

EN

ANNEX 1

of the Commission Implementing Decision on the Annual Action Plan 2014 in favour of Palestine

Action Document for Support to the Governance Sector in Palestine¹

1. IDENTIFICATION

| | | | |
|--|--|--------|---|
| Title/Number | Support to the Governance Sector in Palestine CRIS number: ENI/2014/36-901 | | |
| Total cost | Total estimated cost: EUR 13,400,000 Total amount of EU budget contribution: EUR 13,000,000 | | |
| Aid method / Management mode and type of financing | Project Approach Component 1: Indirect management with the Palestinian Authority - Ministry of Finance (Contracting Authority) Component 2: Direct management (grants: call for proposals) Component 3: Direct management (procurement of services) | | |
| DAC-code | Comp.1: 15151 Comp.2: 15150 Comp.3: 15110 | Sector | Elections Democratic participation and civil society Public Sector Policy & Admin. Management |

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

Support to Governance at national and local levels is one of the **focal sectors** of intervention of the Single Support Framework 2014-2015 in Palestine, which foresees together with the institutional building measures, an enhanced policy dialogue and the mainstreaming of actions in favour of civil society. The intervention will be structured as follows:

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.

Component 1: *Support to the construction of the Headquarters of the Central Elections Commission (CEC), to better exercise its mandate which includes, amongst others, all arrangements relative to the organisation and holding of elections and the promotion of democratic culture.*

Component 2: *Promoting governance and citizenship, by focusing on civil society organisations as partners and service providers for the justice sector, and as vectors of democratisation. This component will contribute to promote access to justice as well as democratic culture and social cohesion.*

Component 3: *Technical assistance, specific audit and monitoring measures, complementing and supporting the PEGASE Direct Financial Support (DFS), by providing ad-hoc support to the PA in relation to its fiscal situation and specific services in support of the mechanism, including audit, monitoring and evaluation.*

2.2. Context

2.2.1. Country context

2.2.1.1. Economic and social situation and poverty analysis

The economy of Palestine is still marked by occupation and conflict. Economic growth, job creation and raising sustainable fiscal revenue are still hampered by occupation, restrictions of movement of goods and people and general lack of progress towards a sovereign Palestinian state. West Bank, the Gaza Strip and East Jerusalem are still scattered geographical entities highly dependent on the Israeli market and donor aid.

The sustained growth (average 8.2%), in the period 2006 to 2011 was partly fuelled by high levels of aid (around USD 2.2bn in 2008, more than 30% of that year's GDP), which led to a rapid expansion of the public sector. Since 2012, growth is decelerating and the regression of GDP will continue in case the economic and political conditions remain the same and is expected to go down to 4.4%, 3.6%, 3.1% in 2014, 2015 and 2016 respectively. The positive efforts of the PA to reduce expenditures (freezing wage bill increase, reducing non-wage labour costs) and to improve fiscal revenues (reviewing and extending taxation base) have though limited space in the current circumstances.

The Palestinian population is growing at an annual rate of 2.9% with young people (under the age of 25) comprising 58% of the total population. The resulting expansion of the labour force has led to a growing need for new and sustainable private job creation. Total unemployment among youth aged 15-29 continues to be alarmingly high (31.2% in the West Bank and 50.4% in Gaza). Trade deficit is a continuous challenge. In 2012 the total deficit in the net trade balance reached USD 3,915 million, a 7.9% increase respect to 2011.

In the short term, the PA will continue to depend on donor aid to cover its recurrent deficit. Despite some increase in donor aid in 2012 (USD 1.3 billion against 0.8 billion, but down from USD 1.8 billion in 2008), the fiscal gap remained at around USD 0.4 billion in 2013. Consequently, in 2013 the PA continued accumulating considerable debts to the banking sector and arrears to the private sector which reach

more than USD 0.5 billion, while the accumulated arrears to the pension funds is now estimated at more than USD 1.4 billion.

For the moment, donor contributions will probably continue being sustained, albeit at a level which cannot match real fiscal needs and against the background of evident donor fatigue linked to the fiscal crisis in many donor countries. The private sector has a critical role to play in rebalancing the Palestinian economy to become less reliant on external support.

Recent political developments include the end of the US Secretary of State Kerry period for re-launching the peace talks with no substantial results and progresses in the “reconciliation” process between Hamas and Fatah.

2.2.1.2. National development policy

The Palestinian National Development Plan (PNDP) 2014-2016, including the PA's new Governance Strategy 2014-2016 and financial commitments associated with it, has not been finalised and adopted by early 2014. At the time being, only the agenda for the national policies in the PNDP 2014-2016 has been shared with donors and confirms that priority areas are (i) governance (ii) social sectors (iii) economic sectors and (iv) infrastructure. As far as the governance sector is concerned, the PA intends to continue reinforcing Governance and Institutional development, in the sectors of security, justice, local governance, public finance management, administrative development and international relations. It will be essential that the PA exercises effective leadership and ownership over its development strategies and donor co-ordination in the governance sector.

Six strategic goals have been established in the Governance area:

- (i) Improved efficiency, efficacy and transparency of public funds allocation and use (with notably a shift from the present items budget to a programme-based budget);
- (ii) Enhance capacity of authorities at national and local levels to deliver better quality services (with a priority given to develop local authorities in Area C);
- (iii) Improved efficiency of public service delivery;
- (iv) Improved capacity to provide security, safety and justice;
- (v) Improved levels of community participation in governance and decision-making; and
- (vi) Enhanced Palestinian presence at the Arab and international levels.

The EU-PA new Joint Action Plan, signed on March 2013, includes, the establishment of a Palestinian state based on the rule of law and respect for human rights within a functioning deep democracy and with institutions that are accountable as one of its priority objectives. Holding free, fair and transparent elections at all levels and in line with international standards is highlighted.

2.2.2. *Sector context: policies and challenges*

No presidential and parliamentary elections have been held since 2006, due notably to the internal division in Palestinian politics and lack of progress in the 'reconciliation'.

However, on 2 June 2014 a 'Technical Unity Government' was formed, committed to the principle of the two-state solution based on the 1967 borders; to the recognition of Israel's legitimate right to exist; to non-violence and to the respect of previous agreements.

Following the formation of this new government, elections are expected to take place within a period of 6 months and thus help reduce the democratic deficit now existing vis-à-vis the Palestinian citizens

Delayed presidential and legislative elections have left Palestine in a rather grim situation in terms of governance, in which the Palestinian Legislative Council is not able to perform its functions of accountability and control. This situation particularly affects the judicial and legal systems and there is as such no transparent process of adoption of legislation.

The internal Palestinian split had led to the emergence of two parallel systems in the West Bank and the Gaza Strip that pose policy, legal and institutional challenges. The divide resulted in the gradual social fragmentation by restricting diversity, intercultural dialogue and political participation, which will hopefully be overcome with the "reconciliation" process. As a consequence, there is a crucial need for systematic promotion of democratic practices and values, such as civilian oversight, electoral and participatory processes, pluralism and tolerance. Promoting Palestinian identity and heritage is equally needed to promote inclusiveness and social cohesion (West Bank and Gaza Strip).

Among the EU priorities has always been and is now notably to maintain the operational capacities of the Central Elections Commission (CEC), which is responsible for organising and conducting elections (presidential, legislative and local)² and which is expected to quickly launch electoral preparations when the political environment is favourable. Present and operational in the West Bank and the Gaza Strip, the CEC is one of the most reliable and credible independent institutions today in Palestine. The CEC has finalised its Strategic Plan covering the three coming three years (2014-2016), placing emphasis on the concept of 'Electoral cycle' that includes all off-elections activities that aim at ensuring a higher citizen's participation to the Palestinian electoral and democratic processes.

The recurrent costs of the CEC, as well as the costs related to the organisation of elections are to be covered by the PA (Ministry of Finance). The Ministry of Finance persistent delays and shortcomings with payments of salaries and maintenance have however been impacting negatively on the smooth implementation of some of the

² The Central Elections Commission (CEC) is an independent institution that was established in 2002 under the General Elections Law of 1995. It was later stressed by the 2005 Election Law as *the supreme body that undertakes the management, supervision, preparation and organisation of elections and to take all necessary measures to ensure its integrity and freedom.*

activities performed by the CEC. In addition, the CEC currently rents its premises – that are scattered amongst several locations – at a high price. A dedicated CEC Headquarters (HQ) building is therefore beneficial to the CEC, both operationally and institutionally, and will therefore strongly contribute to the CEC capacity development and sustainability. The construction of the CEC HQs is included in the CEC's Strategic Plan 2014-2016. The CEC has already been allocated a land by the PA and the feasibility study for the building concluded. Supporting the CEC is therefore in line with the Joint Action Plan, and more particularly with its first pillar: Political dialogue and reform – building the institutions of an independent democratic and viable Palestinian State, and notably 1.4: Organisation of transparent general and local elections according to international standards. Finally the provision of a building to the CEC will dramatically enhance the tangible and visible contribution of the EU to the two state solution and the promotion of democratic values and settings in Palestine.

2.3. Lessons learnt

Support to Rule of Law has been one of the focal sectors of EU intervention since 2007, with focus on institutional building. Several surveys conducted in 2012 on the perception of Palestinian citizens on the justice sector report continuous low levels of trust into the system. The overall assessment of the EU support to the sector conducted in March 2013 highlights the risks to exclusively work with the justice formal system and recommends reviewing the strategy enhancing the “justice for all” approach. The conception of Justice should not only mean the institutions but include other actors with key potential in supporting the institutions, such as specialised civil society organisations (CSO) or the Faculties of Law. This means also to shift from institutional strengthening of PA institutions to support justice in all its dimensions, especially citizens’ rights. Lessons learned drawn from different external evaluations of EU-funded civil society programmes confirm the dynamism of the Palestinian non state actors not only as service providers, but as a key contributors to democracy and governance.

Support to public infrastructure and service delivery in the Rule of Law sector at both national and local levels has been provided since 2005 in various Financing Agreements such as Infrastructure Facilities. Within the prevailing political and security situation, the flexibility of the approach has proven successful for the implementation of the PA's state building strategy. The EU and other donors were called to provide direct, tangible and visible capital investments in the sector. However, investing in infrastructures projects which were not yet well formulated resulted in severe delays in document preparation and to obtain the necessary approval for tenders or contracts. The lessons learned from previous capital investments call indeed for: i) clearly articulated scope of actions; ii) institutional readiness to implement projects; iii) timely decisions by the beneficiaries at senior level. The EU co-operation should therefore now progressively aim to mid and longer-term policy objectives, allowing for increasingly comprehensive planning and implementation of interventions.

2.4. Complementary actions

Since 2007, the EU has achieved considerable experience in the governance sector and has become a lead donor and a key actor in policy dialogue, mainly in the Justice and Security Sectors. This action is complementary to the number of ongoing

institutional supports provided to the justice and security sector, as well as to the support provided to the independent institutions, such as the PLC and the CEC. The CEC has been supported since its establishment and is currently implementing actions which focus on local elections and voters' registry, and on the civic engagement of election stakeholders (with a focus on women, youth and universities, both in West Bank and Gaza Strip). These activities are complemented by the support provided by UNDP and Norway helping to develop the capabilities of the CEC and the voter education campaigns.

The action will build on previous actions supporting civilian oversights and will be complemented also by the projects funded under the European Instrument for Democracy and Human Rights (EIDHR), which at local level will focus at promoting fundamental freedoms, human rights of vulnerable groups, and respect of the international humanitarian law. The action also takes into account regional peacebuilding actions funded under the Partnership for Peace programme. In parallel, the Civil Society Facility will contribute to strengthening civil society's role in Palestine's process of development by enhancing the capacities of the four main NGOs platforms. Additionally, the action will take into account other donors' support to civil society in this area, such as UK support to transparency, UNDP/EUPOL COPPS3 investment in monitoring and oversight of security institutions and UNDP/UN Women interventions towards community access to justice.

Finally, it is to note that through PEGASE DFS, the EU is contributing to the Palestinian National Budget recurrent expenditures since 2008, with systematic, predictable and unconditional contributions to the payment of PA civil servant's salaries, pensions and of social allowances to the poorest and most vulnerable Palestinians. This support has been and is crucial for the PA to build strong governance and governmental institutions as the basis for a future independent Palestinian State as well as for social cohesion, economic and security stabilisation.

2.5. Donor co-ordination

Donor co-ordination takes place in various form under the Local Development Forum (LDF) and its four "strategy groups", including the Governance Strategy Group (GSG, with EU co-lead). Co-ordination within the Governance Sector gained momentum in 2010-11, but stalled after a new interim government was established in May 2012 and in the context of overall political uncertainty/fiscal crisis loomed. The GSG met for the last times in July 2011 and October 2012, with no major conclusions. Under the umbrella of the GSG, one of the most active groups is the Elections Working Group (EWG; with EU co-lead). The Justice and Security Sector Working Groups have been largely inactive, basically meeting once a year.

In addition, EU actors in Palestine have produced an important effort to rationalise and co-ordinate their operational interventions, as reflected in the revised EU Local Strategy on Development Co-operation in the oPt (EU LDS) endorsed by the EU HoMs in June 2013. The EU LDS clarifies EU MS priority sectors of intervention and the in-country EU division of labour. Since February 2013, discussions have been held within the Head of Co-operation regular meetings to ameliorate the EU co-ordination and engagement regarding civil society.

³ EU Police Mission in the Palestinian Territories under the EU Common Security and Defence Policy (CSDP).

3. DETAILED DESCRIPTION

3.1. Objectives

The **overall objective** is to build up a Palestinian State based on the Rule of Law and respect for human rights within a functioning deep democracy and with strong, effective accountable institutions at national and local levels.

The **specific objectives** are: (1) to enhance the capacities of the Central Elections Commission; (2) to improve access to justice for all citizens and to promote democratic culture and social cohesion; (3) to consolidate the management capacity at the PA.

3.2. Expected results and main activities

The expected results and activities are structured under three different components as follows:

Component 1 – Support to the construction of the Headquarters of the Central Elections Commission

The main expected **result** of this component is a reinforced the Central Elections Commission, capable to perform its functions, including promotion of democratic culture. Currently, the CEC has premises in different locations, which poses several challenges, notably security and confidentiality considerations. With a single, integrated and secured infrastructure (Headquarters), the CEC will be in a better position to undertake its mandate and ensure security/confidential criteria for warehouses, housing ballot papers, ballot boxes, data (such as voters' forms) and data centre, as well as the packaging area. In addition the current premises are not cost-effective (the CEC has various rental contracts and additional costs to cover dispersion, transport, and interconnectivity). This intervention will demonstrate the continued engagement of the EU to promote the democratic process in Palestine and will enhance visibility of EU support to a viable, democratic Palestinian State.

The **activities** comprise construction works of the Headquarters, including premises for general services, information systems, reception, conference hall, warehouses, administration, electoral procedures offices, archive, administration/financial/research departments, plus working space for staff in field operations, planning, logistics, commissioners and management. The total construction area is 6,000 m² over five floors. The feasibility study provides for an environmentally friendly building, including solar panels and energy efficient heating, cooling and lighting systems. The contracting authority will be the Ministry of Finance (MoF). The Ministry of Public Works and Housing (MoPWH) will be the responsible body for overseeing the implementation of the various steps of the process: (i) tendering process; (ii) construction works; (iii) procurement and installation of furniture and equipment; (iv) testing of infrastructure and functionality of building systems; and (v) handover of the HQs to the CEC.

Component 2 – Promoting governance and citizenship

Civil society is a key player in the governance arena in Palestine. It plays a major role in issues regarding citizens' rights, in particular in relation to marginalised and

vulnerable groups such as women, youth and elderly, as well as for the promotion and protection of the Palestinian identity. This component will actively involve civil society organisations to promote access to justice for all as well as cohesion amongst the fragmented Palestinian society. **The expected results** are: (2.1) increased accountability and transparency of the Justice and Security institutions with enhanced civilian oversight; (2.2) enhanced intercultural dialogue, Palestinian identity, heritage and reconciliation.

The **main activities** under this component include: (1) measures to strengthen the accountability of the Justice and Security institutions and to ameliorate the access to the services, such as promotion of transparency within the judiciary and monitoring of its performance; awareness raising on citizens' rights; advocacy; legal services and research; (2) initiatives promoting social cohesion and democratic culture, such as intercultural dialogue and diversity, including exchanges and exposure to Euro-Mediterranean experiences; activities restoring Palestinian identity and heritage; information and education campaigns focusing on democratic governance and inclusiveness.

Component 3 – Ad-hoc support to technical assistance, specific audit and monitoring measures

The **main expected results** under this component is to consolidate the PA in its general governance capacity, by enforcing advanced monitoring, control and audit systems for all PEGASE programmes of Direct Financial Support (DFS). These systems ensure the efficient and effective provision of support to Palestinians, while protecting the interests of donors participating in PEGASE by ensuring that funds are disbursed with full transparency and accountability and in compliance with the relevant agreements between the EU and the PA. Moreover, the support aims at enhancing the capacities of the Ministry of Finance to act as contracting authority for all partially decentralised contracts funded by the EU. Staff from key line Ministries/Agencies related to EU focal sectors and/or EU temporary support measures will also benefit from technical assistance as part of the EU-PA co-operation.

The **main activities** consist of: evaluation of PEGASE DFS programmes; technical assistance (including IT support) and consultancy services related to PEGASE DFS programmes; capacity building and technical assistance within Ministry of Finance and key line ministries/agencies related to EU focal sectors and/or EU temporary support measures.

3.3. Risks and assumptions

EU's support to Palestine is subject to unusual types and high levels of risk: those inherent in the continued Israeli Occupation of the West Bank and the ongoing political divide between the West Bank and Gaza. In addition, the imposed system of restriction of movements and access might create difficulties for the implementation of projects, including the import of goods, equipment and the free movement of service providers. The very volatile political environment and the security situation calls for flexibility during implementation.

For **Component 1**, there is a specific risk related to the absorption of the MoPWH in terms of instruction/implementation/supervision of projects, which could also delay and impact negatively on the timing and possibly on the quality of the construction of the CEC HQs building. The current lack of capacity (mainly linked to the fiscal crisis) of the departments of "operations and maintenance" may also affect the sustainability of the project.

For **Component 2**, it is worth noting that currently a small number of CSOs in Palestine focus specifically on the Judiciary. The majority of CSOs working in the sector have a Human Rights focus, but at the same time, a great potential to be involved as service providers. In Gaza, any political development may immediately impact on the ability of the organisations to operate and implement actions. Both risks can be mitigated enhancing the co-operation amongst civil society organisations and including capacity-building elements within the supported actions.

3.4. Cross-cutting issues

Good governance is at the core of the action. The use of local systems and empowerment of local, non-governmental stakeholders are embedded in the design of the activities, contributing to develop a more healthy system of checks and balances. The focus on control and audit systems, notably in Component 3, promotes high standards of public financial management.

Gender equality will be promoted especially in Component 2 of the action and sex-disaggregated data will be used when possible. Disabled peoples' rights will be particular considered under Component 1 by ensuring an easy access to the building through adequate facilities.

Environmental sustainability and *climate change* are central cross-cutting issues of the Component 1 of the action. Adopting environmentally friendly architectural design and service systems such as heating, cooling, and lighting systems, which are all energy efficient, the programme will minimise the environment impact of the construction.

3.5. Stakeholders

The final beneficiary of the action will be the Palestinian population as a whole. Key partners and direct beneficiaries remain primarily the PA institutions: Component 1): the Central Elections Commission (MoF and MoPWH as key stakeholders); Component 2): Institutions of the Justice Sectors, independent bodies and specialised local and international organisations; and Component 3): MoF, MoPWH, MoJ and other line ministries.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

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 72 months from the date of entry into force of the financing agreement or, where none is concluded, from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament and the relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

4.3. Implementation components and modules

4.3.1. Grants: call for proposals "Promoting governance and citizenship" (direct management) – Component 2

a) Objectives of the grants, fields of intervention, priorities of the year and expected results

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 two different focuses selected: (i) improving access to justice for all citizens; (ii) promoting democratic culture and social cohesion. As per the type of actions eligible for financing, they must be in line with the activities described in point 3.2. Priority will be given to actions that mainstream gender and target youth, as well as actions fostering ownership, local leadership and co-operation among organisations. Capacity building elements will also be taken into consideration.

In addition, all actions, regardless of the activities, must be implemented in Palestine. Specific activities, within the scope of the action and if duly justified, can be implemented abroad.

b) Eligibility conditions

- be legal persons and
- be non-profit making and
- be a local non-governmental organisation, with Headquarters in Palestine and officially registered with the Palestinian competent authorities and founded at least 2 years before the launching date of the Call and which may wish to co-operate with European-based organisations or European public-sector operators or international (inter-governmental) organisations as defined by Article 43 of the Implementing Rules to the EC Financial Regulation;
- or, be an European-based organisation, established in a Member State of the European Union or Member State of the European Economic Area, officially registered and founded at least 3 years before the launching date of the Call and necessarily act with co-applicants that are local civil society organisations from Palestine (mandatory);
- or, be an international organisation and necessarily act with co-applicants that are local civil society organisations from Palestine (mandatory);

- 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.

c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

d) Maximum rate of co-financing

The maximum possible rate of co-financing under these grants is 80% for international and European-based organisations and 90% for local organisations.

The maximum possible rate of co-financing may be up to 100% in accordance with Articles 192 of the Financial Regulation (EU, Euratom) N° 966/2012 if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

e) Indicative trimester to launch the call

4th trimester of 2014

4.3.2. Procurement (direct management) – Component 3

| Subject in generic terms, if possible | Type (works, supplies, services) | Indicative number of contracts | Indicative trimester of launch of the procedure |
|--|----------------------------------|--------------------------------|---|
| <i>Component 3 - Ad-hoc support (technical assistance, specific audit and monitoring measures)</i> | Services | 5 | Q3 2015 |

Contracts will be awarded in accordance with the relevant procedures on tendering as set out in the Practical Guide for EU external actions. In order to ensure the continuity of PEGASE DFS, the extension of the current IT support for the maintenance of the database could be necessary under this action.

4.3.3. Indirect management with the Palestinian Authority – Component 1

A part of this action with the objective of enhancing the capacities of the CEC by construction of the premises for the Headquarters of the CEC may be implemented in indirect management with the Palestinian Authority in accordance with Article

58(1)(c)(i) of the Regulation (EU, Euratom) No 966/2012 according to the following modalities:

The partner country (represented by the Ministry of Finance of the PA) will act as the contracting authority for all the procurement. The Commission will control ex ante all the procurement procedures. Payments are executed by the Commission.

The change of management mode from indirect to direct management, whether partially or entirely is not considered a substantial change.

In accordance with Article 262(3) of Delegated Regulation (EU) N° 1268/2012, the Palestinian Authority shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) N° 966/2012. These rules as well as rules on grant procedures in accordance with Article 193 of the Regulation (EU, Euratom) N° 966/2012, will be laid down in the financing agreement concluded with the Palestinian Authority.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant awards procedures and in terms of origin of supplies purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 9(3) of Regulation (EU) 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

4.5. Indicative budget

| Module | Amount in EUR thousands | Third party contribution |
|---|------------------------------------|-------------------------------------|
| 4.3.1. Call for proposals " <i>Promoting governance and citizenship</i> " (direct management) <i>Component 2</i> | 4,000 | 400 |
| 4.3.2. Procurement (direct management) <i>Component 3 - Ad-hoc support technical assistance, specific audit and monitoring measures</i> | 3,850 | 0 |
| 4.3.3. Indirect management with the Palestinian Authority <i>Component 1 – Support to the construction of the Headquarters of the Central Elections Commission</i> | 4,500 | |
| 4.7 – Evaluation and Audit | 100 | 0 |
| 4.8. – Communication and visibility | 50 | 0 |
| Contingencies | 500 | 0 |

| | | |
|--------|--------|-----|
| Totals | 13,000 | 400 |
|--------|--------|-----|

4.6. Performance monitoring

Continuous technical and financial monitoring is the beneficiaries' responsibility. The project will be monitored by each beneficiary according to relevant indicators of performance, including gender-disaggregated data. Each Beneficiary shall establish a technical and financial monitoring system to the project, which will generate progress reports and safeguard internal control. The choice of key progress indicators will form part of the project formulation process and each grant agreement will be supported by a logical framework including objectively verifiable indicators to evaluate each stage's level of achievement. In case of non-availability of existing information on baseline values necessary to establish relevant indicators, the projects could be designed in such a way that the baseline is established during the first months of implementation and target values adapted accordingly.

The Commission may carry out Results Oriented Monitoring via independent consultants, starting from the sixth month of project activities, which will be finalised at the latest 6 months before the end of the operational implementation phase.

4.7. Evaluation and audit

The Commission may carry out external evaluations [via independent consultants and in accordance with EU procurement rules] for component 1 and 2 separately as follows: (a) a mid-term evaluation mission; (b) a final evaluation, at the beginning of the closing phase; and (c) an ex-post evaluation.

Where appropriate, external audits/verification missions on specific components/projects of the action will be undertaken by the EU. The Commission shall appoint, in accordance with EU procurement rules, an internationally recognised external auditor.

An estimated number of 5 contracts for the above-mentioned evaluation and audit purposes shall be concluded in the form of procurement of services under direct management of an indicative budget of EUR 100,000, tentatively as from the first semester of 2018.

4.8. 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 before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented either (a) by the Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. Each action will incorporate information and communication activities to raise awareness of the action, the EU support and the impact of this support. Each contractor will be responsible for implementing those activities in line with the EU guidelines and in consultation with EU Representative Office in Jerusalem. The beneficiary/contractor shall inform the EU about upcoming communication activities and invite the EU to visibility events.

An estimated number of 3 contracts for the above-mentioned communication and visibility purposes shall be concluded in the form of procurement of services under direct management of an indicative budget of EUR 50,000, tentatively as from the first semester of 2016.