



Brussels, 20.7.2016
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COMMISSION IMPLEMENTING DECISION

of 20.7.2016

**on the Annual Action Programme 2016 part 2 in favour of Palestine¹ to be financed
from the general budget of the European Union**

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.

COMMISSION IMPLEMENTING DECISION

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on the Annual Action Programme 2016 part 2 in favour of Palestine¹ to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

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

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 for the implementation of the Union's instruments for financing external action² and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 84(2) thereof,

Whereas:

(1) The European Commission has adopted a Single Support Framework in favour of Palestine for the period 2014-2015, the validity of which has been extended until the end of 2016, providing for the following priorities:

- 1. Support to governance at local and national levels
- 2. Support to the private sector and sustainable economic development
- 3. Support to water and land development

Special attention is given to the development of Area C in the West Bank and to East Jerusalem with the purpose of strengthening the resilience of Palestinian residents and preserving the Palestinian character of the city.

(2) The objectives pursued by the Annual Action Programme 2016 Part II to be financed under the European Neighbourhood Instrument⁴ concur with the overarching objective of the European Union's cooperation with Palestine, namely to build the institutional capacity of the Palestinian Authority to maintain the viability of the two-state solution.

(3) The Action entitled “Strengthening Governance of the Palestinian Authority” will focus on measures helping the building of a future Palestinian State as a functioning democracy, with accountable right-based institutions at national and local level, based on the rule of law and the respect for human rights.

(4) The Action entitled “Improving access to economic enablers” has the overall objective of ensuring an inclusive, sustainable, private sector-led economic development in the West Bank and Gaza Strip by supporting access to water in Gaza, improving access to

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² OJ L 77, 15.3.2014, p. 95.

³ OJ L 298, 26.10.2012, p. 1.

⁴ 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).

land to Palestinians living in Area C (protecting the viability of the two-State solution), and to supporting access to markets.

- (5) The Action entitled “Support to East Jerusalem” has the overall objective of maintaining the viability of the two-state solution with Jerusalem as the future capital of both states. The action builds on several activities aimed at preventing the Palestinian population from leaving the city and at maintaining the Palestinian identity in Jerusalem.
- (6) It is necessary to adopt a Financing Decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁵.
- (7) It is necessary to adopt a work programme for grants the detailed rules on which are set out in Article 128(1) of Regulation (EU, Euratom) No 966/2012 and in Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is constituted by the Annexes 1 (sections 5.3.1.1, 5.3.1.2 and 5.3.3), 2 (section 5.3.3.1) and 3 (section 5.3.1).
- (8) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. The United Nations Children's Fund (UNICEF), the Food and Agriculture Organisation (FAO) and Belgium Technical Cooperation comply with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary. UN Habitat is currently undergoing the assessment under Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity's positive assessment under Council Regulation (EC, Euratom) No 1605/2002⁶ and on the long-standing and problem-free cooperation with it, budget-implementation tasks can be entrusted to this entity.
- (9) The Commission should entrust budget-implementation tasks under indirect management to the partner country specified in this Decision, subject to the conclusion of a financing agreement. In accordance with Article 60(1)(c) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that measures are taken to supervise and support the implementation of the entrusted tasks. A description of these measures and the entrusted tasks are laid down in Annex 1 to this Decision.
- (10) The authorising officer responsible should be able to award grants without a call for proposals provided that the conditions for an exception to a call for proposals in accordance with Article 190 of Commission Delegated Regulation (EU) No 1268/2012.
- (11) The Commission should authorise the eligibility of costs under indirect management as of a date preceding the adoption of this Decision for the reasons of extreme urgency

⁵ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

⁶ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

in crisis management aid or in situations of imminent or immediate danger to the stability of a country, including by an armed conflict, where an early involvement engagement of the Union may prevent an escalation.

- (12) It is necessary to allow the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Commission Delegated Regulation (EU) No 1268/2012.
- (13) The measures provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee set up by Article 15 of the financing instrument referred to in recital 2,

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The Annual Action Programme 2016 Part II in favour of Palestine as set out in the annexes, is approved.

The programme shall include the following actions:

- Annex 1: “Strengthening Governance of the Palestinian Authority”;
- Annex 2: “Improving access to economic enablers”;
- Annex 3: “Support to East Jerusalem”.

Article 2

Financial contribution

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 38.6 million and shall be financed from budget line 22 04 01 04 of the general budget of the European Union for 2016.

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

Article 3

Implementation modalities

Budget-implementation tasks under indirect management may be entrusted to the entities identified in the attached Annexes 1, 2 and 3, subject to the conclusion of the relevant agreements.

The section “Implementation” of the Annexes to this Decision sets out the elements required by Article 94(2) of Commission Delegated Regulation (EU) No 1268/2012.

Grants may be awarded without a call for proposals by the authorising officer responsible in accordance with Article 190 of Commission Delegated Regulation (EU) No 1268/2012.

The eligibility of costs under indirect management prior to the adoption of this Decision shall be authorised as of the dates set out in the Annex 3.

Article 4

Non-substantial changes

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set by the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution shall not be considered substantial within the meaning of Article 94(4) of Commission Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 20.7.2016

For the Commission

Johannes HAHN

Member of the Commission