliances Flexible funding scheme Networking events Peer exchanges and placements SO2: Regular conferences for donors, implementing partners and independent media and journalists at regional and national levels	SO1: Number of participants to the production-led and in-house trainings (sex disaggregated) Number of participants for managers, CEOs, editors, etc. (sex disaggregated) Number of participants to networking events, peer exchanges and placements and other networking activities(sex disaggregated) Number of grant contracts signed SO2: Number and dates of conferences Number and dates of preparatory meetings Number of participants (sex disaggregated) to the conferences and meetings above	For example: 0 or to be determined in a baseline study 0 or to be determined in a baseline study	For example: 800 or to be determined 300 or to be determined 1000 or to be determined To be determined To be determined	SO1: Progress reports SO2: Progress reports	Visa issues Difficult international transfers of funds Shrinking space for independent media and civil society more broadly Political repressions Economic downturn

	Preparatory and follow up meetings at regional and national levels Regular needs assessment missions, consultations, reporting and publishing SO3: Ongoing flexible funding scheme Core support Bridge funding Seed funding Capacity building	Number and dates of needs assessment missions Dates and places of publication of the Independent Media Needs Assessment report Dates of conferences/meetings based on the latest Independent Media Needs Assessment report SO3: Number of grants awarded Number of newly established media initiatives Number of media outlets with new media content products developed Number of emergency support Number of beneficiaries of capacity building	0 or to be determined in a baseline study	To be determined	SO3: Progress report	Social unrest Conflict & violence

of the Commission Implementing Decision on the annual action programme part I in favour of the European Neighbourhood Instrument (ENI) South countries for 2020

Action Document for Middle East Peace Process (MEPP) – EU Peacebuilding Initiative (EUPI) 2020

ANNUAL PROGRAMME	
This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.	

1. Title/basic act/ CRIS number	Middle East Peace Process (MEPP) – EU Peacebuilding Initiative (EUPI) 2020 CRIS number: ENI/2020/42-689 financed under European Neighbourhood Instrument
2. Zone benefiting from the action/location	Middle East The action shall be carried out at the following location: Israel and Palestine[1] and tentatively in EU Member States
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Regional South Strategy Paper (2014-2020) and Regional South Multiannual Indicative Programme (2018-2020)[2]
4. Sustainable Development Goals (SDGs)	Main Sustainable Development Goal (SDG): Goal 16 - Promote peaceful and inclusive societies Other significant SDGs: Goal 5 - Achieve gender equality and empower all women and girls
5. Sector of intervention/ thematic area	Building a partnership with people / DEV. Assistance: YES[3]
6. Amounts concerned	Total estimated cost: EUR 5 000 000

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

[2] Commission Implementing Decision C(2018) 6362 adopted 5 October 2018.

[3] Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	Total amount of European Union (EU) contribution: EUR 5 000 000
7. Aid modality(ies) and implementation modality(ies)	Project Modality **Direct management** through: – Grants – Procurement
8. a) DAC code(s)	15220 - Civilian peace building, conflict prevention and resolution
b) Main Delivery Channel	20000 - Non Governmental Organisations (NGOs) and Civil Society

9. Markers (from CRIS DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Main objective**
	Participation development/good governance	☐	☒	☐
	Aid to environment	☒	☐	☐
	Gender equality and Women's and Girl's Empowerment	☐	☒	☐
	Trade Development	☒	☐	☐
	Reproductive, Maternal, New born and child health	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Main objective**
	Biological diversity	☒	☐	☐
	Combat desertification	☒	☐	☐
	Climate change mitigation	☒	☐	☐
	Climate change adaptation	☒	☐	☐

10. Global Public Goods and Challenges (GPGC) thematic flagships	Civil Society and Local Authorities Thematic Programme

SUMMARY

Inaccordance with the EU position on the Middle East Peace Process (MEPP) as set out in its Council Conclusions[4], the overall objective of the programme is to support and promote the conditions for a sustainable resolution of the Israeli-Palestinian conflict through civil society and the positive engagement of citizens.

The programme will be implemented through Call for Proposals targeting civil society initiatives in Israel, Palestine, and tentatively in EU Member States aiming at:

1) Promoting conditions for a negotiated settlement of the conflict via participatory civil and political engagement of men and women;

2) Fostering mutual understanding, tolerance and trust amongst Israelis and Palestinians;

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[4] FAC Council Conclusions can be accessed at: http://www.consilium.europa.eu/en/documents-publications/public-register/

3) Fostering cross-border cooperation between Israelis and Palestinians based on mutual interests.

1 CONTEXT ANALYSIS

1.1 Context Description

The EU remains committed to the two-state solution, with Jerusalem as shared capital of the two states - the State of Israel and the State of Palestine. This position is based on the Oslo Accords and the international consensus embodied in the relevant United Nations (UN) Security Council Resolutions. The EU has consistently maintained its position that this is the only realistic and viable way to fulfil the legitimate aspirations of both parties. Regrettably, the peace process has been stalled for a number of years while at the same time, the situation on the ground has continued to deteriorate with the two-state solution viewed by many observers as under real and increasing threat, in particular through the continuing expansion of settlements in the West Bank, including in East Jerusalem. The risk of violence remained very high, with frequent incidents throughout 2019, notably the firing of rockets from Gaza at civilian population centres in southern and central Israel. More broadly, incitement to violence and hatred continued on both sides, with increasing divisions between the two societies and even greater levels of frustration and despair, particularly on the Palestinian side.

Meanwhile on the political front, the situation in both Israel and the occupied Palestinian territory remains marked by uncertainty. In September 2019, President Abbas announced that he would announce a date for elections in the West Bank, East Jerusalem and Gaza, although no timeframe has yet been set amdist uncertainty around Israel's willingness to allow such elections to take place in East Jerusalem. In the meantime, Palestinian politics continues to be dominated by the continuing Fatah-Hamas split, the dissolution of the Legislative Council and divisions between the West Bank and Gaza.

Against this backdrop, the United States put forward a series of proposals on 28 January entitled "Peace to Prosperity: Vision to improve the lives of the Palesitnian and Israeli people". The plan was broadly seen as departing from the internationally agreed parameters that have long defined the concept of a two-state solution. "

As mentioned in the Foreign Affairs Council conclusions of 18 January 2016, "only the re-establishment of a political horizon and the resumption of dialogue can stop the violence" and "the underlying causes of the conflict need to be addressed." The EU seeks to contribute to addressing the underlying causes and to re-build the conditions for dialogue between Israelis and Palestinians also through this specific programme.

In the current circumstances, it is therefore of utmost importance to continue helping preserve the viability, and acceptance by society, of a two-state solution on the ground, pending the emergence of a more favourable bilateral, regional and international context. For this, Palestinian and Israeli constituencies need to build mutual trust and confidence in a negotiated settlement of the conflict.

Since 1998 the EU has been actively supporting civil society initiatives in the Middle East as an essential means of reinforcing dialogue and restoring mutual confidence.

Initially such support was provided through the European Union's People to People (P2P) Programme (1998 - 2001) and subsequently from 2002 to the present, through its successor, the EU Partnership for Peace Programme (PfP) currently named "EU Peacebuilding Initiative" (EUPI). The decision of renaming the programme was based on the findings of an external consultation conducted in 2013-2014 on the PfP Programme 2007-14, and in order to clarify and enhance the programme's relevance to the current regional political context.

1.2   Policy Framework (Global, EU) and Public policy analysis

The central objective of the EU in the Middle East Peace Process (MEPP) is a just and comprehensive resolution of the Israeli-Palestinian conflict, based on the two-state solution, with the State of Israel and an independent, democratic, contiguous and viable Palestinian State in the West Bank and Gaza, living side by side in peace and security, with borders negotiated on the basis of the 1967 lines and mutually agreed swaps, with Jerusalem as the future capital of both states, with security arrangements and with a just, fair and realistic solution to the refugee issue. The EU has reiterated its readiness to contribute substantially to post-conflict arrangements for ensuring the sustainability of a peace agreement.

The positions of the EU on the MEPP are communicated through conclusions of the EU Foreign Affairs Council (FAC). The FAC conclusions provide the political basis for implementing EU policy on MEPP through direct support for actions on the ground by civil society and other actors. The EU's Special Representative to the MEPP was appointed in September 2018 to support the work of the High Representative of the Union for Foreign Affairs and Security Policy. The Quartet on the Middle East, comprising the EU, Russia, United Nations and the USA, is a framework for the international community to provide policy coordination in the peace process.

The Arab Peace Initiative (API) is an important point of reference for any relaunch of negotiations, and the EU will continue to work with its partners in the Quartet and in Arab states to renew the multilateral approach to the peace process and recreate the space for meaningful negotiations toward the two-state solution, including through the action of its Special Representative.

The EU has urged both sides to demonstrate, through policies and actions, a genuine commitment to a two-state solution in order to rebuild trust and create a path back to meaningful negotiations, and to avoid any action that could undermine peace efforts and the viability of a two-state solution. The EU is remaining engaged politically in the MEPP via policies which aim to maintain the viability of the two-state solution and encourage the parties to return to negotiations. The EU has called for significant transformative steps to be taken by the parties to the conflict, consistent with the transition envisaged by prior agreements, in order to restore confidence and rebuild trust. It has urged both sides to implement such measures, particularly in Area C, where a fundamental change of the Israeli occupation policy would significantly increase economic opportunities, empower Palestinian institutions and enhance stability and security for both Israelis and Palestinians.

The Council Conclusions of 20 June 2016 reiterated the need of both parties to demonstrate, through policies and actions, a genuine commitment to a peaceful solution, in order to rebuild mutual trust and create conditions for direct and meaningful negotiations aiming at ending the occupation. The Council also

reaffirmed the European proposal, as endorsed in the Council Conclusions of December 2013, of an unprecedented package of political, economic and security support to be offered to and developed with both parties in the context of a final status agreement.

On 23 September 2016 the Quartet reiterated its call on the parties to implement the recommendations of the Quartet Report of 1 July 2016 and create the conditions for the resumption of meaningful negotiations that will end the occupation that began in 1967 and resolve all final status issues. It expressed concern about recent actions on the ground that run counter to its recommendations. In particular it emphasised its strong opposition to ongoing settlement activity, including the retroactive "legalisation" of existing units, and the continued high rate of demolitions of Palestinian structures, expressed concern for the dire humanitarian situation and illicit arms build-up in Gaza and called on all sites to de-escalate tensions and prevent incitement.

The UNSCR 2334 of December 2016 reaffirms that Israel's establishment of settlements in Palestinian territory occupied since 1967, including East Jerusalem, has no legal validity, constitutes a flagrant violation under international law and a major obstacle to the vision of two States living side-by-side in peace and security, within internationally recognised borders.

In September 2017, EU Foreign Ministers reaffirmed the EU´s unity and commitment to the goal of two states living side by side in peace and security. Against that background, a comprehensive review of the modalities of EU engagement on the ground has been launched in 2018 to ensure that our engagement is as efficient and as effective as possible to reach the goal of a two-state solution. Relevant considerations stemming from the review areare reflected in this initiative.

The EU and its Member States have reiterated their commitment to ensure continued, full and effective implementation of existing EU legislation and bilateral arrangements applicable to settlements products, whilst noting that this does not constitute a boycott of Israel, which the EU strongly opposes. The European Commission, at the request of Member States, has issued in 2015 an interpretative notice to clarify certain elements linked to the interpretation and implementation of existing EU legislation on the indication of origin of products from territories occupied by Israel since June 1967.[5]

Already in 2013, the European Commission published Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prises and financial instruments funded by the EU from 2014 onwards[6], clarifying EU policy with regard to the territorial applicability of EU legislation and bilateral EU-Israel agreements. The Guidelines make a specific exception (section 15) for activities which are carried out by Israeli entities over the

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[5]   Interpretative Notice on indication of origin of goods from the territories occupied by Israel since June 1967, 11.11.2015 C(2015) 7834 final. The content of the notice was confirmed by a ruling of the Court of Justice of the European Union (Judgment of the Court of 12 November 2019 in case C-363/18, Organisation juive européenne and Vignoble Psagot Ltd v Ministre de l'Économie et des Finances, ECLI:EU:C:2019:954).

[6]   Official Journal of the European Union C205/9 19 July 2013 at: https://eeas.europa.eu/sites/eeas/files/20130719_guidelines_on_eligibility_of_israeli_entities_en.pdf

Green Line which aim at promoting the Middle East peace process in line with EU policy, provided that they are registered within pre-1967 border.

As regards the situation in Gaza, the EU has urged all parties to take swift steps to produce a fundamental change to the political, security and economic situation in the Gaza Strip, including the end of all rocket fire, the end of the use of live ammunitions against unarmed civilians, the end of the closure and a full opening of the crossing points, the lifting of import and export restrictions, while addressing Israel's legitimate security concerns.

The EU has urged all Palestinian factions to engage in earnest in the reconciliation process, based on non-violence, as an important element for reaching the two-state solution. Strong, inclusive and democratic institutions, based on respect of the rule of law and human rights, women's rights, and working together to address the needs of the Palestinian population, including through the return of the Palestinian Authority (PA) to Gaza, are crucial in view of the establishment of a viable and sovereign Palestinian State.

In addition, the necessity of an increased participation of women and youth should be actively promoted in line with the UN Security Council Resolution (UNSCR) 2250, UNSCR 1325 and the EU Strategic Approach to Women, Peace and Security 2018. According to its Resolution 1325, adopted in 2000, the UN Security Council stated the necessity of women's full and meaningful participation in all efforts to maintain and promote peace and security and to prevent conflict. The EU Strategic Approach recognises gender equality and women's empowerment as a prerequisite for dealing with the conflict cycle (prevention, management and resolution), and it is in full synergy with the EU Gender Action Plan 2016-2020 which also addresses women and girls in conflict, post-conflict and peacebuilding through the WPS agenda., and by supporting women's full participation in political and public life, and in decision making processes, including peace processes and conflict resolution. The EU Strategic Approach emphasises the importance of women's leadership and agency in all areas of policy and programming related to peace and aims to ensure that women and girls from diverse and variable backgrounds are entitled to participate equitably and substantially in preventing and resolving conflicts and conflict-related violence. When it comes to Youth, the UN Security Council Resolution 2250 emphasis on the need to engage youth inclusively in sustainable social and economic development and to promote their involvement in planning and policy-making, political participation, violence prevention, and promotion of societal peace by means of positive change towards peacebuilding in conflict. However, despite the approval of Resolution 1325 and Resolution 2250 by both Palestinian Authority and Israeli government, the inclusion of women in the political aspects of MEPP remains minimal.

1.3   Stakeholder analysis

The main stakeholders of the programme are: i) non-profit Non-State Actors such as civil society organisations (CSOs), including women's CSOs, local and international non-governmental organisations (NGOs) and Community Based Organisations (CBOs), professional associations, universities, media and independent foundations, research institutes; ii) local authorities; iii) political and religious leaders; iv) opinion-formers in Palestine and Israel, as well as their European partners.

Particularly, the civil society through their capacity to reach to the grass-roots level, can be effective in ensuring that national or more macro-level initiatives reflect real needs and perspectives on the ground. In this context, specific attention will be given to women and youth needs and perspectives.

The final beneficiaries are the Israeli and Palestinian populations and the people of the Middle East.

As the political situation has deteriorated further on the ground over recent years, despite attempts to revive peace talks, support for the two-state solution continue to decrease among Palestinians and Israelis, with each side continuing to view the intentions of the other as posing an existential threat. A plurality of Israelis and Palestinians, respectively, believe that settlements have expanded so much that the two-state solution is no longer viable. Theongoing debate in the Israeli political arena on a possiblepossible annexation of the Jordan Valley – and, after the presentation of the US initiative of January 2020, of large areas of West Bank – significantly increased the percentage of those who believe that the two-state solution is no longer practical. As in the past, feasibility is intrinsically linked to support to the two-state solution.

Furthermore, large majorities on both sides believe that the other side is untrustworthy and does not want peace. Although still both sides continue to prefer the two-state solution to all other conflict resolution options, findings from a recent poll[7] in Palestine show, in parallel to a significant decline in support for a two-state solution, an increased support for armed struggle.

In such context and considering the asymmetry in power relation that exists between the parties, engagement in MEPP and peacebuilding in general is often understood differently by Israelis and Palestinians. The differing goals and needs of the two people influence perceptions of the impact and legitimacy of peacebuilding efforts. Within their own societies, those who actively support peacebuilding struggle for legitimacy against campaigns of de-legitimisation.

In the Palestinian community, there is a growing unwillingness to work with Israeli organisations that do not recognise essential human rights of Palestinian people including the right to self-determination and do not subscribe to ending the occupation. On this regard, anti-normalisation movements in Palestine have been increasingly vocal in advocating for a freeze of all joint activities between Palestinians and Israelis. This is impacting negatively the perception of the programme and tends to delegitimise EUPI partners and their work and poses security concerns for the beneficiaries and their target groups. On the other end, there is a growing demand for intra-Palestinian reconciliation, as a mean to reduce internal conflicts and strengthen unified position for negotiation. Israeli society, in turn, has experienced a polarisation of political positions, resulting in a de-legitimisation of moderate opinions, including those that traditionally support peace. Israel's *peace-camp*, whether measured in individuals, organisations, or political representation, has shrunk in recent years and increasingly finds itself framed as undermining Israel's national interests.

However, despite the growing disillusionment with the MEPP, the future of Israeli-Palestinian relations remains an important issue for both societies, and is reflected in

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[7]   http://www.pcpsr.org/en/node/773

the overwhelming attention paid to it in the media and political commentary. It is also noted that despite the unfavourable political environment and the lack of negotiations, the last EUPI call for proposals published in December 2018 has attracted over one hundred applications (approx. 55% Israeli lead applicants, 30% Palestinian lead applicants and 15% International lead applicants), thus indicating a continued interest in peacebuilding work, including joint work, despite the difficult circumstances.

1.4   Problem analysis/priority areas for support

The ability of civil society to affect the political agenda and push the peace process forward is generally limited by the deteriorating conditions on the ground, lack of popular support for what is perceived to be a failed peace process, and increasing pressure on CSOs which oppose government policy.

The political environment has a direct impact on the work done by Israeli and Palestinian CSOs that work towards an end to the conflict. During periods of direct peace talks, activities gain momentum, while during the outbreaks of conflict (such as the recent rounds of violence in 2014 and 2015, the 2017 USA president announcement on Jerusalem) or during periods of deteriorating conditions on the ground (such as during recent announcements of further settlements expansion in East Jerusalem and Area C and of intentions to annex the Jordan Valley) activities tend to be negatively affected, albeit temporarily.

The last years have also witnessed a more restrictive environment for CSOs and human rights defenders operating both in Palestine and Israel. Democratic space is increasingly being challenged, in particular for CSOs operating in Palestine, from different angles: financial pressure, political pressure, cultural pressure but also in the form of violence and intimidation. In this particular moment, CSOs are being marginalised by all sides: the Palestinian Authority, the de facto authority in the Gaza Strip and Israel. Israel is putting pressure especially on the CSOs present in East Jerusalem, CSOs involved in "non-violent resistance" or supportive of the Boycott, Disinvestment and Sanctions (BDS) movement (to whose activities the EU is opposed), and the Israeli Human Rights and anti-occupation NGOs.

Israelis and Palestinians live in separate societies whose relations are defined by the accumulated scars of generations of violent conflict, mutually exclusive historical narratives, the Israeli occupation of the Palestinian territories since 1967 and subsequent illegal annexation of East Jerusalem and ongoing settlement expansion. The physical separation of the two people since the start of the construction of the separation barrier in 2002, in additional to the movements restrictions imposed by Israel on West Bankers and Gazans (the latter culminating in the closure and imposition of the land, air and sea blockade of the Strip since 2007), leaves very little space for the two people to interact and recognise "the Other".

When it comes to gender equality, Israeli and Palestinian women are facing partly different challenges. The impact of the political environment and statehood development - both at institutional and economic level - on the Israeli and Palestinian population in general, and on women in particular is different. Israel is a developed country,, member of the *Organisation for Economic Co-operation and Development*. It presents a highly gender equality-oriented legal and legislative system, due in large part to many years of feminist activism and a lively civil society arena. Despite this, there are obstacles – mainly political, national and cultural – that put hurdles in the

way of gender equality. Two challenges are unique to Israel: (1) the centrality of the military in many aspects of everyday life and (2) the undefined (or unclear) boundaries between state and religion. These constitute unique elements of increasing gender inequality and present additional challenges to gender equality in Israel, in addition to the basic gender challenges that already affect the lives of women all over the world. They also affect traditional gender challenges such as economic inequality, gender based violence and mobilisation. In Palestine, there is a deficit of women's access to decision making processes and representation. In addition, women face increased unstable environments, inequality and violation of their human rights as a consequence of the increased human rights violations, acts of displacement, economic insecurity and marred social networks. The complex factors hindering Palestinian women and their families' well-being lie in protracted crisis characteriszed by restrictions on movement and access, increased settlement expansion and settler violence, demolitions of Palestinian infrastructure and displacement, fragmentation and closure of the territories. This together with a patriarchal society and discriminating cultural and religious norms (such as Sharia Law) prescribing acceptable behaviors have an impact on access to adequate health services, access to justice, access and quality of education, violence against women, discrimination in social protection, access to labour market and employment, social security and political participation. Although policies, programmes and the overall institutional framework are in place in Palestine, their adequate implementation and enforcement remains an issue.

When it comes to Youth, despite Palestinian and Israeli young women and men being currently the largest segment in society (71% of the Palestinian population is younger than 30 and one-third of the population comprises young people aged 15-29; in Israel 49.7% of the population is younger than 30 and 21.7% is comprised of youth between the ages of 15 and 29), youth issues do not receive adequate attention and fail to occupy a central position in the decision-making agenda. In Palestine, this is in spite of the urgent need for Palestinians to build a more efficient economic, political and social system and stands in direct contradiction to youth's potential of positively contributing to the state, society and communities as the creators of development and builders of a peaceful society. As recognised by the Amman Youth Declaration, that presents a common vision and roadmap towards a strengthened policy framework to support young women and men, youth has a pivotal role in transforming conflict, preventing and countering violence and building sustainable peace. This recognises the significance of: meaningful participation and leadership in decision and policy-making; recognition and support of youth networks, organisations and individual initiatives; promotion and protecting of the rights of girls and prevention of gender-based violence; and prioritizing investing into youth socio-economic development.[8] A growing body of evidence suggests that young women and men can and do play active and valuable roles as agents of positive and constructive change[9]. If young people are invested in building their capacity and understanding of peace and sustainable development in society, they are able to effectively engage as active citizens. By undertaking activities that equip them with the relevant knowledge, attitudes, skills and practices, they are able to create positive

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8 Framework for UNFPA's Resilience Building Approach in the Arab States Region, 2016
9 R. Coomaraswamy, A Global Study on the Implementation of UNSCR 1325, 2015

change at all levels in their community and society[10]. Israeli and Palestinian youth-led movements taking place at the local and national level have enormous potential to help build a more peaceful society and catalyse more democratic, inclusive governance.

Taking into account the complex social and political environment in which it operates, the EUPI will be tackling a number of mutually reinforcing priority areas that aim to enhance the attempts by EU and international actors to move Israelis and Palestinians towards an agreed settlement to the conflict:

1. Engagement of a wide range of stakeholders and constituencies, particularly if unconvinced or less committed, is necessary in order to broaden support to the MEPP and the two-state solution vision and to build mutual confidence. Ensuring broadest levels of engagement in solving the conflict is not only important as a democratic principle, but also to encourage realistic and accepted solutions, while ensuring that all actions are coherent with and support the framework of overall EU policy on the MEPP. This means civil and political engagement of women and men at large and of communities from both sides who are not generally active or visible in conflict resolution but are fundamental for conflict transformation. This also means creating space for engaging with (?) people and communities, from both side, who are opposing or not supporting of the MEPP and a negotiated two-state solution but are again fundamental for conflict transformation. This is particularly necessary at grass-roots level initiatives engaging with women and youth (young women and men). Investing in women and youth's contributions to conflict transformation, as opposed to conflict management, is an important move towards the prevention of further violence, as well as the creation of favourable conditions for supporting negotiations and ultimately the sustainability of the attained peace agreement.

2. The values of equity, just and sustainable peace, non-violence and tolerance, respect of human rights as a set of value supportive of peaceful coexistence need to be fostered between parties in conflict in order to alter the discourse between Israeli and Palestinians. Understanding of these values, also through learning from successful settlement of conflicts in other countries, is a fundamental factor in reaching a sustainable resolution. In this regard, activities range from combatting incitement and misinformation to encouraging understanding of 'the Other' and recognition of 'the Other' as holder of human rights, eliminating stereotypes, including gender stereotypes, combatting misinformation, promoting peaceful conflict resolution and focusing on culture, social and religious values that support peaceful coexistence, and promote attitudes and skills for conflict prevention, peace building and global citizenship. Such activities can occur within educational institutional frameworks, in a public environment and/or tailored safe spaces, depending on the target groups, especially by creating space for exchange of experiences and interactions, diffusing positive Israeli-Palestinian coexistence experiences, spreading human rights values as supportive of peaceful coexistence also through media and social networks, and through joint learning from European experiences.

Engaging youth (young men and young women) and women, as agents of positive change at societal level, in conflict prevention and transformation and in building a

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9   Young People's Participation in Peacebuilding, United Nations Inter-agency Network on Youth Development, 2016.

culture of peace - based on human rights according to international standards - within both societies is again an important move towards the prevention of further violence as well as the creation of favourable conditions for supporting negotiations and ultimately the sustainability of a peace agreement. Furthermore, in line with UN Security Council Resolution 1325 and EU Council Conclusions on WPS, women's involvement in conflict prevention activities would contribute to a greater understanding of the different needs of men and women in conflict, to the gender-related root causes of violence (often overlooked when women are framed as passive victims of violence), and ultimately to the engagement of women as actors and agents of peace.

3. Whilst **cross-border co-operation** between Israelis and Palestinians is subject to increasing anti-normalisation pressure, misinformation and is viewed with increasing suspicion, experience shows that this kind of actions can contribute to build confidence and mutual understanding between the sides, if based on the mutual interest of the parties. With the aim of maintaining the conditions for the viability of the two-state solution, joint actions will be promoted by demonstrating the practical potential dividends of peace and co-operation. Acknowledging the asymmetry between Israeli and Palestinians, actions shall directly empower and benefit the communities affected by the conflict. By working together in sectors or areas of mutual interest, violence and misinformation can be counteracted and hope can be instilled, hence contributing to building peace. This includes strengthening the CSOs who want to increase joint work for a stronger advocacy impact vis-à-vis both the internal and the international arena. Encouraging more interaction between IsraeliIsraeli and Palestinian Non-State Actors by supporting activities that contribute to creating an atmosphere conducive to peace is in line with the EU review of the modalities of our engagement on the ground. Attention will be paid in supporting activities which involve and benefit youth and women.

2   RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Disruption of activities linked to instability of the political situation	M/H	Flexibility in implementation, for example using flexible procedures for crisis and emergency situations
Joint activities lack participation due to social/political pressures	M	Whenever necessary due to sensitivity and security, beneficiaries should be granted confidentiality and the visibility of their activities could be kept low
Lack of permits for Israelis and Palestinians to enter each other's territories	M	Delegations to facilitate permits requests also through direct coordination with relevant Israeli authorities
Lack of permits to enter/exit Gaza both for people and goods	H	Delegations to facilitate permits requests also through direct coordination with relevant Israeli authorities
Assumptions		

- Targeted civil society organisations continue to seek the support of the programme, as evidenced by the constant high number of applications to calls for proposals.
- Security situation will remain conducive for peacebuilding related activities.

3 LESSONS LEARNT, COMPLEMENTARITY

3.1 Lessons learnt

An external evaluation and consultation of the EU Partnership for Peace programme (PfP) was conducted from December 2013 until January 2015. During the consultation phase, interviews, meetings and focus groups were held with a range of Israeli and Palestinian stakeholders, including journalists, politicians, youth, women and religious groups. European Non-Governmental Organisations (NGOs) and EU staff in HQ and Delegations were also consulted. This resulted in a number of specific recommendations that have informed the programming of the EUPI programme to date and lead to rename the programme *EU Peacebuilding Initiative* as a way to counteract the negative public perception of the former programme name "Partnership for Peace".

The evaluation further assessed that whilst projects funded under the EU Partnership for Peace programme were generally positive, most projects were not found to directly impact on peace negotiations. Given the disillusionment that Israelis and Palestinians have in the peace process, it was recommended that the programme reduces its direct linkage to MEPP. However, overall the EU policy on the MEPP remains a relevant factor in outlining a solution, acceptable to significant parts of both populations, and requires reinforcement to counteract influences which can pull in other directions. EU positions are also sometimes subject to misinformation when reported in the local media.

The external evaluation and other consultations conducted by the EU, have pointed consistently to a high level of satisfaction of the complementarity of the three areas covered by the programme: 1) promoting political resolution, 2) dialogue and mutual confidence and 3) cross-border co-operation. This was seen as important in outreaching to a wide range of stakeholders, rather than being limited to only certain kinds of organisations or population groups.

Given the difficult political situation, peacebuilding projects often require significant support and attention from the EU Delegations. In addition to a high level of involvement by Task Managers, specific service contracts were introduced aimed at enhancing skills of project beneficiaries (e.g. trainings on monitoring and evaluation, reporting, outreach, advocacy and public diplomacy), as well as supporting communication and visibility activities which often require additional efforts in view of the complex context and need to be specifically tailored on each of the two public in order to be effective. In addition, with regular contacts between Israelis and Palestinians dwindling, these joint activities provide valuable and safe networking opportunities, adding to the coherence of the programme. All these actions have been well received and valued by project partners and have added value to the programme, and its objectives, as a whole.

3.2 Complementarity, synergy and donor co-ordination

The Programme will take into account, seek complementarities and avoid duplication with bilateral and regional actions, in particular under the European Instrument for

Democracy and Human Rights[11], the Civil Society Facility and the Civil Society and Local Authorities Thematic Programme, the Instrument contributing to Stability and Peace (IcSP)[12], the East Jerusalem Programme[13] and the foreseen thematic action on Youth, under the EU bilateral assistance to the Palestinians and Cross Border Cooperation programmes.

In general, donor co-ordination as regards peace-building initiatives has been limited, reflecting diverse strategies, sensitivities and funding mechanisms for this type of activities. Notwithstanding, informal co-ordination efforts amongst donors active in people-to-people work, has stepped up in recent years, with the aim to share information on ongoing actions and partners on a more regular basis.

4 DESCRIPTION OF THE ACTION

4.1 Overall objectives, specific objectives, expected outputs and indicative activities

In alignment with the EU Council Conclusions on the Middle East Peace Process (MEPP), the **overall objective** of the programme is: to support and promote the conditions for a sustainable resolution of the Israeli-Palestinian conflict through civil society and citizens' positive engagement, helping to maintain and foster the conditions for the viability of a negotiated two-state solution

The **specific objectives** of the programme are:

1) Promoting conditions for a negotiated settlement of the conflict via participatory civil and political engagement of men and women;

2) Fostering mutual understanding, tolerance and trust amongst Israelis and Palestiniansincluding at grass roots level.;

3) Fostering cross-border cooperation between Israelis and Palestinians based on mutual interests.

The **expected outcomes** of the programme are:

1.1) Citizens (women and men) support and advocate for political efforts so that the resolution of the conflict is reinforced.

2.1) Commitment to the values of peace, tolerance, non-violence and human rights as a set of value supportive of peaceful coexistence; and understanding of how these values have contributed to resolution of conflicts is strengthened within diverse communities.

2.2) Better understanding of barriers to conflict resolution caused by misinformation, incitement and biased narratives amongst Israelis and Palestinians is fostered.

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[11]   Regulation (EU) No 235/2014 of the European Parliament and the Council of 11 March 2014 (OJ L 77, Vol. 57 15 March 2014), establishing a financing instrument for democracy and human rights worldwide. Available at: (http://www.eidhr.eu/files/dmfile/EIDHR.2014-2020.pdf).

[12]   Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace (OJ L 77/1, 15.3.2014).

[13]   Commission Implementing Decision of 20.7.2016 on the Annual Action Programme 2016 part 2 in favour of Palestine to be financed from the general budget of the European Union, C(2016) 4671.

2.3) Confidence between both sides and better understanding of the benefits of the two-state solution is supported.

2.4) Fear and mistrust between Israelis and Palestinians is reduced.

3.1) New policy arrangements are put forward in strategic areas of mutual interest.

3.2) Stronger advocacy is carried out jointly by CSOs (including Women CSOs) and by other Non-State Actors in the local and international arena in favour of a peaceful settlement of the conflict and a negotiated two-state solution.

The **indicative activities** under the programme include:

(1) initiatives aiming at supporting participatory and inclusive civil and political engagement of women and men on both sides through advocacy and awareness-raising for peace-oriented policy-shaping initiativesincluding at the grass-roots level; capacity-building support to peace activists and mediators; actions that increase youth and women's participation in peacebuilding initiatives; initiatives aiming at broaden support, at local and/or international level for a negotiated two-state solution; collecting, researching, documenting and disseminating information in service of the two-state solution, including the consequences of continued confrontation; initiatives aiming at strengthening Non-state actors cross-border networks, platforms and fora;

(2) initiatives aiming at building mutual understanding, tolerance and trust by: deconstructing traditional narrative about "the other" and fighting stereotypes (including gender ones); trauma healing counteracting incitement and misinformation; promoting a culture of peace and cultural-diversity; promoting inter-religious dialogue; promote values, skills and attitude that foster sustainable peace by cultivating fairness and mutual respect;

(3) Initiatives that harness the mutual interests of Israelis and Palestinians to foster cross-border cooperation at the level of policies and institutions; actions that positively influence policies at the level of bi-lateral relations, such as fostering policies that are conducive to co-operation and resisting those that are detrimental to such cooperation.

4.2   Intervention logic

As a strategic programme, the EUPI aims to support actions that can lead to an improved atmosphere in which peace negotiations can operate and progress, or at the other end, to prevent escalation of violence. This means addressing near-term needs, such as the strengthening demand for peace negotiations among Israeli and Palestinian societies, as well as longer term needs to prepare local populations for a sustainable peace agreement and the practicalities of 'the day after'.

The three specific objectives of the programme contribute towards the overall objective by promoting peacebuilding amongst both societies in three different dimensions: political, attitudinal, and relationship-building.

Diverse and mutual reinforcing objectives allow the programme to reach to a wider range of stakeholders and beneficiaries, while specifically focusing in a cross-cutting way on youth (young men and young women) and women as agents of positive change, rather than being limited to only certain kinds of organisations or population groups, also in line with the priorities of the Gender Action Plan.

4.3 Mainstreaming

The EUPI will seek coherence with the EU Comprehensive Approach to the implementation of the United Nations Security Council Resolutions 1325 and 1820 on Women, Peace and Security[14] by encouraging initiatives directly addressing women and the meaningful participation of women in the analysis, design, planning, actions and evaluation. Engagement of women has remained a priority under the programme and is in line with the **Joint Staff Working Document on Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020**[15]. The Gender Action Plan and a Right-Based Approach will guide the Call for Proposals through commitment to the promotion, respect and protection of individuals' rights in view of international conventions and principle and safeguarding human rights, despite of internal vulnerabilities and external pressures.

Furthermore, the EUPI will also seek coherence with the approach of UN Security Council Resolution 2250 that emphasises the need to engage youth inclusively in sustainable social and economic development and to promote their involvement in planning and policy-making, political participation, violence prevention, and promotion of societal peace by means of positive change towards peacebuilding in conflict.

Cross-cutting issues such as environmental sustainability and rights of persons with disabilities will be given due consideration in the context of the programme by respectively encouraging applicants to adopt a mainstreamed approach and raising their awareness on environmentally friendly and inclusive operations.

4.4 Contribution to Sustainable Development Goals (SDGs)[16]

This intervention is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG 16 "*Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and built effective, accountable and inclusive institutions at all levels*, while also contributing to SDG 5 "*Achieve gender equality and empower all women and girls*". Israel is in the process of establishing country specific SDGs targets, which will be taken into consideration whenever relevant.

5 IMPLEMENTATION

5.1 Financing agreement

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

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[14] http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2015671%202008%20REV%201
[15] https://ec.europa.eu/europeaid/sites/devco/files/staff-working-document-gender-2016-2020-20150922_en.pdf. See Objective 17: Equal rights and ability for women to participate in policy and governance processes at all levels.
[16] If a partner country has established country specific SDGs targets (as foreseen by the UN Resolution on SDGs agree in September 2015), the text may also refer to those country specific SDG targets, assuming data for the corresponding indicators are available and of adequate quality.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

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

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with the EU restrictive measures[17].

5.3.1 Grants (direct management)

(a) Purpose of the grants

Each action grant has its own objectives and expected results deriving from the specific situation the action intends to address, within the scope of the objectives and results described in section 4.

As per the type of actions eligible for financing, they must be in line with the activities described in section 4. Actions will cover a range of Non-state actors initiatives, and where relevant may involve governmental, international organisations and private sector stakeholders. Within the three specific objectives identified, priority will be given to initiatives:

- Engaging youth (young men and young women) in conflict transformation and in building a culture of peace based on human rights according to international standards within both societies;

- Empowering women and enhancing their role and meaningful participation in conflict prevention and conflict transformation as agents of positive change at societal level;

- Engaging stakeholders and constituencies that are traditionally less exposed or less, or not at all, committed to the MEPP and the two-state solution vision.

Proposals should be designed according to a Right-Based Approach, taking into account the following working principles: (i) legality, universality and indivisibility of human rights, (ii) participation, (iii) non-discrimination and equal access, (iv) accountability, (v) transparency and access to information[18].

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

[18] Cf. Council conclusions on a rights-based approach to development and Tool-box – a rights-based approach encompassing all human rights for EU development co-operation: https://ec.europa.eu/europeaid/sectors/rights-based-approach-development-co-operation_en.

Proposals should build on a clear local dimension, take into account past experiences and consider sub-granting mechanism for actions when relevant. The role of international organisations and partners within the partnerships should focus on the transfer of knowledge, mediation and/or innovation, helping the local organisations to strengthen relationships with their constituency and amplifying their outreach capacity.

Particular attention will be paid to prevent that EU-supported activities contribute to incitement to hatred and/or violence. Implementation of this action will be in line with the intent of the EU Framework Decision on racism and xenophobia.

All actions must be consistent with EU foreign policies on a negotiated two-state solution.

All actions, regardless of the objective, must be implemented in Palestine and/or Israel, and/or in EU Member States if directly involving Israeli and Palestinians. Specific activities, within the scope of the action and if duly justified, can be implemented in the region and/or abroad.

(b) Type of applicants targeted

In order to be eligible for a grant, the lead applicant must:

- be a legal person and

- be non-profit-making and

- be a specific type of organisation such as: non-governmental organisation, public sector operator, local authority, international (inter-governmental) organisation as defined by Article 156 of the EU Financial Regulation[19] and

- be established[20] in a Member State of the European Union or one of the ENI South countries (Algeria, Egypt, Israel[21], Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia), or a country that is the beneficiary of Pre-Accession Assistance (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia, the former Yugoslav Republic of Macedonia, Turkey) or a Member State of the European Economic Area (Iceland, Liechtenstein, Norway) (this obligation does not apply to international organisations)

- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

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[19] International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies are also recognised as international organisations.

[20] To be determined on the basis of the organisation's statutes which should demonstrate that it has been established by an instrument governed by the national law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a "Memorandum of Understanding" has been concluded.

[21] With regard to Israeli entities, the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prises and financial instruments funded by the EU from 2014 onwards (OJ C 205, 19.7.2013, p. 9) shall be respected.

Other essential characteristics of the potential applicants, such as their place of establishment shall be specified in the guidelines for applicants of the call for proposals. The default scope may be narrowed down in terms of nationality, geographical location or nature of the applicant where it is required on account of the specific nature and the objectives of the action and where it is necessary for its effective implementation (Article 8(7) CIR).

5.3.2 *Procurement (direct management)*

The programme will continue supporting programme's implementation support measures, such as joint capacity building and networking activities for EUPI grant beneficiaries and potential grant beneficiaries and implementation support to the contracting authorities.

5.4 Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
Grants – total envelope under section 5.3.1	4 450 000	N.A.
Procurement – total envelope under section 5.3.2	300 000	N.A.
Evaluation (cf. section 5.8) **Audit/ Expenditure verification** (cf. section 5.9)	will be covered by another Decision	N.A.
Communication and visibility (cf. section 5.10)	250 000	N.A.
Total	**5 000 000**	**N.A.**

5.6 Organisational set-up and responsibilities

The programme will continue to be co-managed by the Office of the EU Representative to West Bank and Gaza, UNRWA (EUREP) located in East Jerusalem and the EU Delegation to Israel (DELTA) located in Tel Aviv.

The call for proposals will continue to be administered by EUREP as the Contracting Authority while fully coordinated with DELTA. EUREP and DELTA services will continue working jointly in the process of projects' selection as well as for the organisation of joint events, if any. They will also attend events, meetings and monitoring visits together when relevant and keep each other regularly informed on the projects progress.

As a general principle, the distribution between the different delegations in terms of contract/project management is made on the grounds of the nationality of the applicant: Palestinian and European beneficiaries are processed by EUREP whereas Israeli beneficiaries are processed by DELTA.

The management of the procurement contracts will be divided between EUREP and DELTA, in principle, on the basis of the location of the activities and nationality of contractors.

5.7 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partners' responsibilities. To this aim, each implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding gender responsive indicators and sex-disaggregated data whenever possible, using as reference the logframe matrix.

SDGs indicators, GAPII indicators relevant to Women, Peace and Security and, if applicable, any jointly agreed indicators as for instance per the European Joint Strategy in support of Palestine 2017-2020 should be taken into account.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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

5.8   Evaluation

An external evaluation of the programme is carried out at regular intervals. The latest external evaluation was conducted from November 2013 until November 2014 covering the former Partnership for Peace programme and the period 2007-2013. Recommendations were duly taken on board in the design of the EU Peacebuilding Initiative Programme and in the definition of the next calls for proposals.

The mid-term evaluation of the EUPI programme for the period 2015-2019 isis being undertaken in 2020 aiming at assessing the performance of the programme and informing the post-2020 programming cycle.

The evaluation reports shall be shared with key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

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

5.9   Audit

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

The financing of the audit shall be covered by another measure constituting a financing Decision.

5.10   Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in,

respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

EU staff will continue to communicate widely on the programme as a whole and on the various individual projects. With regard to the latter, EU press and communication services remain involved in the delivery of training on EU communication and visibility requirements and assistance on any communication related activities.

It is foreseen that two contracts for communication and visibility may be contracted with a total maximum budget of EUR 250 000.

APPENDIX - Indicative Logframe matrix (for project modality)

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources of data	Assumptions
Impact (Overall Objective)	To support and promote the conditions for a sustainable resolution of the Israeli-Palestinian conflict through civil society and citizens' positive engagement	% of public support for a two-state solution (disaggregated by sex and age)	In August 2018, support for a two-state solution dropped at around 43% for both Palestinians and Israeli Jews	No further drop in public support for the two-state solution amongst Palestinians and Israeli Jews	Public surveys; opinion polls	*Not applicable*
Outcome(s) (Specific Objective(s))	1) Promoting conditions for a negotiated settlement of the conflict via participatory civil and political engagement of men and women; 2) Fostering mutual understanding, tolerance and trust amongst Israelis and Palestinians; 3) Fostering cross-border cooperation between Israelis and Palestinians based on mutual interests.	1) Number of political actions that support a negotiated settlement of the conflict 2) Number of unconvinced constituencies that actively participate to the Initiative 3) Number of policies/agreements/actions that support cross-border cooperation between Israelis and Palestinians	TBD at inception phase TBD at inception phase TBD at inception phase	2 actions 2 projects 2 policies or agreements or actions	Progress and evaluation projects' reports Information, and data provided by beneficiaries Published documents Media reports Public surveys	Instability of the political situation as well as escalation of violence will not prevent activities from being carried out and reverse positive effects of projects. Anti-normalisation (affecting willingness to participate in joint activities) will be contained and mitigated by low visibility of

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						selected events. Permits for Israelis and Palestinians to enter each other's territories are issued.
Outputs	*Expected outputs from projects:* Effective lobbying and political advocacy activities implemented Research and documentation reports developed Material promoting peace available for public Media and social pro-peace campaigns organised and well attended Training, workshops and conferences organised and well attended Joint activities (cross-border activities) implemented	Number of events, campaigns, trainings, workshops and conferences, including those gender sensitive. Number of participants in events, campaigns trainings, workshops and conferences (disaggregated by sex and age) Number of reports and publications Quantifiable media exposure and reach Number of strategic cross-border partnerships	TBD on information, and data provided by beneficiaries	TBD on information, and data provided by beneficiaries	Progress and evaluation projects' reports. Media reports.	Continued co-operation of Israeli and Palestinian peace organisations Continued commitment of all partner organisations to co-operate under the regional programme in promoting the two-state solution Sustained final beneficiaries interest in the two-state solution