

## ANNEX

of the Commission Decision on the Upgrading Basic Services in Communities in Lebanon  
Affected by the Consequences of the Conflict in Syria

### Action Fiche for the Upgrading Basic Services in Communities in Lebanon Affected by the Consequences of the Conflict in Syria

#### 1. IDENTIFICATION

Title/Number	Upgrading Basic Services in Communities in Lebanon Affected by the Consequences of the Conflict in Syria CRIS number: ENPI/2012/023316		
Total cost	Total estimated cost: EUR 12 million Total amount of EU budget contribution: EUR 12 million To be financed from the general budget of the European Union for 2012.		
Aid method / Method of implementation	Project approach – Joint Management (UNHCR, UNDP)		
DAC-code	14030 23030	Sector	Basic drinking water supply and basic sanitation Power generation from renewable sources

#### 2. RATIONALE

##### 2.1. Summary of the action and its objectives

The recent dramatically increasing number of refugees moving from Syria to Lebanon has changed significantly the work assumption around which the project “Stimulating sustainable growth and jobs opportunities in Lebanon” was initially designed in 2011. In most parts of the country, the economic and social resources of the host communities, which already suffer from severe poverty, are being overstretched. In this context, it was agreed with the Lebanese Government that the originally decided project was no longer suited to addressing the most important priorities of the Government. Instead, support to basic public services in the most affected host communities is requested, and this programme, now titled “Upgrading basic services in communities in Lebanon affected by the consequences of the Syrian conflict” will respond to this request. The action is aligned with the response plans of the Lebanese Government) and the UN and coordinated with the efforts of international community. The focus will be on improving water supply in Lebanese communities particularly affected by the influx of refugees. In parallel, this programme will honour a previous EU commitment vis-à-vis the Lebanese authorities to support energy efficiency and the development of renewable energy uses. This commitment was originally made under the earlier planned project “Modernising infrastructure in the face of climate change” of AAP 2013, which has been fully reoriented towards crisis response. The energy

component will support the continuation of the project “Country energy efficiency and renewable energy demonstration project for the recovery of Lebanon” (CEDRO).

## 2.2. Context

The continued conflict, violence and hardship in Syria force evermore Syrians to seek refuge, in particular in neighbouring countries. Lebanon has so far been the main recipient with more than 700 000 Syrian refugees registered or awaiting registration with United Nations High Commissioner for Refugees (UNHCR) in addition to approximately 45 000 Palestine refugees from Syria (PRS) recorded with the United Nations Relief and Works Agency (UNRWA) in Lebanon.<sup>1</sup> As some refugees are hesitant to register and as others still rely on own resources, the actual number of Syrian refugees is certain to be even higher.<sup>2</sup> The *Regional Response Plan 5* identifies for Lebanon needs amounting to USD 1.7 billion, until the end of the year. Also in this timeframe, it forecasts 1 million Syrian refugees requesting assistance, at least 80,000 Palestine Refugees from Syria, up to 49,000 Lebanese returnees as well as 1.2 million Lebanese in hosting communities severely affected by the refugee influx.<sup>3</sup>

Lebanon's overall energy demand continues to outstrip supply. In line with the energy strategy, the Government aims to achieve around-the-clock electricity services by 2014. Despite the lack of available resources, this requires substantial investment in the rehabilitation of old power plants and the construction of new ones. Lebanon has launched off shore gas exploration in the Levantine basin, but exploitation of gas resources are not expected in a short time frame. The severe energy shortages lead to daily power cuts of up to thirteen hours. Those who can afford it rely on fuel-operated backup generators. The refugee hosting communities, in particular in poor and remote areas, are increasingly affected by the lack of regular and sustainable energy resources.

### 2.2.1. Country context

#### 2.2.1.1. Economic and social situation and poverty analysis

Lebanon is characterised by regional socio-economic disparities with almost 30% of the population living under the poverty line and 8% under the extreme poverty line.<sup>4</sup> Due to the absence of a modern legal framework on decentralisation, a lack of appropriate human and financial capacities and a non-performing fiscal system the quality and accessibility of public services is often quite low.

The influx of refugees was initially concentrated in the northern region, but quickly expanded to also include the Bekaa Valley. There are now Syrian refugees in most parts of the country spread across more than 1 200 different locations, but the concentrations remain in the Bekaa Valley (33.8%) and in the north (33.3%), including

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<sup>1</sup> Being Palestinian, these refugees fall under the mandate of the United Nations Relief and Works Agency (UNRWA) and not UNHCR.

<sup>2</sup> According to Government of Lebanon figures, there is already more than 1 000 000 Syrians in Lebanon including refugees in need of assistance, refugees depending on own resources and a large number of Syrian workers already present in Lebanon prior to the conflict.

<sup>3</sup> Regional Response Plan 5, 7 June 2013. "Lebanese returnees" are individuals who formally are Lebanese but who lived their lives in Syria often for decades. They have fled Lebanon under conditions similar to those of Syrian refugees but fall outside the mandate of the UNHCR as they are formally nationals of the host country and therefore by definition not refugees.

<sup>4</sup> UNDP Poverty, Growth and Inequality in Lebanon, 2007.

the city of Tripoli.<sup>5</sup> Both regions are among the poorest in Lebanon and have been characterised by weak infrastructure and limited livelihood opportunities - even before the influx of refugees. With the increase in population there is increased strain on public infrastructure and services, inflation due to increased demand as well as increased competition for employment. This is particularly affecting vulnerable Lebanese and leads to increased tension between hosts and refugees.

The highly deficient Lebanese energy sector has not only a negative financial impact on public finance<sup>6</sup> but is an obstacle to growth, a situation which worsens as demand increases. While having achieved an electrification rate of 99% of the households, power outages are a daily occurrence in Lebanon. The Policy Paper for the Electricity Sector was approved in the Council of Ministers in June 2010 and allotted in September 2011 some USD 1.2 billion from the national budget. It foresees an increase of power production with 4.000 megawatts by 2014. But institutional and legislative blockages still hamper a sound development of the electricity sector. Although the subsidized electricity tariff remains low the billing system shows strong weaknesses (high rate of non payment of bills), illegal connections are substantial and no focused Government subsidies exist for support of the low income population.

#### 2.2.1.2. National development policy

As the Syrian conflict is highly divisive in Lebanon, the Government adopted a so-called "disassociation policy" vis-à-vis the conflict in the Baabda declaration of June 2012. This meant, *inter alia*, that the refugee issue remained largely un-addressed by the Government until December 2012 when the Lebanese Prime Minister launched its plan "*Response of the Government of Lebanon to the Crisis of Syrian Displaced Families*". The plan was the first official recognition of the urgency of the crisis and of the responsibility of the Government in dealing with it. The response plan presented a global approach that intends to bring together all the actors – the UN, local and international NGOs as well as donors - under the umbrella of the Lebanese Government. An inter-ministerial committee (IMC) headed by the Prime Minister was set up to implement the response plan. The Ministry of Social Affairs (MoSA) was put in charge of co-ordination.

Among the priorities identified by the response plan stand water supply, sewerage and waste disposal facilities. The construction, rehabilitation and operation of this kind of infrastructure require a stable and sufficient electricity supply, which is presently insufficient in most communities, in particular in poor ones.

#### 2.2.2. *Sector context: policies and challenges*

Following the resignation of Prime Minister Mikati 22 March 2013 the caretaker Government has not taken any major policy decisions concerning the refugee crisis, but on numerous occasions President Suleiman and cabinet ministers have referred to the refugee crisis as the main challenge facing Lebanon. The political landscape in Lebanon remains divided on the highly contentious question of Syria (pro- or anti-regime).

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<sup>5</sup> The remaining refugees who have approached UNHCR are in Beirut & Mt. Lebanon (20.1%) and the South (12.8%).

<sup>6</sup> State contribution to Electricity du Liban USD 1.1billion in 2010 contributing 32% to the expected total deficit (3.1% of GDP).

Lebanese authorities have so far allowed Syrians as well as Palestine refugees from Syria (PRS) to enter Lebanon and they have not prosecuted Syrian refugees who crossed the border outside official border posts for illegal entry or stay alone. This is positive, but in both cases these decisions are made ad hoc and therefore offer limited protection as they could be reversed or simply discontinued. Syrian refugees take refuge within Lebanese communities and not within designated camps as is the case for Palestine refugees in Lebanon.

The international response to the crisis in neighbouring countries (Egypt, Iraq, Jordan, Lebanon and Turkey) is managed by the UNHCR through the different Regional Response Plans (RRP) and the specific response within Syria is organised by OCHA through the Syrian Humanitarian Assistance Response Plans (SHARP) and organised on bi-annual basis. The RRP5 and revised SHARP (January-December 2013) were launched in Geneva on 7 June 2013 for a global amount of USD 4.4 billion to assist 6,8 million of people, the highest amount for a humanitarian appeal ever. The requirement for Lebanon is USD 1.7 billion including for the first time the appeal made by Government of Lebanon (USD 450 million).

Humanitarian assistance is being mobilised to address the humanitarian needs of the refugee population, e.g. food and shelter. In addition, non-emergency assistance has also been provided. However, it is clear that the needs of the Syrian refugees, as well as of the Lebanese host communities go beyond humanitarian assistance. In light of the vulnerability of the mostly poor host communities, there is an increased risk of tension between the refugee population and their hosts. There are already indicators of growing tension between the communities. As the number of refugees continues to increase, it is important to scale up activities addressing the medium to long term needs of both groups in order to mitigate as far as possible the risk of tensions.

Water supply is in a critical state and in most cities not continuously delivered. In some rural areas piped water supply networks do not exist. The already critical state of water sector infrastructure (characterised by high system losses and low revenues) is amplified by the increased demand following the influx of refugees.

With regard to energy, Lebanon is relying heavily on high emission factor fuels. In 2010, the Ministry of Energy and Water has developed a Policy Paper for the Electricity Sector which focuses on reducing the imbalance between energy supply and demand and developing the use of renewable energy. A "National Energy Efficiency Action Plan 2011-2015" (NEEAP) was approved by the Council of Ministers in November 2011, where Lebanon plans to increase the proportion of renewable energy in its energy mix to 12% by 2020. A first wind farm project is expected to be implemented in 2013. Comprehensive schemes for supporting SME's investments in renewable and energy efficiency measures have been initiated by the Central Bank (with EU's financial support). National programs promoting the use of solar water heaters are gradually expanding.

### **2.3. Lessons learnt**

The EU already has had success with adopting a two-step approach to refugee crises providing emergency humanitarian assistance while at the same time addressing medium to long term needs in host communities. The improvements made to local host communities can alleviate the pressure felt by hosts and refugees alike and play a significant role in reducing brewing tensions between the groups.

The co-ordination between the Government, the donor community and UN agencies has improved although substantial efforts are still to be made to increase the actual involvement beyond formal aspects of the Government in the response provided. In case a new Government is appointed, a new partnership will need to be established and developed to enhance the efficiency of the response.

All responses to the crisis, including previous responses through the European Neighbourhood and Partnership Instrument (ENPI), have shown that the situation on the ground develops faster and further than projections and the interventions designed. For that reason, a large degree of flexibility will be required for any intervention addressing medium to long term needs in order to allow for an effective response to the evolving needs of the beneficiary populations.

The CEDRO project which UNDP has been implementing since 2007 will phase out in 2013. It has already successfully taken part in many initiatives from the NEEAP. The Component 2 of this programme will finance a new CEDRO project which shall build upon the already achieved work in particular as regards the demonstration of innovative small-scale renewable energy infrastructure in urban and rural areas (hybrid photovoltaic panels, micro wind and pico-hydro power solutions), and the assessment of Lebanon's bio energy potential. Among the lessons learnt from CEDRO project stands the tremendous need to raise awareness of the population on the feasibility and opportunities of green energy solutions through pilot and demonstration projects, in particular in the most retired areas of the country.

#### **2.4. Complementary actions**

This action is complementary to the support already provided by the European Union, certain EU Member States, other donor countries, international organisations and NGOs, to address the humanitarian and non-humanitarian needs caused by the conflict in Syria and the substantial influx of refugees to Lebanon.

The European Commission has by June 2013 allocated EUR 65 million in emergency humanitarian assistance to Lebanon through the Commission's Directorate-General for Humanitarian Assistance and Civil Protection (ECHO) channelled via UN agencies and international NGOs. This includes multi-sectoral assistance in health, water and sanitation, shelter, protection and emergency response for refugees. The Instrument for Stability has so far contracted EUR 2.5 million with UNRWA to support PRS in the areas of shelter support and psychosocial support and might be intervening further in the future. Finally, EUR 143 million have been allocated from the ENPI budget. Several interventions have been made so far:

- *Support to areas affected by the influx of Syrian refugees to Lebanon*<sup>7</sup> (EUR 5 million) to address medium and long term needs in the areas of i) capacity building of host country institutions to handle the crisis (ministerial and municipal level as well as civil society organisations), ii) education and iii) local community empowerment;
- *Support to areas affected by the influx of Syrian refugees to Lebanon II*<sup>8</sup> (EUR 10 million) to address i) education, ii) child needs and vulnerabilities; iii) capacity

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<sup>7</sup> C(2012)3815 adopted on 7 June 2012.

<sup>8</sup> C(2012)9360 adopted on 14 December 2012.

- building of Lebanese institutions and structures, iv) local community empowerment, and v) vulnerabilities identified through a call for proposals;
- ***EU contribution to the 'Government of Lebanon Response Plan to the Syrian Crisis'<sup>9</sup>*** (EUR 30 million) to address i) education, ii) capacity building of Lebanese institutions, iii) child needs, iv) local community support, v) support to PRS, and vi) vulnerabilities identified through a call for proposals;
- ***EU Response to the Consequences of the Syrian Conflict in Lebanon*** (EUR 40 million) to address i) child care, education and youth; ii) strengthening Lebanese institutions; and iii) support education for PRS.

In addition to these new commitments, and considering the scale of the crisis Lebanon is facing, it has been decided to redirect a substantial part of the bilateral envelope for Lebanon to address the current acute needs. The present programme is also part of this reorientation which will predominantly address basic infrastructure needs (solid waste, water, sanitation, and the provision of green energy) and contribute to economic recovery in the areas most affected by the refugee influx.

Moreover, the mobilisation of other EU funding, notably from the Instrument for Stability (IfS), is being sought to address the challenges Lebanon is facing in the health sector as a consequence of the spill-over of the Syrian conflict.

Considering the specific sectors of intervention, complementary actions entail:

- ***Support for infrastructure strategies and alternative financing*** (EUR 9 million);
- ***Support to reforms and environmental governance*** (EUR 8 million);
- ***The Local Development Programme in North Lebanon*** which focuses on poverty alleviation in the most vulnerable region of Lebanon.
- ***“Comprehensive schemes for supporting SME's investments in renewable and energy efficiency measures”*** which receive EU and EIB support
- UNDP's project setting up the ***Lebanese Centre for Water Conservation and Management***;
- ***technical assistance by the “Gesellschaft fuer Internationale Zusammenarbeit (GIZ) and official US aid agency “USAid”*** to the Ministry of Energy and Water and the four Water Establishments in the country.

## **2.5. Donor co-ordination**

The EU has a close working relationship with the Lebanese Government, the main UN agencies involved in the response to the influx of Syrian refugees to Lebanon inter alia UNHCR, United Nations Development Programme (UNDP), UNICEF, World Food Programme (WFP), UNRWA, as well as with a number of international and national NGOs that often act as implementing partners for UN agencies, EU Member States and other donors.

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<sup>9</sup> C(2013)2348 adopted on 18 April 2013.

Since the beginning of the refugee influx, UNHCR coordinated the response in Lebanon with the Lebanese authorities. On a regional level, UNHCR leads the process of regional response plans. Since the launch of the Lebanese Government's response plan, UNHCR and the Government have worked closely to consolidate their interventions in Lebanon. UNHCR has the mandate to deal with all refugees apart from the PRS. UNRWA, being the specialised agency for Palestine refugees, has the mandate to care for all PRS coming to Lebanon.

Regular co-ordination meetings are being conducted at various levels. Some are donor oriented, others are technical in nature (e.g. water, sanitation and hygiene (WASH), energy, health, shelter, education, child protection) inviting all involved partners to participate. There are both meetings held at Beirut level as well as in the regions at field level. These regular meetings are co-ordinated by UNHCR and involve donors, implementing and other partners and increasingly Lebanese authorities.

The agreed overall distribution of interventions in the area of WASH between EU humanitarian funding (from ECHO) and development oriented assistance is that: ENPI funding will target on upgrading existing Lebanese infrastructures with a focus on host communities, while ECHO interventions will continue to focus on the WASH interventions primarily addressing the needs of the increasing refugee population. Coordination will continue with ECHO as it has been the case for previous ENPI-funded interventions to avoid duplication and promote complementarity. Close co-ordination with humanitarian actors and with EU Member States as well as the main national and international organisations involved in the response to the crisis and in water and energy projects is ongoing and will be maintained.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The **overall objective** of this project is to mitigate the impact of the Syrian crisis on Lebanon and to reduce Lebanon's fossil energy dependency.

The **specific objectives** of this project are:

- to improve basic services through public infrastructure at local level in areas most affected by the influx of Syrian refugees;
- to support renewable energy supply and energy saving options on local level, including communities hosting Syrian refugees.

#### **3.2. Expected results and main activities**

As outlined by the Lebanese Response Plan, and confirmed by a number of socio-economic assessments, a significant burden has fallen acutely on host communities in Lebanon as a consequences of the crisis in Syria. Many of them have been cut off from their traditional sources of affordable goods or services and economic opportunities in Syria. This adds to the already limited basic infrastructure, social services and employment opportunities in the regions closest to the Syrian border and most affected by the refugee influx. The Lebanese Government, the international community and the European Commission agree on the urgent need to support these communities.

The strategy of this programme (in line with the Lebanese Response Plan) will focus on delivering essential services to the most affected communities by increasing access to adequate clean water supply and renewable energy.

The intervention will contain two components to be implemented through joint management with UNHCR (water) and UNDP (energy).

### **Component 1 – Strengthening water supply in areas particularly affected by the consequences of the conflict in Syria**

This component will be implemented through UNHCR.

Expected results are:

#### **Result 1: Adequate water supply and lower water-related health risks in the targeted communities**

Activities under this result will focus on ensuring access to adequate supply of water for communities through construction and rehabilitation of water supply schemes.

Main activities may include:

- Laying/extension of pipe network;
- Protecting natural springs against contamination;
- Construction and/or rehabilitation of permanent water storage tanks;
- Rehabilitation or drilling of deep boreholes;
- Water quality testing and water treatment;
- Capacity building water authorities;
- Awareness raising on water management.

### **Component 2 - Renewable energy and energy saving actions**

Component 2 consists in the continuation of the CEDRO project, implemented by UNDP since 2007 (and phasing out in 2013), The pilot projects proposed under this component, featuring innovative technologies, address specific needs detailed in the "National Energy Efficiency Action Plan 2011-2015" (NEEAP), approved by the Council of Ministers in November 2011.

#### **Result 2: The targeted communities are aware of applicable renewable energy and energy saving and are trying their replication.**

Main activities will include:

- Financial incentives (through tailored subsidies) promoting the installation of small-scale renewable energy systems on high energy-consuming commercial/industrial sites (50-150 kW each);



- Setting-up a pilot "low-carbon/green powered" village (app. 60-80 houses);
- Implementing a pilot project on bio energy applications (forestry residues);
- Launching of targeted awareness campaigns
- Technical support to relevant public institutions concerning sector policy development.

The first three activities will, to the possible extend and needed, be implemented in communities particularly affected by the consequences of the Syrian crisis in Lebanon, based on existing socio-economic assessments as well as on their expected impact and sustainability.

### **3.3. Risks and assumptions**

It is widely expected that the Syrian crisis will be protracted and that the influx of Syrian refugees to Lebanon will continue. In light of the unpredictability of the political and security situation in Syria as well as Lebanon, the project will need to maintain a high degree of flexibility in order to be able to adapt to an evolving context.

Risks include:

- The Syrian conflict could spill-over more permanently into Lebanon. This could jeopardise the project and cut-off access to Lebanese territory for international organisations and actors;
- The current care-taker Government situation remains in place further hampering the ability of the Government to take the necessary decisions to deal with the crisis in a timely manner. A lack of decision making and adequate involvement of the Government in the response to the crisis could affect the overall effectiveness of the global response. Furthermore, capacity constraints in the public administration due to limited financial and human resources could impede the response to this crisis of unprecedented scale;
- Non-traditional donors could provide interventions outside the regulated international framework and outside the attention of established co-ordination mechanisms, which could lead to cases of duplication of support. Both in the areas of water supply and renewable energy, this risk is considered minimal.

### **3.4. Cross-cutting issues**

The *environmental impact* of the projects is expected to be positive as the intervention will assist Lebanese communities in coping with the increased demand for resources and environmentally relevant public services such as water supply and electricity from renewable sources.

The project will have a positive effect on *gender equality* as it will facilitate public services which are particular important for family health and women's health and security.

By working directly at local level, the project will significantly contribute to *good governance* and support Lebanese authorities in their response to the influx of refugees. In addition, community empowerment activities will engage citizens and refugees in the identification of needs and possible solutions to the challenges faced by affected areas.

Through its efforts to mitigate the impact of the influx of refugees the project will assist in defusing potential tension between refugees and host communities. This would positively affect refugee protection and *human rights* overall.

### **3.5. Stakeholders**

The following main stakeholders have been consulted during the preparatory period, and will continue to be so during implementation: for component 1, the Water Establishments and the municipalities; for the second component the Ministry of Energy and Water, the Lebanese Centre for Energy Conservation, municipalities and other beneficiaries from the actions financed under the CEDRO project.

Other stakeholders include local and international NGOs and organisations identified as implementing partners for the various activities.

The direct beneficiaries are:

- The refugee population and the hosting communities in areas affected by the influx of Syrian refugees;
- The local and central Lebanese authorities benefiting from capacity building activities and improvement of infrastructure;
- (Through the CEDRO project), the commercial and industrial actors benefitting from energy savings actions;
- Municipalities selected to implement the pilot project on bio energy applications and "the model green-powered village";
- Public authorities dealing with energy policy design and an energy strategy's development and implementation.
- The UNHCR and UNDP as the entities contracted for the execution of this action.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Financing agreement**

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation or in Article 17 of Annex IV to the Cotonou Agreement.

### **4.2. Indicative operational implementation period**

The indicative operational implementation period of this action, during which the activities described in sections 3.2 and 4.3 will be carried out, is 36 months, subject to

modifications to be agreed by the responsible authorising officer in the relevant agreements.

#### **4.3. Implementation components and modules**

##### **4.3.1. Joint management with an international organisation**

**Components 1 and 2** will be implemented in joint management with UNHCR and UNDP (as detailed under section 3.2). This implementation is justified because:

- UNHCR has the mandate for the overall response to the refugee crisis through the RRP which includes the Government of Lebanon response to the crisis. In the RRP, UNHCR is responsible for a number of interventions to strengthen the Lebanese drinking water network in vulnerable communities;
- UNDP already manages CEDRO as the main existing project in Lebanon with a comprehensive thematic coverage of energy saving and renewable energy measures.

Joint management with these international organisations in accordance with Article 53d of Financial Regulation 1605/2002 is possible because each organisation is bound by a long-term Financial and Administrative Framework Agreement (FAFA) signed between the European Community (now Union) and the United Nations on 29 April 2003.

The international organisations will be responsible for tendering procedures, concluding and managing contracts, and carrying out payments.

The change of method of implementation constitutes a substantial change except where the Commission "re-centralises" or reduces the level of budget-implementation tasks previously entrusted to the international organisation.

#### **4.4. Scope of geographical eligibility for procurement in direct centralised and decentralised management**

Subject to the following, the geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies and materials purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 21(7) of the basic act on the basis of the unavailability of products and services in the markets of the countries concerned, for reasons of extreme urgency, or if the eligibility rules would make the realization of this action impossible or exceedingly difficult.

#### **4.5. Indicative budget**

<b>Component</b>	<b>EU Contribution (EUR million)</b>	<b>Third party contribution (EUR million)</b>
Component 1: Joint Management with UNHCR	8.8	0

Component 2: Joint Management with UNDP	3.0	0
Evaluation and Audit	0.2	n/a
<b>Total</b>	<b>12.0</b>	<b>0</b>

#### **4.6. Performance monitoring**

The performance of the project will be closely monitored by the project implementing bodies (UNHCR, UNDP). Appropriate reporting and reviewing measures will be built into each contract/agreement to ensure close follow-up on part of the Commission. The Commission reserves the right to carry out on-the-spot and monitoring missions as needed.

External results oriented monitoring missions may also be carried out by the Commission.

#### **4.7. Evaluation and audit**

The project will be subject to mid-term and final evaluations to be conducted indicatively in year 2 and year 3 of the project.

All auditing matters related to the contribution agreements with international organisations (UNHCR, UNDP) are governed by the Verification Clause annexed to and forming an integral part of the Financial and Administrative Agreement concluded between the European Community (now Union) and the United Nations (agreement signed on 29 April 2003).

If necessary, *ad hoc* verification missions could be contracted by the European Commission for one or several contracts or agreements.

An amount of EUR 200,000 is earmarked for audit and evaluation purposes, which will be implemented through services contracts under centralised management.

#### **4.8. Communication and visibility**

The European Union will ensure that adequate communication and visibility is given by the contracting parties to the EU funding. The contribution agreements will include specific provisions as regards the development and implementation of effective communication plans combined with regular visibility actions.

All visibility activities will be implemented in accordance with the "Communication and Visibility Manual for EU External Actions"<sup>10</sup>. Meanwhile, depending on the evolution of the situation on the ground, visibility activities might be scaled down in order to allow a successful implementation of the project activities.

<sup>10</sup> [http://ec.europa.eu/europeaid/work/visibility/index\\_en.htm](http://ec.europa.eu/europeaid/work/visibility/index_en.htm).