



This action is funded by the European Union

ANNEX 3

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

Action Document for "Support to East Jerusalem"

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning grants awarded directly without a call for proposals: 5.3.1.

1. Title/basic act/ CRIS number	Support to East Jerusalem CRIS number: ENI/2016/039-382 financed under the European Neighbourhood Instrument	
2. Zone benefiting from the action/location	Jerusalem, Palestine The action shall be carried out at the following location: Jerusalem	
3. Programming document	Single Support Framework 2014-2016	
4. Sector of concentration/ thematic area	Non-Focal Sector - East Jerusalem	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 11,566,660 Total amount of EU budget contribution EUR 10,500,000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 1,066,660.	
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management – grants – direct award Direct management – procurement of services Indirect management with international organisation: UN Habitat	
7 a) DAC code(s)	Main DAC code – 15150 Democratic Participation and Civil Society	

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.

	Sub-code 1 – 16010 Social/Welfare Services Sub-code 2 – 11120 Education Facilities and training Sub-code 3 – 25010 Business Support Services and Institutions Sub-code 4 – 16030 Housing Policy and Administration Management Sub-code 5 – 16061 Culture and Leisure			
b) Main Delivery Channel	TBC			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	Not applicable			

SUMMARY

The programme seeks to prevent the population in East Jerusalem from being further coerced into leaving the city, thus jeopardizing the chances to safeguard the Palestinian identity of Jerusalem in future status talks.

The programme targets interventions in the following sectors: (i) community empowerment and resilience (ii) youth (including inclusive education), (iii) housing and urban planning, (iv) private sector and (v) culture. It aims to respond to the continued deterioration of socio-economic trends, caused by insufficient investment in community services, inadequate municipal public services, low labour force participation, limited opportunities and protection for women and vulnerable groups, low private investment and minimal economic development.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

East Jerusalem has traditionally served as the focus of political, commercial, religious and cultural life for the population of Palestine. Since the 1967 occupation and its annexation by the Israeli government in 1980, East Jerusalem (EJ) depends *de facto* on the Israeli municipality for its governance and the delivery of public services, although this annexation has never been recognised by the international community. The

European Union has regularly recalled that it never recognized the annexation of East Jerusalem and reaffirmed its commitment to Jerusalem as the future capital of two states. Pending a final status agreement, East Jerusalem should remain an integral part of Palestine and should be maintained as the social, economic, political and cultural hub for Palestinians.

Israel has followed a policy of isolating East Jerusalem from the rest of the West Bank, notably through the construction of the Separation Barrier and settlement expansion in and around the eastern parts of the city. The years 2015-2016 have seen further increase in settlement construction around Jerusalem. Physical separation has severely affected economic activities and weakened the social fabric and cultural identity of the Palestinian community. East Jerusalem is constantly marginalized by the asymmetric delivery of public services provided by the Israeli municipality to Jerusalem's Palestinian population. This complex political reality and the resulting instability exacerbate the vulnerability of the fragmented communities and of marginalized groups, notably the population of the Old City and refugee camps. Recent trends in violent confrontations, substantial land confiscation, increased house evictions and demolitions in highly populated urban neighborhoods, led to further decrease of the size of the Palestinian community in the city.

East Jerusalem's economy is strangled, causing rising poverty rates. 75.3% of East Jerusalem residents, and 82.4% of children, live below the poverty line². In 2012, the unemployment rate in the Governorate of Jerusalem was 23.8% and grew especially high among youth (aged 20-24: 36.4%), uneducated (7-9 years of schooling: 22.4%) and women (19.9%)³.

The East Jerusalem private sector is characterized by very low investments, weaknesses in workers' skills across sectors, the burdening permits regime as well as the limited access to land and building permits and the segregation from the West Bank market.

1.1.1 Public Policy Assessment and EU Policy Framework

The Palestinian National Development Plan (PNDP) 2014-2016, puts the expansion of Palestinian sovereignty over Jerusalem as a priority. Although the PNDP calls for "initiatives and setting up plans and programmes" to "activate and mobilize Palestinian, Arab and international political, financial and moral support", concrete steps towards the development of an updated strategic instrument for East Jerusalem are still very limited.

The Joint Action Plan, signed between the PA and the EU in March 2013, puts emphasis on "political support for the convening of elections, including in East Jerusalem" and on support to "the political, economic, social and cultural rights of the Palestinian people in East Jerusalem, in line with the Foreign Affairs Council (FAC) Conclusions of 2009". The FAC on 20 July 2015 reiterated the EU's longstanding position: the preservation of the viability of the two-state solution is at the core of the EU policy and will remain a priority. This includes the preservation of "the possibility of Jerusalem serving as the future capital of both states."

This political support is reflected in the *EU Single Support Framework 2014-2016*, which includes a non-focal sector dedicated to the support to East Jerusalem. The EU is therefore adopting a strategic approach to sustain the presence of the Palestinian population and to protect the Palestinian identity of the city.

² The Association for Civil Rights in Israel, East Jerusalem 2014 – By the Numbers, 24 May, 2014.

³ Palestinian Central Bureau of Statistics, Jerusalem Statistical Yearbook 2013, June 2013, pg. 129, 133, and 134.

1.1.2 Stakeholder analysis

The direct beneficiary of the present action is the Palestinian population living in East Jerusalem, especially children, youth, women, vulnerable communities and, more comprehensively, people whose fundamental rights are being violated. In the absence of formal Palestinian institutions in East Jerusalem (closed down by Israeli authorities since 2001), the key stakeholders remain primarily community-based organisations (CBOs), local and international NGOs and international organisations supporting East Jerusalem communities.

Civil society organisations have suffered from the growing isolation of the city in the past ten years, as well as from a number of measures taken by Israeli authorities. Low international funding for East Jerusalem organizations resulted in the closure and/or transfer to the West Bank of numerous organizations, further weakening the Palestinian institutional and social fabric in Jerusalem. Coordination with the few remaining institutions, such as the Jerusalem Directorate of Education or the Arab Chamber of Commerce, is an important element of this action, which promotes their empowerment whenever possible.

The EU directly refers to the Office of the President of the Palestine Liberation Organization (PLO) for matters related to the EU support to East Jerusalem. The link with the Office of the President is critical and should be fostered. Co-ordination with PA Line Ministries and the Jerusalem Governorate takes place as and when most appropriate.

1.1.3 Priority areas for support/problem analysis

The EU support to East Jerusalem is multi-sectoral. Three/four priority sectors are identified yearly in coordination with the Office of the President of the PLO (and following civil society consultations), and actions in these areas are then selected. Synergies are thus ensured not only between actions of the same year, but mostly in the overall context of all on-going actions under the Programme. Strong coherence has been developed over the years, thanks to this cyclical approach, which allows EU presence in most relevant sectors at almost any given time.

The specific political and regulatory environment in East Jerusalem hinders development and discourages investments. The resilience of the population relies on enhancing potential for economic development, maintaining a skilled workforce, modernizing existing businesses and improving their competitiveness.

Palestinian women in East Jerusalem face particular challenges. Indeed, over and above the factors that negatively affect all Palestinian women (discriminatory legislation, weak performance of institutions and services, patriarchal social traditions, and the effects of the Israeli occupation), women in EJ have to deal with specific, context-related issues: residency rights, house demolitions and evictions, increased gender-based violence, lack of services for women and the multiplicity of legislations related to personal status.

By living in occupied East Jerusalem many young boys and girls feel torn between their individual and national identities. They are at risk of being alienated from their society and becoming increasingly violent in response to institutionalized discrimination, economic stagnation and lack of any perspective. The exponential increase of violent episodes in the city since mid-2015 brought this worrisome reality to the headlines.

The education system in East Jerusalem has been severely affected by Israeli policy and is currently fragmented into five types of service providers, lacking any coordination.

The PA has no official responsibility on the 12,355 pupils registered in the 44 Awqaf⁴ schools of EJ, as it is officially forbidden to operate there. Hence, schools lack basic resources and can barely deal with the increasing discomfort, challenges and social exclusion suffered by pupils. Main challenges faced by the system in East Jerusalem concern school dropout, shortage of classrooms⁵, access to school, movement restrictions and transportation for teachers and students, shortage of trained teachers and absence of alternative educational frameworks able to deal with students with special needs. In addition, it is estimated that about 736 Palestinian minors were arrested in East Jerusalem in 2015⁶. As no specific services are provided to these minors and their families, this youth is currently denied its right to education for “security reasons”⁷.

Problems are even more acute in highly marginalized and overcrowded areas such as Silwan, the Old City and the Shu'fat refugee camp, where open spaces - already extremely rare in East Jerusalem - are virtually absent. The lack of recreational and sport facilities in a city with over 60% of the population under 25 years old, living in a state of continued political tension and in poor socio-economic conditions, is a further strong element of pressure.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (HML)	Mitigating measures
Negative political developments leading to increased violence.	H	Maintain recourse to use of European umbrella organisations and UN agencies
Hardened Israeli policies on the access of people and goods to Jerusalem.	H	<ul style="list-style-type: none"> - Encourage recruitment of Jerusalem ID holders by implementing partners. - Maintain pressure to facilitate trade between EJ and the West Bank. - Maintain continuous coordination with donors, increase communication on EU support to East Jerusalem.
New Israeli guidelines ⁸ might result in longer detention periods for Palestinian Jerusalemite minors, including those below 14, and reduced chances for rehabilitation and treatment.	H	Continue to apply the Rights Based Approach as approved by the EU Council on 19 May 2014 in all projects under the East Jerusalem Programme.
Continued absence of Palestinian political institutions in East Jerusalem	H	Regular dialogue with the relevant Ministries, the Office of the President of the PLO and the Governorate.
Assumptions		
Coordination among donors and communication on EU strategic intervention in Jerusalem		

⁴ Awqaf schools in EJ are the public schools *de facto* administrated by the PA Ministry of Education and Higher Education through the Jerusalem Directorate of Education.

⁵ In 2010 the Israeli Supreme Court ruled in favour of a human rights organisation's petition denouncing the chronic shortage of 1000 classrooms in East Jerusalem.

⁶ <http://www.acri.org.il/en/wp-content/uploads/2016/02/Arrested-Childhood0216-en.pdf>

⁷ According to the organisation Addameer, at least 20% of Palestinian children under home arrest are prevented from attending school.

⁸ The Israeli Parliament on 21 July 2015 voted 69 to 17 to increase the punishments for stone throwing, including by minors, to 10 years of imprisonment. <http://www.acri.org.il/en/wp-content/uploads/2016/02/Arrested-Childhood0216-en.pdf>

are continuously strengthened.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Lessons learnt were drawn from the external evaluation of the EU-funded Programme to support the delivery of public services in East Jerusalem between 2007 and 2011. In addition, projects' external evaluations, independent sectoral studies and consultations with civil society organisations and other donors provide useful feedback on the Programme. An evaluation of EU support of East Jerusalem will be launched in 2016. Furthermore, Results Oriented Monitoring of on-going projects supports identification and formulation of new actions. Lessons learnt can be summarised as follows:

- While the EU shall maintain its method of implementation working through partnerships between international and local organisations (thus creating an umbrella mechanism), it should continue working directly with Palestinian partners whenever possible.
- The EU must maintain flexible and creative means of implementation.
- The EU should enhance co-ordination of on-going operations and other donors, in order to avoid duplication and increase the potential for synergies among actions.
- The EU should increase - when feasible - well-structured and active efforts aimed at promoting visibility and awareness of EU funding in East Jerusalem.

3.2 Complementarity, synergy and donor coordination

Responding to the aim to adopt a more strategic approach to sustain the presence of Palestinian population and the Palestinian identity of the city, and in the framework of their efforts towards Joint Programming, the EUREP and EU Member States developed and endorsed a Sector Strategy Fiche on East Jerusalem in 2014. Furthermore, through the EU-led operational Working Group on East Jerusalem and the dedicated Interest Group (gathering EU Heads of Mission and Heads of Cooperation), a matrix of EU interventions in the city was updated in mid-2015.

Donor co-ordination in East Jerusalem remains a challenge despite the political will of major donors and the joint political framework provided by the annual EU Heads of Mission Report on Jerusalem.

The absence of Palestinian institutions in East Jerusalem and the lack of a clear development strategy make also extremely difficult donor coordination at operational level. The EUREP is engaged in regular bi-lateral information sharing with non-EU most significant actors, i.e. the UN family, the Welfare Association and the Islamic Development Bank.

3.3 Cross-cutting issues

Good governance principles are entrenched in the implementation mechanism and projects' ownership from the Palestinian civil society is ensured. Furthermore, good governance and the use of local systems are embedded in the design of each initiative of this action.

Gender equality is promoted in every action of the Programme and gender-disaggregated data will be produced and used when possible.

4 DESCRIPTION OF THE ACTION

4.1 Objectives

The **Overall Objective** of the East Jerusalem Programme is political: "Maintain the viability of the two-state solution, with Jerusalem as capital of two states".

The **Specific Objective** is to strengthen the resilience of the Palestinian residents of East Jerusalem and preserve the Palestinian character of the city.

4.2 Main activities/results

This action is going to intervene in a number of priority sectors identified in cooperation with civil society and the Office of the President of the PLO, and in line with the recommendations of the 2015 EU Heads of Missions' Report on Jerusalem.

These areas of intervention (namely Economic Development, Youth, Education, Urban Planning and Culture) are aligned with the yearly, cyclical approach of the East Jerusalem Programme, in order to ensure on-going support to each of the many priority sectors at any given time, through on-going or incoming actions. In addition, the completion of a successful on-going initiative in the sector of renovation/housing will be ensured through the action in indirect management.

All projects to be included in the 2016 East Jerusalem Programme will be fully consistent with the underpinning community-based approach to development adopted by the Programme, which is one of its distinctive trademarks since its inception.

Activities to be carried out can include the following: capacity building activities; activities to promote participation of community-based organisations; advocacy and awareness raising; promotion of the use of public spaces; urban rehabilitation; support to small businesses and job creating activities (in particular for youth); support to cultural initiatives; support to educational environment and educational facilities. The list is not exhaustive.

Expected results can include the following: Palestinian identity in East Jerusalem is reinforced; Palestinian presence in East Jerusalem is safeguarded; public spaces are utilised and urban spaces rehabilitated; existing Palestinian businesses are sustained; newly established businesses are supported; increased job opportunities (for youth); increased access to cultural activities; improved educational environment and educational facilities are in place. The list is not exhaustive.

4.3 Intervention logic

The intervention is aimed at supporting the Palestinian population of East Jerusalem. This is constantly facing the pressure of Israeli de facto authority and its prejudicial policies, which resulted in the reduction of the Palestinian presence in the city.

5 IMPLEMENTATION

5.1 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.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

The East Jerusalem Programme is inherently political, aiming at maintaining the viability of the two state solution with "Jerusalem serving as the future capital of both States". The extremely sensitive political situation created by the Israeli annexation of East Jerusalem, not recognized under international law, creates enormous difficulties and challenges for Palestinians and Palestinian organizations in the city who are subjected to Israel's de facto jurisdiction. This comes in the form of restrictive policies for Palestinian construction in Jerusalem, continuous demolitions and evictions, inequitable education system, obstacles to accessing quality health care systems, and an increasingly suffocating pressure on East Jerusalem's stagnant economy. Palestinian political organisation in East Jerusalem is largely absent and Palestinian institutions are prevented from playing any role. Palestinian communities in Jerusalem have become very fragmented and are confronted with exceptional economic and social obstacles.

This delicate situation calls for the Commission's authorising officer to recourse to the direct award of grants, rather than using alternative implementation modalities, such as a call for proposals or delegation agreements. Direct awards allow the EU (i) to exercise the flexibility required to adapt the interventions to the specific socio-political context, (ii) to respond to the unique challenges of each priority sector, (iii) to provide support to the capacity development of Palestinian NGOs applying to the Programme, (iv) to safeguard Palestinian NGOs who are still able to function in East Jerusalem.

In light of this fragile context, further deteriorated since October 2015 and confirmed by the repeated EU recognition of a crisis situation in Palestine for several years, a sound implementation of this programme calls for direct award of grants.

5.3.1 Grants: Direct Award (direct management)

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

It is proposed to award direct grants to approximately 8 organisations, with the objective to strengthen the resilience of the Palestinian residents of East Jerusalem and preserve the Palestinian character of the city.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to beneficiaries with good track-record of

working in East Jerusalem and of implementing the type of innovative projects outlined above.

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 on the one hand, Palestine has been acknowledged to be in a "crisis situation" as referred to in Article 190(2) RAP, allowing for the use of flexible procedures in accordance with applicable provisions; and on the other hand, because the specific actions have characteristics calling for implementing partners with a specific added-value, technical competence and a high degree of specialisation and administrative power that are able to deliver the highest level of quality.

(c) Eligibility conditions

The essential eligibility criterion for applicants is legal status. Non-Governmental Organisations (NGOs), International organizations, economic operators - among others - are equally eligible.

(d) Essential selection and award criteria

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

The essential award criteria are relevance of the proposed action to the EU Single Support Framework 2014-2016; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

The main areas of intervention are selected based on the following priority sectors: Economic Development, Youth, Education, Urban Planning and Culture, which were identified in cooperation with the civil society and the Office of the President of the PLO, and in line with the recommendations of the 2015 EU Heads of Missions Report on Jerusalem.

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 90% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 37 of (EU) regulation n° 323/2015 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement: First trimester 2017.

5.3.2 Procurement (direct management)

N/A

5.3.3 Indirect management with an international organisation

Indirect management components may be implemented with an international organisation (UN-HABITAT) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails Phase II of the Rehabilitation of the Dar Al Consul into a Residential Complex and Civic Centre in the Old City of

Jerusalem (Phase I is ENPI/2013/332-410), included in the 2013 Programme of support to East Jerusalem). The project aims to improve living conditions and protect the habitat of the Jerusalem population in the historic urban core by renovating the historic housing stock. This action is justified because it would secure the EU investment made to date on the rehabilitation project, which has proved more complex and costly than foreseen. The entrusted entity would carry out the following budget-implementation tasks to complete the restoration and rehabilitation works of the residences and community centre as well as the operationalisation of the community centre.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

The Commission authorises that the costs incurred by the entrusted entity may be recognised as eligible as of September 2016 in order to allow the work to proceed uninterrupted.

If negotiations with the above-mentioned entrusted entity fail, that part of the action may be implemented via a direct grant in direct management in accordance with the implementation modality identified in section 5.3.1.

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.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 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 realization of this action impossible or exceedingly difficult.

5.5 Indicative budget table

	EU contribution (amount in EUR)	Indicative third party contribution (in EUR)
5.3.1. Grants: direct awards	9.600.000	1,066,660
5.3.3 Indirect management with an international organisation	500,000	100,000
5.8 – Evaluation, 5.9 - Audit	200,000	N.A.
5.10 – Communication and visibility ⁹	-	N.A.
Contingencies	200,000	N.A.
Totals	10,500,000	1,066,660

⁹ Communication and Visibility budget for the AAP 2016 is pooled under the AD "Access to Economic Enablers".

5.6 Organisational set-up and responsibilities

Non applicable.

5.7 Performance 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 under their responsibility 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 (for project modality). The report 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, an ex-post evaluation will be carried out for this action or its components to be contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that there is no formal strategic framework for actions in East Jerusalem.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner 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 partner country and other 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.

Indicatively, one contract for evaluation services shall be concluded, under a framework contract in the closure phase of the action (indicatively 4th trimester 2021).

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.

Indicatively, one contract for audit services shall be concluded under a framework contract during or at the end of the operational implementation period of this action. .

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. The related budget is included under the Visibility and Communication budget line of the "Access to Economic Enablers" Action Document (pooling of AAP 2016 visibility and communication resources).

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, 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 Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The communication and visibility measures will be implemented by way of procurement and/or Framework contracts. The objectives of all communication and visibility efforts will be:

- Raising awareness and enhance visibility of the EU support to East Jerusalem.
- Facilitating EU's coordination on and in East Jerusalem.

APPENDIX - LOGFRAME MATRIX (FOR PROJECT MODALITY) ¹⁰

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

Results chain	Indicators	Baselines (to be set by action, incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall Objective To maintain the viability of the two state solution with Jerusalem as the capital of the two states by strengthening the resilience of the Palestinian East Jerusalem residents and preserve the Palestinian character of the city.	Palestinian population living in East Jerusalem. Palestinian population living under poverty line in Jerusalem.	300,200 Palestinians living in Jerusalem (36.8%) ¹¹ 75.4% living under the poverty line ¹²	To be developed jointly with the grant partners	Partners' reports and log-frames Statistics from PCBS Statistics from the Jerusalem Chamber of Commerce	No further deterioration in the political situation No further obstacles imposed on local and INGOs by either the PA or Israel
SO1: The living conditions and social economic resilience of East Jerusalemites, especially women, are enhanced	1: Number of Palestinian Jerusalemites economically sustained through their enrolment in jobs in the formal sector, internships, or through support in starting their own businesses, or maintaining their existing businesses 2: Number of East Jerusalemites whose business skills are enhanced 3: Number of protected children, women and youth through awareness & assistance. 4: Number of children and youth engaged in sports and community initiatives		200 women , 400 MSEs, (90-150) SMEs 570 4,440 children and 2,556 youth TBC		
SO2: The private sector's growth in East Jerusalem is promoted.	1: creation of an active, sustainable & effective unit to support MSE's Department within the Chamber of Commerce.		MSE's department within Chamber of	Statistics from the Jerusalem Chamber of Commerce	

¹⁰ Mark indicators aligned with the relevant programming document mark with "*" and indicators aligned to the EU Results Framework with "**".

¹¹ <http://www.acri.org.il/en/wp-content/uploads/2015/05/EJ-Facts-and-Figures-2015.pdf>

¹² <http://www.acri.org.il/en/wp-content/uploads/2015/05/EJ-Facts-and-Figures-2015.pdf>

	2: Number of existing formal businesses that are better sustained. 3: Number of newly established businesses in the formal economy		commerce up and running 400 MSEs/90-150 SMEs		
SO3: Strengthening Palestinian cultural identity	1: Number of Palestinian cultural supported and sustained. 2: Increase in community participation in cultural events.		5 cultural institutions sustained 30,000 Palestinians	Monitoring of events Number of attendees	
SO4: Jerusalem children and youth's innovative learning is nurtured with the proper facilities, services and educational system	1: Number of schools which establish a holistic inclusive environment 2: Number of children, youth & teachers benefitting from a holistic educational environment.		10 schools 345 teachers 20,000 students	Yearly report form the Jerusalem Directorate for education	
SO5: Enhancing the living space and urban rights of East Jerusalemites	1 Number of community urban initiatives implemented 2 Number of protected buildings through services provided in the urban clinic 3: Achieving sustainable models of housing and urban environment development within the Old City.		30 community projects TBC Approximately 40 housing units.		