



Brussels, 20.7.2016
C(2016) 4671 final

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

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

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

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

² 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



This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the Annual Action Programme 2016 part 2 in favour of Palestine

Action Document for "Strengthening Governance of the Palestinian Authority (PA)"

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 calls for proposals: 5.3.1.1 and in the following sections concerning grants awarded directly without a call for proposals: 5.3.1.2 and 5.3.3

1. Title/basic act/ CRIS number	Strengthening Governance of the Palestinian Authority CRIS number: ENI/2016/039-403 financed under European Neighbourhood Instrument (ENI)
2. Zone benefiting from the action/location	Palestine ¹ The action shall be carried out at the following locations: West Bank and Gaza Strip
3. Programming document	Single Support Framework (SSF) 2014-2016
4. Sector of concentration/ thematic area	Focal Sector: Support to Governance at national and local level
5. Amounts concerned	Total estimated cost: EUR 8,460,000 Third-party contribution: EUR 360,000 Total amount of European Union (EU) budget contribution: EUR 8,100,000 The action is co-financed by grant beneficiaries for an indicative amount of EUR 360,000
6. Aid modality(ies) and implementation	Project Modality: <i>Component 1:</i> Direct management: 1) PAGODA Grant – direct award; and 2) Grants - call for proposals;

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

modality(ies)	<i>Component 2:</i> Indirect management with the Palestinian Authority; direct Management – procurement of services. <i>Component 3:</i> Direct management, grant – direct award.			
7. a) DAC code(s)	15130 - Legal and judicial development 15160 - Human rights 15210 - Security system management 16062 - Statistical capacity building			
b) Main Delivery Channel	41313 - OHCHR			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input 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

Support to governance is one of the focal sectors of intervention of the Single Support Framework 2014-2016 in Palestine, whereby EU support aims to contribute to build a Palestinian state based on the Rule of Law and respect for human rights within a functioning robust democracy and with strong, effective accountable right-based institutions.

The action aims at strengthening the governance of the Palestinian Authority (PA) through the following three components:

- 1) Supporting the implementation of core Human Rights Treaties
- 2) Reinforcing the Palestinian justice and security sectors

3) Supporting the Palestinian Central Bureau of Statistics (PCBS) in conducting the Population, Housing and Establishment Census in Palestine in 2017.

1 CONTEXT

1.1 Country and sector context

Palestine has been marked by the on-going Arab-Israeli conflict, as well as by more than forty years of occupation characterised by restrictions and controls on the movement of people, goods and resources, difficulty in accessing land and water resources, administrative division of the West Bank into areas A, B and C, rapid expansion of settlements, increased number of settlers' attacks, as well as demolitions and displacements in Area C and Jerusalem. Internal division in Palestinian politics since 2007², the continuous blockade of Gaza and the absence of any clear political horizon have led to high level of frustrations, a lack of cohesion and recurrent high-level waves of violence.

Israeli occupation is the primary driver of poverty in Palestine and undoubtedly complicates the delivery of assistance in Palestine. Palestine falls into the lower middle-income group of countries in terms of the Human Development Index (ranked 113 out of 182 countries in 2015). According to the World Bank economic report to the Ad Hoc Liaison Committee (AHLC) of September 2015, Palestinians are getting poorer on average for the third year in a row. Donor support has significantly declined in recent years (budget support in particular has decreased by around 40% since 2011). Growth has started to slow down since 2011 and the Palestinian economy contracted following the 2014 Gaza war. Due to population growth, real Gross Domestic Product (GDP) per capita has been shrinking since 2013³. Unemployment remains high and 25% of Palestinians currently live in poverty. Without a political breakthrough (ease of restrictions, lifting of the blockade on Gaza, permanent peace agreement), the Palestinian economy will continue to perform below its potential.

In recent years, the capacity of the various PA security and judicial services has been strengthened through extensive international support including the provision of infrastructure and equipment, training, capacity building and institutional development. However, the legal as well as the institutional framework remain incomplete and require a clear delineation of mandates and responsibilities between the different institutions.

1.1.1 Public Policy Assessment and EU Policy Framework

Since 2008, the EU has been supporting the PA's national reform agenda with interventions aligned with the priorities of the Palestinian National Development Plan 2014-2016 of May 2014. The relevant strategic documents for the Justice and Security sectors are the Justice Sector Strategic Plan 2014-2016 and the Palestinian Security Sector Strategic Plan 2014-2016. Efforts are currently under way to

² Following Hamas' victory in the Palestinian legislative elections in 2006, the West Bank has been governed by Mahmoud Abbas and Fatah and Gaza by Hamas, which is regarded as a terrorist group in many countries.

³ GDP³ in 2014 was just under US\$13 billion or around US\$2,800 per capita. GDP growth was 2.2% in 2013 but shrank by 0.4% in 2014; growth was estimated at just under 3% for 2015.

establish a monitoring and evaluation framework for the Justice Sector Strategic Plan. Similar efforts would be required for the security sector to enable an adequate follow up. The EU has also increased its policy dialogue, notably in the context of the Result-Oriented Framework and the ongoing significant public sector reform process that will be reflected in the National Policy Agenda (NPA) for 2017-2022. The NPA will be the basis for a European Joint Strategy for Palestine for 2017 onwards.

In 2014, the PA released its "*Guidance Document on Integrating Human Rights in the Palestinian Development Plan*", with a view to integrate human rights in all sectors of the forthcoming *National Policy Agenda*.

In April 2014, Palestine has acceded to seven core international human rights treaties⁴ accepting legal obligations to promote and protect the human rights set out in the treaties for the benefit of all its citizens.

The Palestinian Central Bureau of Statistics (PCBS) plays a key role in ensuring sound monitoring and evaluation of these reforms and of the overall macroeconomic and social outlook. In 2017, the PCBS is planning to conduct a *general population, housing and establishment census* covering the West Bank, including East Jerusalem, and the Gaza Strip. According to the UN and international best practices population, housing, and establishment census should be carried out every ten years. This is a legal obligation enshrined in the Palestinian Statistics Law. Since its establishment, the PCBS has implemented two Population censuses in 1997⁵ and 2007 respectively.

1.1.2 Stakeholder analysis

Key partners and direct beneficiaries remain primarily the PA institutions. The final beneficiary of the action will be the Palestinian population as a whole.

Component 1: the key stakeholders are the Ministry of Foreign Affairs (MoFA), and in particular the recently established unit for the human rights treaties implementation, the Prime Minister Office (PMO), relevant line ministries involved in the implementation of human rights treaties, the Independent Commission for Human Rights (ICHR) that has operational expertise and capacity to monitor and record human rights violations at national level, and well-established civil society Human Rights Organisations. Civil Society has clearly voiced support for the implementation of the human rights treaties and its monitoring as a priority at several occasions, notably in the recent consultations prior to the meeting of the Subcommittee on Human Rights and Rule of Law held in March 2016. Consultations with civil society ensuring women representation are also envisaged in the forthcoming months prior to the launch of the future human rights call for proposals.

Component 2: the key stakeholders are the High Judicial Council (HJC), the Ministry of Justice, the Correction and Rehabilitation Centres Department (CRCDD) and the

⁴ These treaties include: International Covenant on Civil and Political Rights (ICCPR) entered into force 2 July 2014; International Covenant on Economic, Social and Cultural Rights (ICESCR) entered into force 2 July 2014; International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) entered into force 2 May 2014; Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) entered into force 2 May 2014; Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment (CAT) entered into force 2 May 2014; Convention on the Rights of the Child (CRC) entered into force 2 May 2014; Convention on the Protection of the Rights of Persons with Disabilities (CRPD) entered into force 2 May 2014.

⁵ With technical assistance from UNFPA.

Ministry of Interior. Court administration is formally a responsibility of the Minister of Justice⁶ whilst the Chief Justice is responsible for the supervision of all judges. In practice though, the HJC takes care of court administration. Currently the management of courts is scattered among the Planning and Project Management Unit (PPMU), the Court Administration Department at central level in the HJC, the Chiefs of Diwan (court registrars) and the court presidents at court level. Planning and project management of new courthouses is currently a task of the PPMU. An EU funded technical assistance is supporting a rationalisation of the HJC organisational structure, including court management. Based on Presidential Decree 23/1998, the authority for correctional and rehabilitation centres has been delegated to the Chief of Police. The Correctional and Rehabilitation Centres Department (CRCDC) was therefore established as a specialized department within the Palestinian Civil Police to run correctional facilities in the West Bank.

Component 3: the key partner and direct beneficiary is the Palestinian Central Bureau of Statistics (PCBS), which has designed and will carry out the population, housing, and establishment census. Established in 1993, the PCBS has gained considerable capacity and benefitted from various technical assistance programmes, including EU support, making it one of the frontrunner statistical offices in the region. The Bureau is active in a number of international fora, including MedStat⁷ the EU statistics regional programme for Mediterranean countries.

1.1.3 Priority areas for support/problem analysis

Component 1: Palestine is required to submit its initial reports on the seven core Human Rights Treaties by end 2016/early 2017. The PA should respond to the recommendations of the treaty bodies expected in 2018 and beyond by ensuring effective follow-up and implementation. There is the need for permanent capacity within the PA to monitor and report on implementation of its human rights commitments in the different sectors including justice and security. A National Committee has been set up for this purpose at ministerial level led by the MoFA with representatives from different line ministries and the PMO. At the technical level, expert committees have been set up for each Human Right treaty with the mandate to draft the reports.

Human rights treaty reporting becomes an important national process, involving a variety of stakeholders, of stocktaking and self-evaluation serving as a baseline for implementation, analysis of inequalities, identification of challenges and priorities and planning legal reforms and programmes to ensure the protection and promotion of the human rights contained in the treaties and to redress discriminatory practices. Harmonising national legislation with human rights treaty standards would become an imperative need. In the absence of a functioning legislative council, an inclusive process of treaty reporting, with opportunities for civil society to participate in the drafting and revision of the reports, can provide the framework for an open and frank national debate on the place of human rights in the emerging Palestinian state. Palestine will also be required to demonstrate progress with regard to the sustainable development goals (SDGs). Seizing this momentum would further help to structure

⁶ Article 47, paragraph 1 of the Judicial Authority Law.

⁷ See: http://ec.europa.eu/eurostat/statistics-explained/index.php/MEDSTAT_programme

better dialogue between the government and civil society for better governance, transparency and accountability and foster better implementation of the Guidance Document on Integrating Human Rights in Palestinian Development Planning. This would also support the identification of nationally relevant human-rights sensitive indicators and incorporating priority recommendations provided by treaty bodies in Geneva into sectoral development plans of the NPA which is currently under elaboration and which will tackle a wide range of areas.

The Independent Commission for Human Rights (ICHR) is part (as an observer) of the ministerial and technical committee set up for drafting the reports. It still needs further assistance to strengthen its technical expertise with regard to providing support to the PA to comply with the commitments, its monitoring and advocacy role and to accommodate Civil Society Organisations (CSOs) needs with their shadow reports. Building its capacity will assist the ICHR in fulfilling a lead role in the future by being more capable in providing advice to the government on human rights legislations and human rights indicators and subsequently take over from the United Nations Human Rights Office of the High Commissioner (UNOHCHR) which is effectively assuming this role at the moment.

Support to civil society efforts in the monitoring of the implementation of the human right treaties will reinforce their role in holding the government accountable for its actions. It will strengthen their voice in decision-making, lobbying and advocacy.

Component 2: Access to justice and the existence of adequate correctional facilities are fundamental tenets of a functioning justice system. Over the last years, the EU has provided support to the PA to expand and strengthen its network of justice (courthouses) and security infrastructure (correctional facilities). It is paramount that the new EU funded courthouses and correctional facilities are fully operational to allow the criminal justice system to enhance its overall capacity to deliver fair and efficient justice and to improve the protection and promotion of human rights including complying with Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. Critical in this endeavour is the commitment of the PA to cover regular running costs (electrical connectivity, maintenance and adequate staffing, particularly for the correctional facilities). With the present action, the EU will further support the PA to achieve its strategic goals to strengthen the rule of law and adherence to human rights.

Component 3: Sound planning and public policy formulation in different fields relies on a solid official statistics system. With the present action, the EU will support the PCBS to carry out its population, housing, and establishment census in 2017 which will be crucial for the design and monitoring of national and sub-national policies and development plans, for tracking progress towards the SDGs and ultimately also for decision-making on the Middle East Peace Process. Palestine's census will update population estimates, sampling frames, population registers, dwelling registers, small area population estimates, concepts and definitions used in household based surveys, as well as represents an opportunity for developing new information based technologies. The 2017 census will establish a new baseline for population and related functional projections that are crucial for sectorial planning. In addition, it will enhance the comparability of basic development indicators with other countries through the use of international definitions and classifications.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Substantially worsening political context with continued occupation, political divide between the West Bank and Gaza Strip, and freezing of the transfer of Clearance Revenues by Israel which may lead to increased instability, volatility and return to violence in the medium-term growing.	High	Seek enhanced EU dialogue with Israel, linking the effectiveness of EU cooperation in Palestine directly to Israeli actions (triangulation).
PA not able or willing to provide sufficient financial and/or human resources to allow the implementation of the human right treaties in all line ministries and/or operationalisation of courthouses and correctional facilities.	Medium	EU policy dialogue with relevant authorities (MoI, MoJ, MoFA, CRCDD) to make sure they deliver on their commitment in terms of covering budgetary costs and staffing needs.
PCBS unable to secure adequate financial support to implement its census	Medium	EU policy dialogue with the PA and with other donors (including EU Member States) to ensure that budgetary costs and staffing needs are met.
Assumptions		
<ul style="list-style-type: none"> i. The two-State solution continues to be the political aim supported by the EU, and the EU continues supporting the PA as part of EU support for a peaceful solution; ii. The PA continues to be committed to its statehood agenda; iii. The PA's is willing to integrate a right-based approach in all Palestinian Development Plans and set up a robust monitoring and evaluating mechanism for treaties implementation in all line ministries. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Component 1: Through the European Initiative for Democracy and Human Rights (EIDHR) programme, the EU has supported efforts bringing together governmental and civil society actors with the aim to reinforce the alignment with international conventions and a rights-based approach in national policies and development plans. The main lesson learnt is that partnerships take time and resources to set-up, manage and maintain. Partnership relationships between the PA and CSOs must give priority to monitoring and evaluation, as well as accountability mechanisms and active participation in order to ensure quality and effective implementation.

Component 2: When EU funds were allocated to address Palestinian judiciary infrastructural needs, the intervention was formulated and the cost estimate was based on a feasibility study based on general requirements, which proved to be insufficient once the courthouses' detailed design was developed taking into account international best practices, safety and security requirements as well as the local topography. Consequently, the entire EU funding that had been allocated to building, furnishing and equipping courthouses was eventually utilised for their construction. The main lesson learnt is that allocation of funding for public works should be based on detailed assessments of sectoral needs, of the existing capacity, of the functions that the infrastructure developments should cater for, as well as of necessary budgetary resources for operating and facility management (in terms of staffing, connectivity to water and electricity, etc.). A similar lesson applies with regard to EU-funded correctional facilities.

Component 3: Supporting the PCBS in conducting a general census in Palestine builds on EU current support aimed at ensuring high-level utilisation and reliability of the statistical programme. It complements the ongoing shift of PEGASE Direct Financial Support to a results-oriented monitoring and policy dialogue tool, which requires a strong and independent statistics institution for adequate monitoring purposes⁸.

3.2 Complementarity, synergy and donor coordination

Component 1: This intervention would promote mainstreaming of the role of civil society and be complementary to the EU efforts made in support to justice and security sector reform as well as actions implemented through thematic instruments, in particular the EIDHR.

Donor co-ordination takes place in various forms under the Local Development Forum (LDF) and its four "strategy groups". Relevant coordination at EU level includes formal meetings at Heads of Mission, Heads of Political Sections and Heads of Cooperation levels. Coordination will remain ensured with a number of Member States and key donors (Switzerland and Norway) including EUPOL COPPS⁹, which has in house expertise on human rights. Coordination with relevant UN agencies and informal coordination with the Human Rights and International Humanitarian Law Secretariat¹⁰ will continue. Norway will be funding a first phase of the current project and the proposed action will build on its achievements. Synergy will also be sought with the regional South Programme II¹¹ implemented by Council of Europe and its support relating to human rights, rule of law and democracy.

Component 2: Furnishing and equipping EU funded courthouses and correctional facilities will complete and enable the operationalisation of the EU capital investments in the sector (EUR 32 million in total), upholding the visibility and role

⁸ The last PEGASE DFS evaluation 2011-2013 considered the PCBS as crucial institution to ensure sound monitoring and evaluation of the reforms and overall macroeconomic and social outlook and strongly recommended continued EU support.

⁹ European Union Co-ordinating Office for Palestinian Police Support.

¹⁰ The Secretariat is a pool-funding mechanism supported by Denmark, Ireland, Sweden and the Netherlands that provides core-funding and small-scale actions to CSOs working in human rights protection. It is managed by the Institute of Law-Birzeit University and NIRAS.

¹¹ See <http://south-programme-eu.coe.int/>

of the EU investment. It will also complement the ongoing EU technical assistance to the HJC, which focuses on improving court administration and facility management. The HJC has confirmed readiness to deploy staff and start using the courts as soon as they are built and equipped. Further EU complementary support includes strengthening of the legal aid system, training of lawyers and judges and development of justice related curricula in universities. Canada has also supported courthouse construction in Tulkarem and Hebron for approximately EUR 38.6 million, including furniture. Coordination with Canada is being considered to ensure a common approach to court administration. EUPOL COPPS has been playing an active role in the security sector: its expertise would be of critical importance in the follow up, monitoring and the delivery of equipment and in all ancillary tasks required to the operationalisation of the two correctional facilities. Synergies with the International Committee of the Red Cross (ICRC) and the Bureau of International Narcotics and Law Enforcement Affairs (INL), both supporting standalone infrastructural interventions for correctional facilities in the West Bank will be explored.

Component 3: For the census, relevant fora include the Public Administration and Civil Service Sector Working Group. Importantly, PCBS is a stakeholder in the PEGASE DFS Results-oriented Framework. PCBS calculates the overall cost of the population, housing and establishment census to stand at USD 16 million, 20% of which will be covered from the PA budget. Other EU Member States and like-minded donors have expressed their intention to support the 2017 census¹².

3.3 Cross-cutting issues

Good governance will be targeted by all actions with attention to enhancing the capacity of the judicial and correctional administration.

Overall *Human Rights* will be the main focus of support tackled under *Component 1*. A right-based approach will be enforced in the implementation of the treaties and in the specific support provided to justice and security within *Component 2* as to improve the access to justice and better guarantee fair trials and the compliance with relevant international standards and norms related to the treatment of inmates.

Gender equality and promoting rights of vulnerable groups will be mainstreamed in all components. *Component 1* will directly address violence against women (CEDAW convention) and promote the elaboration of gender-sensitive indicators. The activities foreseen are in line with the EU Gender Action Plan and hence contribute to its implementation. Gender is also covered by *Component 2*, with regard to the procurement of equipment of courthouses and correctional facilities. Within *Component 3*, the general population census will provide gender sensitive indicators that can contribute to the development of plans and policy-making for women empowerment programmes. In addition, the census will also establish specific data on children, youth, individuals with special needs, refugees, elderly persons, and on poverty. It is important to note that beyond PCBS statistics, no other data source ensures a comparable comprehensive gender analysis of population-based indicators in Palestine.

¹² So far, Sweden has pledged to contribute USD 1.2 to 1.5 million, Italy USD 20,000, and Norway USD 941,000.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

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 right-based institutions at national and local levels.

The specific objectives are:

(1) to strengthen the capacity of the PA to protect and promote the human rights of its citizens, backed up by the national human rights institutions and a strong civil society.

(2) to improve the capacity of judicial and correctional institutions to deliver quality services according to international standards by addressing equipment and capacity building needs in EU funded judicial and correctional facility infrastructure.

(3) to enhance the management capacity at the PA, in particular with regard to structured planning, monitoring and evaluation, by consolidating and providing updated population, housing and establishment data.

The expected results are:

(1) Enhanced citizens' rights through well-defined gender-disaggregated human rights indicators and well-established internal monitoring, reporting and implementation structures in Palestinian line ministries as well as strengthened capacity of ICHR and civil society to monitor and report on Palestinian human rights commitments.

(2) Courthouses and correctional facilities built by the EU are provided with the necessary equipment, and technical assistance is deployed to allow their full operationalisation.

(3) As a result of conducting the 2017 census, essential policy planning information for Palestine is produced.

4.2 Main activities

Component 1: The project timeframe captures two years out of a five-six year treaty reporting cycle. The first phase is currently covered by Norway. EU funds will cover the second phase and focus on the following main activities:

- a) Strengthening human rights implementation, monitoring and reporting capacity within **the PA** through trainings, technical assistance (with a focus on the national reporting and follow-up mechanism including identifying nationally relevant human rights sensitive indicators), review of key pieces of legislation in order to align them with international treaties – including consultations, mapping exercise, etc.;
- b) Strengthening human rights implementation, monitoring and reporting capacity within **the ICHR** through technical support (with a focus on developing alternative reports to the treaty bodies and investigation of the implementation of the treaties), trainings including practical guidance on identifying targets and indicators related to the monitoring of the treaties, support to the ICHR's role in

coordinating CSOs efforts (such as writing shadow reports and ensuring that laws and bylaws are consistent with human rights standards), etc.;

- c) Strengthening **Palestinian civil society** engagement on Palestine's human rights obligations, despite existing capacity of civil society to monitor and report on human rights and violations. Additional efforts are needed in order to ensure that the PA's legal commitments are properly monitored and that it is held accountable for its human rights commitments.

Component 2: Technical assistance and equipment will be provided to ensure the operationalisation of EU built courthouses (Dura, Jenin, Salfeet and Qalqilya) and correctional facilities (Nablus and Jenin). In particular, the following activities will be implemented:

- d) Supply of necessary equipment (furniture and IT equipment);
- e) Technical assistance to support the operationalisation of the correctional facilities, including, as may be necessary, on-the-job training and development of regulatory framework and standard operating procedures

Detailed needs assessment, including itemisation of equipment and the design of technical assistance, will be carried out through framework contracts prior to the beginning of the action. Should specific expertise be made available within EUPOLCOPPS, possible synergies will be explored.

Component 3: This will consist in support to the PCBS to carry out its population, housing, and establishment census in 2017, which will cover the West Bank, including East Jerusalem, and the Gaza Strip.

4.3 Intervention Logic

Component 1 aims to achieve well-defined gender-disaggregated human rights indicators and to set up a monitoring framework both to follow up the implementation of the human rights treaties obligations as well their incorporation in the National Policy Agenda and the related sector strategy plans.

The Palestinian Authority has accepted the legal obligations to promote and protect the human rights set out in the treaties for the benefit of all its citizens in both the West Bank and the Gaza Strip. Implementation of the human rights treaties obligation contributes to creating a more responsive and effective government and ultimately building a future stronger democratic Palestinian state.

Initial reports on the treaties - to be completed by mid-2016 with the review by the UNOCHR in Geneva coming soon thereafter - serve as a baseline human rights assessment and define the gaps that the PA needs to address.

As part of this process, a Rights Based-Approach should be reinforced among the different ministries and technical personnel through capacity building, trainings and the definition of national human rights indicators to reflect the implementation of policies which respond to the existing gaps. This entails building the institutional capacity of the government including governmental gender units to implement the conventions in a more structured manner.

The competence and capacity of ICHR to lead future reporting processes with the PA and Civil Society instead of the UNOHCHR will be strengthened. This as well as the

submission of parallel and Civil Society shadow reports, constitute key components of the national process.

Through an inclusive approach, ICHR and CSOs, as key partners, can play an active role, not only in providing information or advice to the government on human rights, but also in contributing to promoting and safeguarding human rights also to a great extent in the Gaza Strip where *de facto* authorities are operating and East Jerusalem still under Israeli control.

As regards *Component 2*, providing the judicial and correctional infrastructure facilities with the necessary equipment and furniture, as well as the accompanying measures in the form of technical assistance, will contribute to their operationalisation. The PA is expected to cater for the adequate staffing and the recurrent operational expenses.

With regard to *Component 3* the EU, providing substantial Direct Financial Support (DFS) to the national budget, continues to support the consolidation of the PA's general governance capacity, with particular emphasis on the administrative civil service reform and the development of staff integration plans and strategies. The EU has been committed to institutional capacity building and technical assistance within key line ministries/institutions supporting key reforms in areas related to EU temporary support measures (PEGASE DFS and its related Results Oriented Framework) such as macro/fiscal related reforms, public finance management reform, social protection reform. The Palestinian Central Bureau of Statistics (PCBS) is a key institution to ensure a sound monitoring and evaluation of the reforms and overall macroeconomic and social outlook (as strongly recommended by the last PEGASE DFS evaluation 2011-2013).

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 Budget 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 4.2 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

5.3.1 Component 1

5.3.1.1 Grants: Call for proposals "Support to Human Rights Treaties Implementation and Reporting" (direct management).

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

Objective: To promote the effective reporting and implementation of international agreements, instruments and commitments to which Palestine has acceded, including inclusive capacity building initiatives.

Type of actions eligible for financing: Support to CSOs initiatives including raising public awareness for rights-holders, especially the most marginalized and disadvantaged; monitoring and reporting on violations of human rights treaty obligations; development of contextualised human rights indicators and monitoring frameworks on specific rights; formulation and submission of shadow reports; building capacity of CSOs and Community-Based Organisations (CBOs) for engagement with the PA and the human rights treaty system, including effective participation in PA-led national consultations.

Expected results:

- Strengthened engagement of Palestinian civil society with regard to the PA's human rights obligations.
- Increased CSOs participation in promoting the PA's obligations to introduce human rights and gender-sensitive oriented policies and mechanisms to promote and protect the rights of citizens in particular rights of the vulnerable groups (children, women victims of violence, disabled).
- Strengthened civil society role in harmonizing national legislation with treaty conventions.
- Strengthened capacity of Palestinian CSOs in monitoring, reporting, and documenting cases of human rights violations.
- Increased awareness of the public on their rights in view of international treaties.

(b) Eligibility conditions: To be eligible for a grant, the applicant must be an in-country local and, legal person **and**; be non-profit-making **and**; be a specific type of organisation such as (NGOs, private sector non-profit agencies, networks) and not acting as an intermediary. The applicant *may act* with co-applicant(s).

The indicative amount of the EU contribution per grant will range to between EUR 200,000 to EUR 300,000 and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 24-36 months.

(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 for grants under this call is 90% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, 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.

(e) *Indicative timing to launch the call*: 1st quarter of 2017

5.3.1.2 PAGODA Grant: Direct award to the United Nations Office of the High Commissioner for Human Rights (UNOHCHR) "Support to Human Rights Treaties Implementation and Reporting" (direct management)

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

The main objectives of this action are 1) to accompany the PA in the process of Treaty reporting, monitoring and implementation through strengthening its capacity, and 2) to strengthen the technical expertise and capacity of the Palestinian ICHR with regards to a) its support to the PA to comply with the commitments, b) its monitoring and advocacy role and c) to accommodate CSOs needs with their shadow reports. This will be achieved through technical assistance, capacity building, training, development of national human rights indicators, mapping and ranking human rights priorities.

(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 proposal to UNOHCHR.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics requiring this beneficiary for its technical competence, specialisation and specific mandate (Article 190(1)(f) RAP). UNOHCHR is mandated as the principal UN Office to promote and protect human rights and provides assistance to governments in the form of expertise and technical training to help implement human rights standards.

(c) 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 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 for this grant is 90% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, 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.

(e) Indicative trimester to conclude the grant agreement

4th quarter of 2016

5.3.2 Component 2 Indirect management with the partner country (provision of equipment for court houses and correctional facilities)

This action may be implemented in indirect management with the PA in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

The PA will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement and grant procedures.

Payments are executed by the Commission.

This implementation entails the procurement of supplies for courthouses and correctional facilities built by the EU. This implementation is justified because the PA - and in particular the Ministry of Finance and Planning (MoFP) - has a proven track record in managing and implementing large procurement contracts. The European Union is currently providing support to the MoFP through targeted technical assistance designed to improve its institutional capacity and to assist in planning, monitoring, and managing EU funded programmes/projects. It is expected that through this implementation modality, the MoFP will ensure the necessary coordination with relevant authorities involved in the procurement of equipment for courthouses and correctional facilities, while strengthening the ownership of these projects by the Palestinian Authority and ensuring its long-term sustainability.

The indicative timing for the conclusion of supplies contract(s) would be the first quarter of 2017.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012, the PA shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 will be laid down in the financing agreement concluded with the PA.

5.3.2.2 Procurement (Direct management)

Subject in generic terms	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical assistance to support operationalisation of correctional facilities	Services	1	Q4 2016

5.3.3 Component 3: Grant - Direct award "Support to conducting a general census in Palestine" (direct management)

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

The main objective of this action is to support PCBS to carry out its Population, Housing and Establishment Census and in turn update population estimates,

sampling frames, population registers, dwelling registers, small area population registers, and concepts and definitions used in household based surveys. The action will ensure high-level utilization and reliability of the statistical programme and contribute to the overall planning development process in Palestine, as well as, other sector plans and programmes. This support would complement the ongoing shift of PEGASE Direct Financial Support to a results-oriented monitoring and policy dialogue tool, which requires a strong and independent statistics institution for adequate monitoring purposes.

(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 the PCBS. Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics requiring this beneficiary for its technical competence, specialisation and legal mandate (Article 190(1)(f) RAP). The mandate of this independent institution has been established by law. It aims to develop and enhance the Palestinian official statistical system based on legal grounds that organise the process of data collection and utilization for statistical purposes.

(c) 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 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 for this grant is 90% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, 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.

(e) Indicative trimester to conclude the grant agreement: 4th trimester of 2016

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 Budget 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

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.3.1 – Component 1:	2,200,000	
5.3.1.1 <i>Grants</i> : Call for proposals "Support to Human Rights Treaties Implementation and Reporting" (direct management)	900,000	100,000
5.3.1.2 <i>PAGODA Grant</i> : Direct award to the United Nations Office of the High Commissioner for Human Rights "Support to Human Rights Treaties Implementation and Reporting" (direct management)	1,300,000	145,000
5.3.2 – Component 2:	4,300,000	
5.3.2.1 Indirect management with the partner country (provision of equipment for court houses and correctional facilities)	3,800,000	
5.3.2.2 Technical assistance to support the operationalisation of correctional facilities (direct management)	500,000	
5.3.3 – Component 3:	1,500,000	
5.3.3 Direct award "Support to conducting a general census in Palestine" (direct management)	1,500,000	115,000
5.8 – Evaluation, 5.9 – Audit	100,000	
5.10 – Communication and visibility ¹³	-	
Total	8,100,000	360,000

5.6 Organisational set-up and responsibilities

A Steering Committee will be set up for Component 1 including representatives from the Ministry of Foreign Affairs, EUREP office, UNOHCHR, the ICHR and a civil society representative on behalf of the Palestinian Human Rights Organizations Council (PHROC). The Steering Committee will ensure project coordination and complementarity.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of these actions 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 part of the action under its 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

¹³ Communication and Visibility budget for the AAP 2016 is pooled under the AD "Access to Economic Enablers".

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, final evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission or via an implementing partner. It (They) will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that special emphasis on implementation of the Gaza Strip which entails great risks given the volatile political situation.

The Commission shall inform the implementing partners at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner 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 to two contracts for evaluation services shall be concluded under a framework contract at the end of the operational implementation period of this 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 or more audit contracts for audit services might 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 and supported with the budget to be indicated at a later stage. 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).

Special attention should be paid to ensure adequate EU visibility for Component 1 (in particular 5.3.1.2 to be implemented by UNOCHR) through the development of a detailed visibility plan.

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 to ensure adequate EU visibility of all relevant project activities.

APPENDIX - INDICATIVE LOGFRAME MATRIX

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 without an amendment to the financing Decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

FOOTNOTE: Please note that most of the baselines related to component 01 are in progress to be finalized during the year including the PA reports to Treaty Bodies and National Plan Action document.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	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 right-based institutions at national and local levels.	<ul style="list-style-type: none"> - Overall decrease in number of cases of HR violations perpetrated by the Palestinian Authority - Overall increase of cases where victims of HR violations have received compensation after adjudication - Overall increase in number of alleged HR violations prosecuted and adjudicated 		Institutional integration	PCBS – HoMs and ENP annual reports	
Specific Objectives	Component 1 To strengthen the capacity of the Palestinian Authority to protect and promote the human rights of its citizens, backed up by the national human rights institution (ICHR) and strong civil society	<ul style="list-style-type: none"> - Well-defined gender-disaggregated national human rights indicators and gender-sensitive monitoring frameworks of the NPA- using the human rights treaties as a framework- integrated into ministry sector strategic plans. - Competence and capacity of ICHR to lead future reporting processes with the PA and Civil Society and submission of parallel and shadow reports by ICHR and CS. - Civil Society undertakes monitoring of human rights situation using human rights treaties as a framework for shadow reports 	<p>Limited integration of HR indicators and RBA in existing sector strategies</p> <p>Priorities and timelines as expressed in National Development Agenda (NPA) 2017-2022</p> <p>Baseline assessments of HR situation as provided in the 7 initial state reports and one core documents to be submitted to treaty bodies in 2016</p>	<p>By 2018 Institutional integration of human rights indicators and RBA into at least two sector strategies.</p> <p>By 2018 one national coordination structure within the PA on human rights</p> <p>By 2018 ICHR and CSO 2 parallel reports using human rights treaties framework for reporting.</p>	<p>Strategies and ToRs for Intern Ministerial Structures;</p> <p>Minutes from meeting of the inter-ministerial committee</p> <p>HR monitoring and reporting database software and manual.</p> <p>Drafts of legal reviews</p> <p>National Action Plans on implementation of treaty body recommendations</p> <p>Different reports (CSOs, UN, ICHR)</p> <p>Reports of Government Gender Units in line</p>	<ul style="list-style-type: none"> - Sufficient political commitment of Palestinian Authority actors to implementation of treaties in national development plan; - Willingness of duty-bearers to comply with international human rights standards.

			<p>National Strategy to Combat Violence against Women (2011-2019)</p> <p>Priorities expressed in the Security and Justice Sectoral Plan, 2017-2020</p> <p>Existing sector strategies do not have monitoring frameworks with clear indicators with baselines and targets</p>		<p>ministries and governmental institutions</p>	
	<p>Component 2 To Improve the capacity of judicial and correction institutions to deliver quality services according to international standards by addressing equipment needs in EU funded judicial infrastructure and correction facilities.</p> <p>Component 3: Enhance the management capacity at the PA, in particular with regard to structured planning, monitoring and evaluation, by consolidating and providing up-dated population, housing and establishment data.</p> <p>(as laid down in the National Strategy for the Development of Official Statistics 2014-2018)</p>	<ul style="list-style-type: none"> - Operationalisation of the relevant correctional and judicial facilities - Baseline for this facilities as to equipment and furniture is currently 0. - Transfer of prisoners from old to new facilities <ul style="list-style-type: none"> - Publication, dissemination and use of relevant census information 	<p>Non-operational facilities due to lack of equipment</p> <p>NA</p>	<p>By 2018 hearings are held in the new courthouses</p> <p>By 2018 max 500 prisoners transferred to the new correction facilities</p> <p>As a result of conducting the 2017 census, information that is essential for the statistical system in Palestine is produced</p>	<p>Field visits</p> <p>ICRC reports</p> <p>Court reports</p> <p>PA reports</p> <p>CSO reports</p> <p>PCBS census reports and other government / non-government publications referring to 2017 census data</p>	<p>Political commitment of Palestinian authority to provide adequate staffing and operating budget for the functioning of the new correction and court house facilities</p> <p>Sufficient political commitment to continued state building.</p>
Output	Component 1: 1. Strengthened capacity of monitoring and reporting on	1.1 Number and quality of treaties Reports	National Development Plans	- 7 initial state reports & different	State reports submitted to treaty bodies by PA	Sufficient political commitment of

<p>human rights commitments within the Palestinian Authority.</p> <p>2. Sustained reporting & monitoring structures of human rights commitments by Palestinian line ministries and inter-ministerial structure</p> <p>3. Effective institutions, capacity to monitor & mainstream rights of equal opportunities and well-being of vulnerable groups including women, children and persons with disability.</p> <p>4. Harmonization of national legislations and legal frameworks with human rights treaty standard.</p> <p>5. Strengthened technical expertise of ICHR to use human rights treaties as framework of monitoring and reporting on violations and accommodate the PA and CSO needs.</p> <p>6. Capacities of well-sourced, independent, visible civil society organization in shadow reporting and implementation of human rights strengthened</p>	<p>1.2 Quality of Sectoral development Plans with right-based approach</p> <p>1.3 Integration of treaty bodies recommendations in two sectoral national plans at least (including CEDAW).</p> <p>2.1 Gender-Sensitive National Reporting and Follow-up Mechanism put in place into the line ministries with gender disaggregated data</p> <p>2.2 National Monitoring Framework is set up with gender disaggregated data</p> <p>2.3 Development of ToRs and strategies for inter-ministerial structures.</p> <p>2.4 Number of focal points in line ministries received training and capacity development</p> <p>2.5 Functions relating to human rights treaty reporting integrated into all focal points terms of reference.</p> <p>3.1 Developed list of National Human Rights Disaggregated Indicators</p> <p>3.2 Ranking and mapping national priorities</p> <p>3.3 Number of national consultations with CSO and ICHR</p> <p>3.4 Technical models developed for right-based approach integration</p> <p>4.1 Number of reviews of national legislations by Inter-Ministerial Committee (considering gender perspective)</p> <p>4.2 Number of court cases on HR violations followed by ICHR</p> <p>5.1 ICHR using human rights treaties framework for monitoring and reporting of human rights situation with data disaggregated by sex and age</p>	<p>2017-2022</p> <p>State reports and one core document to be submitted to treaty bodies in 2016</p> <p>National Strategy to Combat Violence against Women (2011-2019)</p> <p>Draft Penal Code and other existing national legalisations</p> <p>No parallel or shadow reports have been submitted yet.</p>	<p>periodical reports</p> <p>-Recommendations from 2 treaty bodies assessed and integrated into national sectoral plans</p> <p>- One national coordination structure with clear mandate, strategy and terms of references</p> <p>- 20 focal points (10 from MoFA, 10 from line ministries) trained in use of database)</p> <p>- HR indicators have been integrated into at least two sector strategies mainstreaming gender</p> <p>- Two pieces of legal review by end of 2018</p> <p>- ICHR 2-3 parallel reports</p> <p>- Two national Consultations with a minimum of 10 CSOs</p> <p>- Four CSO shadow reports by end of 2018</p> <p>- 3 to 5 grant contracts awarded to CSOs by end of</p>	<p>UN Reports & Treaty bodies recommendations.</p> <p>Ministry work plans</p> <p>Strategies and ToRs of inter-ministerial structure</p> <p>Periodic reports</p> <p>ICHR monthly & annual Reports</p> <p>Draft legislations</p> <p>Parallel and shadow reports</p> <p>Mid-term and final Evaluation reports.</p> <p>Audit/ROM reports</p> <p>Coalition of CSOs monitoring legislation and law making</p> <p>Reports of Government Gender Units in line ministries and governmental institutions</p>	<p>Palestinian Authority actors to implementation of treaties in national development plan;</p> <p>Willingness of duty-bearers to comply with international human rights standards.</p>
--	--	--	---	--	---

	<p>Component 2 – To provide relevant equipment to courthouses and correctional facilities and train prison staff to run relevant correctional facilities in order to ensure their operationalisation</p> <p>Component 3 The PCBS carries out a general population, housing and establishment census in the West Bank and in the Gaza Strip in 2017</p>	<p>5.2 ICHR responsiveness to PA and CSO needs.</p> <p>5.3 Number of national consultations with the PA & CSOs</p> <p>6.1 Number of CSO shadow reports</p> <p>6.2 Number of CSO participating in national consultations on responding to recommendations</p> <p>6.3 Number of CSO projects to promote and protect citizen's human rights</p> <p>- Equipment delivered and available in court houses and correction facilities</p> <p>- Number of Prison staff deployed and trained on the job</p> <p>The PCBS census is conducted and information that is essential for the statistical system in Palestine is produced.</p> <p>PCBS improve the quality and coverage of the 2017 census compared to 2007 census.</p>	<p>N/A</p> <p>PCBS 2007 census publications</p>	<p>2017.</p> <p>By 2018 courthouses and correctional facilities are equipped and operational</p> <p>By 2018 prison staff is trained and deployed to run the correctional facilities</p> <p>Up-dated population, housing and establishment data and statistical reports available as a publication and on the web as per 2017 census</p>	<p>Provisional and final acceptance certificates of equipment delivered</p> <p>Visits to correctional facilities</p> <p>PCBS statistical census reports based on 2017 census</p>	<p>Political commitment of the Palestinian authority to provide adequate staffing and operating budget for the functioning of the new correction facilities</p> <p>Technical capacity to utilise and manage correctly the equipment</p> <p>Adequate budget to cover maintenance costs</p> <p>Adequate financial support to implement the PCBS census is secured</p>
--	--	---	---	---	--	---

		Gender disaggregation according to international standards is ensured by the gender unit in PCBS for the methodology, data collection, and the end result.		By 2017, the methodology of the census published ensures gender disaggregation in the data collection process and end results (i.e. indicators).	PCBS gender unit 2017 annual report	
--	--	--	--	--	-------------------------------------	--



This action is funded by the European Union

ANNEX 2

of the Commission Implementing Decision on the Annual Action Plan 2016 - Part 2 for Palestine

Action Document for "Improving access to economic enablers"

<u>INFORMATION FOR POTENTIAL GRANT APPLICANTS</u>	
<u>WORK PROGRAMME FOR GRANTS</u>	
<p>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 calls for proposals: 5.3.3.1.</p>	
1. Title/basic act/ CRIS number	<p>Improving access to economic enablers CRIS number: ENI/2016/039-370 financed under European Neighbourhood Instrument</p>
2. Zone benefiting from the action/location	<p>Palestine¹ The action shall be carried out at the following location: West Bank and Gaza Strip</p>
3. Programming document	<p>Single Support Framework (SSF) 2014 - 2016</p>
4. Sector of concentration/ thematic area	<p>Focal Sector 1: Private sector development Focal Sector 3: Support to water and land development</p>
5. Amounts concerned	<p>Total estimated cost: EUR 20,525,000 Third party contribution: EUR 525,000 Total amount of EU budget contribution: EUR 20,000,000 The action is co-financed as joint co-financing with UNICEF for an amount of EUR 100,000 (indicative). This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 425,000.</p>
6. Aid modality(ies) and implementation modality(ies)	<p>Project Modality: <i>1. Direct management:</i> Pillar 3: Grants – Call for proposal <i>2. Indirect management:</i> Pillar 1: Indirect management with FAO Pillar 2: Indirect management with UNICEF Pillar 3: Indirect management with Belgium Technical Co-operation (BTC) and</p>

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

	Indirect management with UN-Habitat			
7 a) DAC code(s)	Pillar 1: 25010 Business support services and institutions 31110 Agricultural policy and administrative management Pillar 2: 1421-Water supply - large systems and 23067-Solar Energy Pillar 3: 43010 Multisector Aid – 43030 Urban Development and Management; 43040 Rural Development			
b) Main Delivery Channel	Pillar 1: FAO - 41301 Pillar 2: UNICEF - 41122 Pillar 3: BTC – 11000 – UN-Habitat 41000			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	X	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	Pillar 2 : Environment and Climate Change + Human Development/Health			

<p>SUMMARY</p> <p>The Single Support Framework 2014-2016 in Palestine includes support to water and land as well as private sector development as two of its focal sectors. This includes special attention to the development of Area C which ought to become the backbone of the Palestinian economy.</p> <p>The specific objectives of this action are to (1) enhance capacities and competitiveness of Palestinian agribusinesses (<i>Pillar 1</i>); (2) improve the quantity and quality of water supplied to consumers and limit the rapid deterioration of the coastal aquifer due to over abstraction (<i>Pillar 2</i>), and (3) improve resilience and tenure security of Palestinian communities in Area C through spatial economic planning and sustainable agriculture development interventions (<i>Pillar 3</i>).</p>
--

CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Palestine has been marked by the ongoing Arab-Israeli conflict, as well as by more than forty years of occupation characterised by restrictions and controls on the movement of people,

goods and resources, difficulty in accessing land and water resources, administrative division of the West Bank into areas A, B and C, rapid expansion of settlements, increased number of settlers' attacks, and demolitions and displacements in Area C and Jerusalem. Internal division in Palestinian politics since 2007², the continuous blockade of Gaza and the absence of any clear political horizon have led to high level of frustrations, a lack of cohesion and recurrent high-level waves of violence.

Israeli occupation is the primary driver of poverty in Palestine and undoubtedly complicates the delivery of assistance in Palestine. Palestine falls into the lower middle-income group of countries in terms of the Human Development Index (ranked 113 out of 182 countries in 2015). According to the World Bank economic report to the Ad Hoc Liaison Committee (AHLC) of September 2015, Palestinians are getting poorer on average for the third year in a row. Donor support has significantly declined in recent years (budget support in particular has decreased by around 40% since 2011). Due to population growth, real GDP per capita has been shrinking since 2013³. Unemployment remains high and 25% of Palestinians currently live in poverty. Without a political breakthrough (ease of restrictions, lifting of the blockade on Gaza, permanent peace agreement), the Palestinian economy will continue to perform below its potential.

Sustained economic growth depends largely on a dynamic private sector, able to reduce high unemployment and poverty rates. In 2014, the agribusiness sector generated approximately 7% of Palestinian GDP, a sharp decline from 14% in 1998. The sector accounts currently for approximately 25% of total exports.

In the Gaza strip, the main water resource is the coastal aquifer stretching across the Gaza Strip. Seawater and surrounding saline aquifers intrude into the fresh water aquifer with an adverse effect on ground water quality. In addition to the erosion of the fresh water aquifers by the seawater, large scale contamination continues to occur as a result of the destruction and lack of repair of the sanitation infrastructure destroyed by the 2014 conflict.

As a result, only 4% of the supplied domestic water in 2014 was meeting WHO standards for drinking water. The incidence of water-related diseases is very high. The lack of regular power supply limits water supply. 30% of households are supplied with water only for 6-8 hours every 4 days. It is expected that the future water needs in Gaza will increase to 260 million cubic metres in 2020, for a population of 2.13 million.

Making up over 60% of the overall territory of the West Bank, and under full Israeli civil and military control, Area C is fundamental to the contiguity of the West Bank and the viability of Palestine and its economy. An estimated 300,000 Palestinians live on land designated as Area C and a larger number depends on natural resources located in Area C for their livelihoods. Development in Area C is tightly restricted by the Israeli authorities through means such as limiting or refusing permits for construction of individual buildings and services, and by issuing demolition, eviction and seizure orders in relation to buildings constructed without a permit. Despite the scarcity of land and water and the Israeli occupation practices⁴, agriculture – including livestock – in Palestine continues to be a significant source of employment.

² Following Hamas' victory in the Palestinian legislative elections in 2006, the West Bank has been governed by Abbas and Fatah and Gaza by Hamas, which is regarded as a terrorist group in many countries.

³ GDP³ in 2014 was just under US\$13 billion or around US\$2,800 per capita. GDP growth was 2.2% in 2013 but shrank by 0.4% in 2014. Preliminary estimates indicate an increase in GDP in Palestine by 3.5% during 2015, compared with 2014; GDP per capita has increased by 0.5% during 2015, compared with 2014 (Palestinian Central Bureau of Statistics, 29/12/2015).

⁴ Examples of Israeli occupation practices include: restrictions on Palestinian households in access to water sources; settler violence and demolitions of houses, water cisterns, animal sheds, etc.; barrier construction and movement restrictions for human and animals; land confiscation; restrictions to access to services; etc.

1.1.1 Public Policy Assessment and EU Policy Framework

Since 2008, the EU has been supporting the Palestinian Authority(PA)'s national reform agenda with interventions aligned with the priorities of the *Palestinian National Development Plan 2014-2016* of May 2014. The EU has also increased its policy dialogue, notably in the context of the Result-Oriented Framework and the ongoing significant public sector reform process that will be reflected in the *National Policy Agenda (NPA) for 2017-2022*. The NPA will be the basis for a *European Joint Strategy for Palestine* for 2017 onwards.

The *Agriculture Sector Strategy (2014-16)* and the *Livestock Sector Strategy (2015-2019)* identify the need to strengthen institutional capacity to improve the enabling environment and promote a modern and market-oriented agribusiness. The EU-funded *National Export Strategy (NES)* concurs in highlighting the importance of a market-oriented approach and compliance with SPS standards to reap higher benefit from the duty-free, quota-free access to the EU market⁵.

A *Water Authority Strategic Plan (2016-2018)* has been produced and endorsed in 2015 by the PA. The short-term strategy - which takes into consideration the *Comparative Study of Options Gaza (CSO-G)*⁶ - the so-called "*Rolling Programme of Interventions to reply to the humanitarian water crisis in Gaza*" - comprises of three initiatives (i) improving efficiency of the Gaza water utility and networks; (ii) introducing short-term low-volume desalination plans; and (iii) piloting and expanding schemes for treated wastewater reuse in agriculture.

In 2015, the PA established an inter-ministerial committee on Area C, headed by the Prime Minister, with the aim to highlight the need of protection and development of Area C. More recently, the Ministry of Local Government has chaired a National Working group to formulate a *National Advocacy Strategy for Planning and Development in Area C (2016-2018)*. For the PA spatial planning interventions in Area C need to continue, as a protection measure against the Israeli authorities' policies.

1.1.2 Stakeholder analysis

Pillar 1 - Access to Markets for Palestinian Agribusiness: The action will target private sector actors in the agribusinesses sector (individual farmers and farmers' co-operatives with a focus on the latter to maximise the action impact, suppliers, processors, traders, service providers), representative organisations of agribusinesses such as the Palestinian Food Industries Union (PFIU), representative organisations of consumers and institutional actors, such as the Ministry of Agriculture (MoA), the Ministry of National Economy (MoNE), the Ministry of Health (MoH) and the Palestinian Standards Institute (PSI). MoA, MoH and MoNE are key actors responsible for the formulation of policies to enhance the competitiveness of agribusinesses. They ensure enforcement of regulations on health and plant protection and on imports and exports of food. PSI is responsible for the development of national standards and technical regulations in all fields (except human and veterinary medicine). The Action will actively promote closer co-ordination among private and public actors.

Pillar 2 - Access to Water in Gaza: In Gaza, the estimated direct beneficiaries from the Short-Term Low Volume Desalination plant will be around 120,000 inhabitants located in the Khan Younis Governorate and part of the 50,000 inhabitants located in Rafah Governorate. Since September 2015, several meetings have been held at technical level with

⁵ Granted via the Interim Association Agreement of 2012.

⁶ The inhabitants of Rafah will be fully covered once the connection of the three existing reservoirs will be done – PWA has committed to allocate funds for those infrastructures in 2015.

the partners (UNICEF, PWA and Coastal Municipality Water Unit (CMWU)) in order to elaborate the concept of the 3rd phase for the Short-Term Low Volume Desalination plant.

Pillar 3 - Access to Land in Area C: UN-Habitat will work closely with the Ministry of Local Government (MoLG) to prepare spatial planning interventions with and for the Palestinian communities in Area C. The key stakeholders consist of MoLG at the national level, the targeted government units at the local level, representatives from the local communities, including non-government organisations (NGOs), community based organisations (CBOs), academia, etc. As regards land development, the Ministry of Agriculture (MoA) will be a key stakeholder. Other stakeholders will be the farmers and farmers' co-operatives as well as civil society organisations (CSOs) involved in the implementation of land development activities.

1.1.3 Priority areas for support/problem analysis

Pillar 1- Access to Markets for Palestinian Agribusiness: Competitiveness of the agribusiness sector is constrained by (i) weak technical and managerial capacities of agribusiness, (ii) limited access to market information and quality support services and (iii) low compliance with relevant quality and safety requirements. Low integration within and among value chains prevents investments and transfer of technology. The institutional and regulatory framework needs to be strengthened in order to effectively address the above causes of lack of competitiveness.

Pillar 2 - Access to Water in Gaza: In the Gaza Strip, in light of the current demand for fresh water and the expected growth over current levels of abstraction from the aquifer, the increase of potable water supply in the short and the longer-term is essential to meet basic human needs as well as to restore the aquifer. The development of a renewable energy concept for the plant will partially alleviate the demand on the Gaza electricity grid and generate a decrease of the production costs for the desalinated water.

Pillar 3 - Access to land in Area C: the lack of proper spatial economic planning interventions leads to forced demolitions and evictions by Israel. The lack of access to land, resources and agricultural operational inputs linked to the Israeli restrictive policies are causing severe poverty and vulnerability conditions among Palestinian communities in Area C. The action will ease the constraints via appropriate land reclamation and development activities.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<i>Pillar 1: Access to Markets for Palestinian Agribusiness</i>		
Reduced planning, co-ordination and implementation capacity due to institutional weaknesses.	Low	Enhanced sectoral policy dialogue with the PA and donors
Reduced engagement by the actors along the value chains.	Moderate	Involvement of relevant stakeholders through the dissemination of information as well as the organisation of workshops and networking events.
<i>Pillar 2: Access to Water in Gaza</i>		
Escalation of conflicts in Gaza	High	UNICEF's staff and resources are constantly reviewed in the context of threat and risk levels.
Substantial risks from unpredictable Israeli policies and actions e.g. further restrictions regarding the trade of goods and	High	Triangulation with Israel: EU raising the issue of correct implementation of EU funded programmes with Israeli authorities at different level.

the free movement of service providers and demolitions activity through Israeli interventions in Gaza.		
Dispute arisen for the use of the land allocated to the project.	Low	Palestinian Water Authority to monitor the expansion of the military camp close to the border of the land allocated to the plant.
<i>Pillar 3: Access to land in Area C</i>		
Sustained periods of increased insecurity in Area C, making access to Palestinian communities difficult and resulting in shifting priorities for affected Palestinian communities.	High	Inclusion of interventions in less controversial areas (e.g. not close to restricted areas/settlements) to balance the risks. Ensuring co-ordination/information vis-à-vis the Israeli authorities.
Dissatisfaction of some Palestinian residents with the impact of the proposed plans on their land.	Medium	Increasing awareness among land owners regarding the importance of co-operation and collective action. Work with community leaders to highlight that public allocation of land leads to shared benefits for all. Stress that allocation for public use does not mean confiscation of land by Israeli government. Highlight the benefits of living in a properly planned space.
Land development activities are subject to political threats including stoppage and demolitions. As for previous interventions in Area C, the EU has to undertake a financial risk of having demolition orders issued by the Israeli authorities for a substantial part of EU funded structures.	High	Ensuring co-ordination/information vis-à-vis the Israeli authorities. Provision of legal assistance to the legal department of the Ministry of Agriculture. Provision of legal aid to grant beneficiaries at the contract level.
Assumptions		
<ul style="list-style-type: none"> i. No significant deterioration of the current political and security context in Gaza and the West Bank ii. All relevant stakeholders remain committed to the action's objectives and results iii. The electricity supply in Gaza remains stable or improves from its current level iv. UN brokered mechanism to allow construction materials to enter Gaza on a large scale, to make them available to the private sector (sellers/constructors) and to ensure close end user monitoring (thus reducing the risk of it being used for offensive purposes) is fully functional. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Pillar 1: Access to Markets for Palestinian Agribusiness

Lessons learnt from previous actions, including the EU support to the Olive Oil sector, suggest that further technical support should target:

- Agribusinesses technical, financial, managerial and planning capacities,
- Diversification of markets,
- Quality and safety of products,

- Horizontal and vertical integration of value chains,
- Governance, Institutional capacities and the enabling environment,
- Co-ordination and synergies among private and public actors.

Pillar 2 - Access to Water in Gaza

The main lessons learnt from the first phase of the "Short-term Low Volume Desalination plant" are:

- the need to ensure the quality of the design for the technical parameters;
- the importance of close follow-up with COGAT⁷ in order to have the authorisation for the shipment of supplies from abroad and the authorisation for the entry of materials based on a detailed list of items;
- the financial analysis and business model already undertaken under Phase I is a valid pre-assessment for the feasibility of the Phase III. The final report provided in July 2013 estimates that the cost of desalinated water will be around EUR 0.93 for 1 m³ of water⁸ (including running costs and depreciation which compose around 95% of the price) and that the net profit ratio (between revenue and operative costs) for the first year of implementation (including all maintenance costs) could be around 5% growing up to 9% after 6 years. The cost of maintenance (spare parts, maintenance and chemicals and maintenance of the municipal wells and blending tanks) are estimated on the first year of implementation at around EUR 93,000 and after 7 years of operation, those costs are estimated at around EUR 251,000. The CMWU is developing a new tariff adaptation in collaboration with the Ministry of Local Governance. CMWU intends as well to put in place a contribution from the Municipalities of around 10% of the operation and maintenance costs.

Pillar 3- Access to land in Area C:

The main lessons learnt⁹ are:

- Involvement of MoLG from the early beginning of the project design phase is necessary to identify main priorities.
- In estimating the project duration for spatial planning, it is recommended to consider the lengthy endorsement process of the ICA and the time needed for preparing the local outline plans.
- While opportunities for economic development have been revealed through the local outline plans and place-making projects, they have not been a primary concern of the first generation of planning initiatives. Thus, it is proposed to consolidate and complete the ongoing spatial planning work and harnessing of the new economic potential revealed through it.
- There is the need to bridge emergency/rehabilitation-operations to long-term development-oriented interventions making aid-assistance both more predictable and effective.

3.2 Complementarity, synergy and donor co-ordination

Pillar 1: Access to Markets for Palestinian Agribusiness

⁷ Co-ordination of Government Activities in the Territories.

⁸ Part of the population buys water to private companies (for a price going up to EUR 9.3 per m³).

⁹ Final Evaluation Draft Report "Spatial Planning Support Programme to Palestinian Communities in Area C", December, 2015.

The EU funded "Agricultural Assistance in the West Bank" and the "Private Sector Reconstruction in Gaza for Agriculture" projects have a total allocation of EUR 17.5 million. The EU and Japan jointly support an incentive programme for the development of the Jericho Agro-Industrial Park (EUR 5.2 million). The EU supported the Palestinian Standards Institute (EUR 4.5 million for capacity development and equipment). The EU is also funding the livestock based livelihoods project (ca. EUR 3 million). Harmonization will be ensured with the EU and DFID funded Palestinian "Market Development Programme", which aims at improving market systems and companies' competitiveness while strengthening trade and investments.

The action is conceived to be a co-ordinated effort with the Netherlands Representative Office (NRO) which is planning to allocate EUR 8 million, the Swiss Agency for Development and Co-operation (SDC) which is expected to provide EUR 3 million, and the Representation of Denmark which is expected to provide EUR 15 million.

The NRO and the Agencia Española de Cooperación Internacional al Desarrollo (AECID) are involved in complementary fields. SDC has also recently funded an action in support of Sanitary and Phyto-Sanitary (SPS) services.

Co-ordination is ensured by the "Agriculture Sector Working Group" and aligned with the Palestinian Agriculture Sector Strategy. EU policy in support of the private sector is co-ordinated through a dedicated Informal Working Group.

Pillar 2: Access to Water in Gaza

Water is a focal sector of EU support to the Palestinians with a total of EUR 107 million invested by the EU from 2006 to 2015. EUR 68.5 million has been committed between 2012 and 2015 alone, including EUR 34.5 million for Gaza. At regional level, the EU is funding the "SWIM programme" – Phase II (Sustainable Water Integrated Management) which includes capacity building and pilot activities inter alia on water resources threats and water use model.

The current project is a follow up and completion of previous phases funded respectively under the IfS and under the AAP 2015. The STLV-I is expected to be completed and operational by July 2016. Contracts to improve the water distribution networks and the construction of 2 water tanks in the Rafah and Khan Younis Governorates were signed in March 2016 under a separate project funded by the EU.

Donor co-ordination is carried out through the Water and Sanitation Sector Working Group.

Pillar 3: Access to Land in Area C

UN-Habitat in collaboration with MoLG and other Palestinian stakeholders received financial support from the French Government, EU, and UK/Department for International Development (DFID) to substantially contribute to a wide-range of spatial planning interventions, including statutory and non-statutory plans, along with advocacy work to defend the building and planning rights of Palestinian communities in Area C. For land development, the project will build on the on-going similar EU funded project (EUR 3.6 million, implemented by Palestinian NGO) and in full synergy with a complementary project funded by NRO in Area C.

The Belgium Technical Co-operation (BTC) is implementing a project financed by the EU, to have a comprehensive database system and a dataset of EU and EU MS interventions in Area C that can be used to monitor projects and project threats, to collect socio-economic baseline data, to identify needs, to define socio-economic indicators and to plan future interventions for Palestinian communities in Area C.

Planning of Area C and implementation of the developed plans is discussed during the Local Governance Sector Working Group.

3.3 Cross-cutting issues

Pillar 1: Access to Markets for Palestinian Agribusiness

Gender equality: 48% of rural Palestinian women perform their work unpaid and have no control on agricultural revenues. Women's contribution to the sector is hampered by insufficient managerial and technical skills and tools. The project will reinforce these capacities by supporting women's co-operatives. A gender-sensitive baseline will be developed and gender-disaggregated data produced. The activities of this pillar are in line with the EU Gender Action Plan "Promoting the economic and social rights / empowerment of girls and women".

Environmental sustainability and protection: The action will promote green practices including prevention of sources depletion and soil erosion, reduction of pesticide residues and promotion of proper waste disposal practices.

Pillar 2: Access to Water in Gaza

Gender equality will be promoted in particular in the implementation of an awareness campaign. This pillar is in line with the EU Gender Action Plan "Promoting the economic and social rights/ empowerment of girls and women".

Environmental sustainability and protection is developed together with health risk mitigation, as the STLW is specifically aiming at reducing sanitary risks from the supply of undrinkable water and the protection of the aquifer from the over-abstraction.

Climate change is approached through the use of alternative sources of water and will be specifically targeted by the development of renewable energy to ensure partial autonomy of the plant from the grid.

Good governance principles, the use of local systems and empowerment of local stakeholders are embedded in the design of the activities.

Pillar 3: Access to Land in Area C

Gender equality will be targeted by raising awareness and advancing discussions among the most vulnerable groups including women, elderly, and youth about tenure security to better tie planning interventions with local economic development, with a focus on Bedouin and herding communities.

This pillar contributes to the implementation of the EU Gender Action Plan regarding "Strengthening girls' and women's voice and participation". Gender-sensitive indicators will be incorporated at the level of the contracts, and it will allow monitoring and following up the impact of the interventions in terms of gender mainstreaming.

Environmental sustainability and Climate change is tackled by the improvement of the built environment and through proper land use and sustainable agriculture activities.

Good governance principles and human rights: The participatory approach through the local governance system is at the core of the implementation of this pillar. It will support advocacy to defend the building and planning rights of Palestinian local communities.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results and options

The **overall objective** is to promote inclusive, sustainable, private sector-led economic development in Palestine, building the path towards a green economy.

The **specific objectives** are:

- 1) To enhance capacities and competitiveness of Palestinian agribusinesses (Pillar 1);
- 2) To improve the quantity and quality of water supplied to consumers and to limit the rapid deterioration of the coastal aquifer due to over abstraction (Pillar 2);
- 3) To improve resilience and tenure security of Palestinian communities in Area C through spatial economic planning and sustainable agriculture development interventions (Pillar 3).

The **expected results** are:

Pillar 1: Access to Markets for Palestinian Agribusiness

- Improved agribusiness' capacities to access internal markets, with a possible positive effect on access to external markets
- Improved and conducive environment for agribusiness' competitiveness.

Pillar 2: Access to Water in Gaza

- The Reverse Osmosis Desalination lines (streams/trains) of the Short Term Low Volume (STLV) desalination plant are increased to reach a final total capacity of 20,000m³/day¹⁰ (meet minimum World Health Organisation (WHO) standards at point of delivery) and the plant is equipped with renewable energy to ensure partial energy autonomy.
- The financial capacity to manage, operate and maintain the plant is reinforced by on site and overseas trainings.
- The water rights and water obligations at household level are promoted through awareness campaigns.

Pillar 3: Access to Land in Area C

- Improved conditions of Palestinian communities in Area C in terms of planning.
- Strengthened capacity of the MoLG to monitor, quality control, perform planning functions and undertake advocacy work.
- Improved access to land and improved agriculture practices including the development and adoption of good practices in water demand management.

4.2 Main activities

Pillar 1: Access to Markets for Palestinian Agribusiness

Result 1: Improved agribusiness' capacities to access internal markets, , with a possible positive effect on access to external markets

1.1 Support agribusiness productive capacities

- Support producers' adoption of more efficient and sustainable agricultural practices.
- Support crops diversification and use of high value crops.
- Promote effective use of quality and safety standards for agricultural produce.

1.2 Support agribusiness management capacities

- Improve capacities to develop business and marketing plans.
- Improve marketing of fresh products including: (i) understanding seasonal demands (ii) planning of production (iii) linkage with commercial and logistics partners.

¹⁰ As result, the combination of STLV – I (6,000 m³/day) and STLV-II+ STLV-III (14,000 m³/day) will cover the 20,000 m³ needed for the Southern Governorates.

- Improve access to market and consumer information to identify strategic trends and opportunities.
- Develop market intelligence services and quality advisory services.

1.3 Enhance linkages and integration along the value chain: Strengthen Horizontal integration among agribusinesses within the same level of the value chain, and vertical integration among agribusinesses from different levels of the value chain.

Result 2: Improved and conducive environment for agribusiness' competitiveness

2.1 Strengthen the capacities of relevant institutions

- Institutional capacity building to ensure effective use of the national quality standards for agricultural products.
- Technical support to develop pest/disease risk analysis and surveillance capacities of the MoA Plant Protection and Inspection Services in line with international standards.
- Technical support to develop the capacities of the MoA Plant Protection and Inspection Services and Veterinary and Animal Health Services regarding movement/export certification as well as re-export and transit procedures.

2.2 Promotion of effective partnerships between public and private actors, particularly in relation to quality and safety testing services

2.3 Reform of the policy and legal framework through the promotion of a national dialogue with relevant stakeholders

Pillar 2: Access to Water in Gaza

Result 1: Construction of Phase III of the Short Term Low Volume of the desalination plant and installation of renewable energy including:

1.1 Consultancy services

The following consultancy assignments will be developed:

- Preliminary designs including assessment & selection of preferred option on the equipment of the desalination plant with renewable energy
- Environmental and Social Impact Assessment (ESIA) with regard the renewable energy component
- Outline designs of established option incorporating recommendations of the ESIA and preparation of tender documentation.

1.2 Installation of the Desalination units

In order to develop the seawater desalination plant to its final output of 20,000 m³/day¹¹, the following key activities will be undertaken as a minimum:

- Enhancing raw water intake and pumping capacities;
- Installation of the Reverse Osmosis units (desalination units);
- Enhancing pumping station capacities associated with the treatment and discharge process.

1.3 Electrical works

The proposed plant will be connected to the electrical grid of the Gaza Electrical Distribution Company (GEDCo) and will use the functional power transmission line¹² built under the phase I and upgraded under Phase II. The following key activities will be undertaken as a minimum to upgrade the existing electrical infrastructures:

- Upgrading of the power supply from the power grid from 2.5MW to 4.5MW including the installation of an additional transformer;

¹¹ The final water input for the phase 2 and 3 will be 14,000m³ to which are added the production of phase 1 (6,000 m³).

¹² Capacity of 1.6 MW of power.

- Installation of an additional standby generator;
- Potential upgrades to grid power system upstream of power transmission line installed under STLV- phase I.

1.4 Renewable energy

The renewable energy will be implemented through the installation of conventional Photovoltaic panels on the roofs of the plant buildings.

1.5 Serving the target areas¹³

In order to serve the additional targeted populations in both Rafah and Khan Younis, pipelines to new blending reservoirs and booster pumping stations will be installed to enhance the capabilities of the installed treated water flow transfer system.

Result 2: Provision of operations and management training for PWA/CMWU staff.

During the implementation of the STLV-III, emphasis will be placed on the training of the PWA/CMWU with regard to the plant operation and management. The momentum of having the 1st plant running and the 2nd plant under construction and upgrade will be used to organise an on-the job training by the contractor building/upgrading the plant. One additional training option is the organisation of abroad training for the key staffs in charge of the plant. This last option will be determined based on the costs of the other components and the available remaining amount.

Result 3: Public awareness campaigns

The aim of the public awareness campaigns is to educate the people on the benefits of desalinated water, safe water handling and optimal use of water and to build confidence on its quality and encourage payment of the water tariff. The campaign will focus especially on women (who take care of children). The activities would include a) the design of a public awareness plan with the aim of increasing awareness on water issues, water rights and water obligations (amongst others: rational use of water, the willingness to pay, stealing water) and the design of participatory water-management programme would be specifically for women; b) The implementation of campaigns (door-to-door, university/school, workshops...) to deliver key messages and proper guidance on the water topics.

Pillar 3: Access to Land in Area C

Result 1: Improved conditions of Palestinian communities in Area C in terms of planning.

- Prepare a roadmap for local outline plans selection and consolidation, and consequently further spatial planning priorities.
- Provide on-the-job training and capacity building of Village Councils on preparation, negotiation and implementation of local and regional outline planning.
- Set up and train *de facto* Local Planning Committees with involvement of all segments of the community.
- Define sub-regional linkages and inputs to the National Spatial Framework¹⁴.

Result 2: Strengthened capacity of the MoLG to monitor, quality control, perform planning functions and undertake advocacy work.

- Provision of technical assistance to support the capacity development of the MoLG.
- Purchase the equipment to increase the capacity of the GeoMoLG (GIS and Remote Sensing) and to update the photogrammetric maps by using the latest aerial photos available.

¹³ To be developed upon funds remaining available.

¹⁴ The proposed cluster plan and city-region plans will better link the isolated Palestinian villages in Area C together, and beyond with the main Palestinian cities and towns in Areas A and B. The economies of urban and rural areas will be inextricably linked and this planning level will aim to understand and harness such, and as well to supporting strategic investments in large municipalities in Areas A and B to deliver services in Area C. This bottom-up approach will enhance the planning processes at the different planning levels (local, sub-regional, and regional), and will eventually feed into the National Spatial Framework.

- Undertake advocacy and policy work in Area C, including fostering dialogue on alternative forms of tenure security and land rights for Bedouin and pastoral communities. In particular, a policy document on tenure security for Bedouin and pastoral communities will be prepared. This will enable undertaking advocacy measures to defend the building and planning rights of Palestinian communities in Area C (through UN Habitat).
- Monitoring system for following up the implementation of EU and EU Member States-funded projects and for recording demolitions and stop-work orders in area C (through BTC).

Result 3: Improved access to land and improved agriculture practices

- Consultation with MoA with regard to the selection of the potential areas (two clusters in Area C) that may benefit from the action, including the needed legal assistance to the MoA in order to mitigate the associated risks during the implementation of the project/s.
- Design and launch of a call for proposals with the aim of reclaiming agricultural land and enhancing profitability of agricultural practices.

4.3 Intervention logic

Pillar 1: Access to Markets for Palestinian Agribusiness

In Palestine, agribusiness' competitiveness is hampered by weak capacities and an inadequate institutional framework. The action will reinforce agribusiness' productive and management capacities and enhance their integration along the value chain. It will improve the environment in which they operate by reinforcing relevant public institutions, promoting public-private partnerships and modernising the sector policy and legal framework. Based on the assumptions that the current political context does not deteriorate substantially and that stakeholders remain committed to achieve its results, the action will enhance agribusiness' capacities and competitiveness and, in turn, contribute to inclusive, sustainable and private sector-led economic development in Palestine.

Pillar 2: Access to Water in Gaza

In Gaza, without the supply of additional water resources, the aquifer could be irretrievably damaged by 2020. The upgrade of a seawater desalination plant to its final capacity of 20,000m³/day, along with the development of renewable energy to cover partially the power needs of the plant is one of the most accurate solutions for a short-term remediation of the coastal aquifer. The impact of the intervention will be an improvement of the health and socio-economic levels of the population in the south Governorates of Gaza and will contribute to the protection of the ground water resources. The components linked to training and awareness campaign should increase respectively the adequate operation and management of the plant and the sensitisation of citizens (with a strong focus on women) to water cycle and water rights & obligations.

Pillar 3: Access to Land in Area C

Area C constitutes over 60% of the West Bank and is essential for its prosperity and economic development. Due to the Israeli occupation and practices, the majority of Area C remains inaccessible to Palestinian investment and economic enterprise, while greater and more far-reaching progress for Palestinians in Area C is considered essential, including infrastructure and basic service expansion from Area A and B into Area C.

The economic potential can be unleashed only when access is assured for Palestinian activity in Area C within a coherent spatial planning approach that functionally links the statutory local outline plans in Area C to those in Area A and B, as inputs to the National Spatial

Framework through non-statutory cluster and city-region plans with a focus on strategic development and spatial-economic considerations.

The impact of the intervention will be an improvement of the resilience and tenure security of Palestinian communities in the Israeli occupied Area C of the West Bank through a wide range of spatial-economic planning interventions that target more than 75% of the West Bank's Palestinian population and over 50% of the West Bank's mass area by the year 2020.

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 4.2 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

5.3.1 Pillar 1: Access to Markets for Palestinian Agribusiness

5.3.1.1 Indirect management with an international organisation

Pillar 1 of this action may be implemented in indirect management with the FAO in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This is based on the following considerations: 1) FAO has the global mandate and proven capacities in the area of intervention; 2) FAO is currently the main actor in Palestine working in enabling access to market for agribusinesses, with a good performance record; 3) FAO is the cluster lead in the agricultural sector and has the necessary leverage, information and capacity to successfully steer this project; 4) FAO hosts the Codex Alimentarius Committee, the International Plant Protection Convention, in addition to the technical linkage with the World Animal Health Organization.

The entrusted entity would carry out the following budget-implementation tasks: general implementation and monitoring of activities, procurement (services, works and supplies), contracting, paying, reporting, monitoring and evaluation. In order to achieve objectives described in section 4.2, FAO will directly provide technical assistance and technical advice to beneficiaries. FAO will also contract local stakeholders (including NGOs) to implement some specific technical assistance tasks.

5.3.2 – Pillar 2: Access to Water in Gaza

5.3.2.1. Indirect management with an international organisation

Pillar 2 of this action may be implemented in indirect management with United Nations Children's Fund (UNICEF) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails "The construction of a Phase III for the Short Term Low Volume (STLV) Sea water Desalination Plant for Southern Governorates of the Gaza strip". This

implementation is justified because (i) the substantial proven achievement in the implementation of STLV- Phase I by UNICEF, (ii) the economy of scale and the savings on activities already implemented during the Phase I and to be implemented during the Phase II and (iii) the needs to use an actor already well-implemented in the Gaza Strip and with the necessary leverage with regards to the material entry in Gaza.

The entrusted entity would carry out the following budget-implementation tasks: general implementation and monitoring of activities, procurement (service and work tenders), contracting, paying, reporting, monitoring and evaluation. Activities to be performed will comprise works tender to achieve the Result 1 (Construction of Phase III of the Short Term Low Volume of the desalination plant and installation of renewable energy), service tender to achieve the Result 3 (Public awareness campaigns) and under the Result 2 (Provision of operations and management training for PWA/CMWU staff) UNICEF team will directly provide technical assistance and technical advice and will be fully responsible for tenders, contracts, payment and co-ordination.

5.3.3. – Pillar 3: Access to Land in Area C

5.3.3.1. Grants: call for proposals Land and Water Development Programme (direct management)

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

Its general objective is to promote social and economic development in Area C through supporting agriculture growth and profitability by provision of adequate sustainable means for the access to and the utilisation of land and water.

(b) Eligibility conditions

Organisations such as: non-governmental organisation, public sector operator, local authority, international (inter-governmental) organisation as defined by Article 43 of the Rules of application of the EU Financial Regulation¹⁵.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is up to a maximum of EUR 1,900,000 and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (co-ordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 42 months.

(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 for grants under this call is 90%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, 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.

(e) Indicative timing to launch the call

First half of 2017

¹⁵

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

5.3.3.2. Indirect management with an international organisation

A part of this pillar may be implemented in indirect management with UN-Habitat in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails improving resilience and tenure security of Palestinian communities in Area C through spatial-economic planning at local and regional level, and strengthening the capacity of the MoLG.

This implementation is justified because UN-Habitat is the main implementing partner in the context of spatial planning in Area C as well as mobilizing donors support for implementing statutory and non-statutory plans. Furthermore, UN-Habitat has previously implemented the project "Spatial Planning Support Programme to Palestinian Communities in Area C" financed by EU.

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 co-operation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

The entrusted entity would carry out the following budget-implementation tasks: general implementation and monitoring of activities, procurement (services and supplies), contracting, paying, reporting and evaluation. UN-Habitat will use its own staff (local and international) as implementing partner mainly for advocacy and policy work; co-ordination with others donors and international organisations will be carried out as well. Moreover, it will recruit additional temporary staff for specific positions. The organisation will contract local stakeholders to design the public spaces, cluster plan and city-region plan. It will be supported by NGOs for field activities with the communities. Finally, UN-Habitat will purchase the equipment to increase the capacity of the GeoMoLG.

5.3.3.3. Indirect management with a Member State agency

A part of this action may be implemented in indirect management with Belgium Technical Cooperation (BTC) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the operation and management of the EU's Monitoring system in Area C. The system will be used to follow up the implementation of EU and EU MS projects and project threats and to plan future interventions for Palestinian communities in Area C. This implementation is justified because BTC is actually managing the project "Final design, establishment and operation of a comprehensive EU project monitoring system for Area C" financed by EU. Therefore, to operate the monitoring system, this is the best option recommended in terms of efficiency and efficacy, as well as in terms of lesson learned.

The entrusted entity would carry out the following budget-implementation tasks: general implementation and monitoring of activities, procurement (services and supplies), contracting, paying, reporting and evaluation. BTC will use its own staff and it will recruit additional temporary staff for specific positions in the IT field. Supplies in terms of hardware and security software to enhance information security could be purchased depending on who will be the operating body of the system.

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

	EU contribution (amount in EUR)	Indicative third party contribution, (in EUR)
5.3.1 Pillar 1: Access to Markets for Palestinian agribusiness	3,700,000	
5.3.1.1 Indirect management with FAO	3,700,000	
5.3.2. –Pillar 2: Access to Water in Gaza strip	9,700,000	
5.3.2.1 – Indirect management with UNICEF	9,700,000	100,000
5.3.3. – Pillar 3: Access to Land in Area C	5,800,000	
5.3.3.1. – Call for proposals (direct management)	3,800,000	425,000
5.3.3.2. – Indirect management with UN-Habitat	1,500,000	
5.3.3.3. – Indirect management with BTC	500,000	
5.8 – Evaluation, 5.9 - Audit	180,000	
5.10 – Communication and visibility ¹⁶	300,000	N.A.
Contingencies	320,000	N.A.
Totals	20,000,000	525,000

5.6 Organisational set-up and responsibilities

Pillar 1: Access to Markets for Palestinian agribusiness: The Ministry of Agriculture and the donors funding this project will provide strategic guidance and co-ordination through a Steering Committee and a Joint Technical Team. Representative organisations of civil society, consumers, representative organisations of agribusinesses and institutional actors (MoNE, MoH and PSI) will be represented.

Pillar 2: Access to Water in Gaza: A Steering Committee will be established with the main objective to oversee the various phases of the STLV-Phase III implementation and resolve the issues arising at the policy level. For a transparent and effective implementation of the STLV-Phase III, a Project Management Committee (PMC) will also be established. The main mandate of the PMC is to ensure technical standards, provide technical inputs and review of project progress.

Pillar 3: Access to Land in Area C: A Steering Committee (SC) will be established with the main objective to oversee the implementation of the various components of the intervention (Planning and Land Development) and resolve the issues arising at the policy level. This SC will include among others MoLG, MoA, EU, CSOs and possible other co-financers. Two project management committees will be established. The first is for the planning exercise including the technical teams of the MoLG and implementing agencies, and the second is for the land development intervention including the technical teams of the MoA and implementing agencies.

¹⁶ Communication and visibility are pooled together and covers also the needs relating to the AD "Support to East Jerusalem" and AD "Strengthening Governance of the Palestinian Authority".

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 part of the action under its 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 and 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) or the list of result indicators (for budget support). The report shall 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, different evaluations will be carried out for this action or its components via an implementing partner. Furthermore, one final evaluation will be carried out for this action or its components contracted by the Commission. The Commission shall inform the implementing partners at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner 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 at the end of the operational implementation period of this action. Indicatively 4th trimester of 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, 3 contracts (one for each pillar) for audit services might 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 and supported with the budget indicated in section 5.5 above.

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.

Indicatively, one or two service contracts for visibility and communication activities will be concluded during the operational implementation period of this action. The launch of the procedure is envisaged in 4th trimester 2017.

Communication and visibility covers included in this action document will also cover the needs of the AD "Support to East Jerusalem" and AD "Strengthening Governance of the Palestinian Authority".

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

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 (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	The broader, long-term change which will stem from a number of interventions by the partner government and development partners, which the EU funded action will (indirectly) influence.	Measures the long-term change at country or sector level. For example, literacy rate disaggregated by sex. However, it is normally not appropriate for the project itself to try and collect this information.	Ideally, to be drawn from the partner's strategy	Ideally, to be drawn from the partner's strategy	To be drawn from the partner's strategy.	
<i>Pillar 1: Access to Markets for Palestinian Agribusiness</i>						

Specific objective(s): Outcome(s)	To enhance capacities and competitiveness of Palestinian agribusinesses	<p>I1. increase # of Palestinian agribusinesses reporting enhanced competitiveness and access to local markets (disaggregated by type and size)</p> <p>I1. increase # of Palestinian agribusinesses reporting enhanced competitiveness and access to international markets (disaggregated by type and size)</p> <p>I3. # and type of capacities developed by the targeted agribusinesses</p> <p>I4. # and type of market oriented services enhanced</p>	<p>B1. 2016: 0</p> <p>B1. 2016: 0</p> <p>B3. 2016: 0</p> <p>B4. 2016: 0</p>	<p>T1. 2019: 80</p> <p>T1: 2019: 20</p> <p>T3. 2019: 5</p> <p>T4. 2019: 5</p>	<p>-Baseline and endline surveys</p> <p>-Records of targeted agribusinesses</p> <p>-Records from MoA, PSI and other service providers</p> <p>-Project progress and final reports</p>	<p>Buy-in of targeted agribusinesses along with the related governmental and non-governmental actors</p> <p>Political and security conditions remain conducive and witness no significant deterioration</p>	
	Outputs	R1: Improved agribusiness' capacities to access internal markets, with a possible positive effect on access to external markets	<p>I11. Percentage increase in the average annual transactions (# and value) of the targeted Palestinian agribusinesses in local and international markets</p> <p>I12 Number of agribusinesses benefitting from strengthened quality certification services</p> <p>I13 # of Palestinian agricultural produce</p>	<p>B11. 2016:0</p> <p>B12. 2016: 0</p> <p>B13. 2016: 1</p>	<p>T11. 2019: 10% per year</p> <p>T12. 2019: 40</p> <p>T13. 2019: 15</p>	<p>R1:</p> <p>-Records of targeted agribusinesses</p> <p>-Baseline and endline surveys</p> <p>-Records of targeted agribusinesses</p>	<p>R1:</p> <p>No significant deterioration of the current political and security context;</p> <p>Stakeholders remain committed to the project's objective and results.</p>

	R2: Improved and conducive environment for agribusiness' competitiveness	marketed locally with the local quality mark				
		I14. # and type of producer groups and agribusinesses reporting improved market information and linkages support services	B14. 2016: 0	T14. 2019:100		
		I21. # of quality standards with application guidelines	B21. 2016: 0	T21. 2019: 30	R2: -Quality standards application guidelines documents	R2:No significant deterioration of the current political and security context;
		I22. # of producer groups and agribusinesses reporting improvement in the safety and quality services received	B22. 2016: 0	T22. 2019: 100	-Baseline and endline surveys	Stakeholders remain committed to the project's objective and results;

Pillar 2: access to water in Gaza

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Specific objective(s): Outcome(s)	To improve the quantity and quality of water supplied to consumers and to limit the rapid deterioration of the coastal aquifer due to over abstraction.	I1. # of families accessing safe and adequate quantity of water for drinking and domestic purposes. I2. % of new connections meeting the PA and WHO water quality standards I3. % of groundwater abstraction	B1. 2014: 2,000 families have access to safe water for drinking and domestic purposes in the project area. B2. 2014: More than 90 % water has high levels of chlorides and nitrates B3. 2014: 200 million cubic meter per year of groundwater are abstracted from the aquifer	T1. 2019: around 10,000 households are connected to the new water supply systems to receive 90 l/p/d with service interruption of less than 10 percent T2. More than 90 % of the new connections in the project area meet the PA and WHO water quality standards T3. 2019: the groundwater abstraction is diminished by a minimum of 5%	PWA reports CMWU reports Project monitoring reports Number of customers registered in the registry of CMWU	(i) Security situation in Gaza remains stable or improve (ii) Electricity supply in in Gaza is improved (iii) Unpredictable Israeli policies and actions are limited

Outputs	<p>R1 - Construction of Phase III of the Short Term Low Volume of the desalination plant and installation of renewable energy</p>	<p>I11. Capacity of the desalination plant I12. Percentage of energy needs covered by renewable energy I13. Number of inhabitants (gender disaggregated data) benefiting from a direct access to water of WHO quality level</p>	<p>B11. 2016: the plant produces 6,000 m3/day B12. 2016: Renewable energy is 0% B13. 2016: Inhabitants benefits to access to water but without of WHO quality level</p>	<p>T11. 2019: the plants produce 20,000 m3/day T12. 2019: Renewable energy is a minimum of 10% T13. 2019: A minimum of 170,000 inhabitants benefits to access to water of WHO quality level</p>	<p>R1 - PWA reports - CMWU reports - Project monitoring reports - Number of customers registered in the registry of CMWU</p>	<p>(R1, 2 and 3) Availability of funds (R1) Quality of the work provided by the contractors (R1) Delays in approval from COGAT for the entry of materials in Gaza</p>
	<p>R2: Provision of operations and management training for PWA/CMWU staff.</p>	<p>I2. Number of staff fully trained and operational</p>	<p>B2. 2016: 0 staff is fully trained and operational for the management of the plant</p>	<p>T2. 2019: 100 % of the staff affected to the plant is fully trained and operational</p>	<p>R2 - PWA reports - CMWU reports - Project monitoring reports</p>	<p>(R2) Appropriate staff recruited for the project)</p>
	<p>R3 – The water rights and water obligations at household level are promoted</p>	<p>I31. % of citizens (gender disaggregated data) aware of water rights and obligations I32. % of the bills are collected in Rafah and Khan Younis based on an appropriate tariff</p>	<p>B31. 2016: 50 % of citizens aware of their water rights and obligation B32. 2016: 50 % of the bills are collected in Rafah and Khan Younis</p>	<p>T31. 2019: 90 % of citizens aware of their water rights and obligation T32. 2019: 90 % of the bills are collected in Rafah and Khan Younis</p>	<p>R3 - PWA reports - CMWU reports - Specific reports on the awareness campaigns - CMWU bookkeeping</p>	<p>(R3) Willingness of the citizens to change behaviour</p>

Pillar 3: Access to land in Area C						
	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Specific objective(s): Outcome(s)	To improve resilience and tenure security of Palestinian communities in Area C through spatial-economic planning and sustainable agriculture development interventions	<p>I1. Over 30,000 dunums¹⁷ within the Palestinian communities in Area C are planned/zoned[*]</p> <p>I2. Increased percentage¹⁸ of built environment within Palestinian communities in Area C planned/zoned</p> <p>I3. Over 50 percent of the West Bank mass area is coherently planned, in terms of future spatial-economic strategic interventions</p> <p>I4. Decreased percentage of demolition orders against Palestinian properties in the planned Palestinian communities in Area C</p> <p>I5. Number of dunums where sustainable land management practices have been introduced^{***}</p> <p>I6. Increased the income of</p>	<p>B1&2. 2016: 30 Palestinian communities in Area C remain not planned/zoned</p> <p>B3. 2016: 50 percent of the West Bank mass area is not yet planned, in terms of future spatial-economic strategic interventions</p> <p>B4. 2016: Percentage of Palestinian structures vulnerable to demolition orders in the un-planned Palestinian communities in Area C</p>	<p>T1&2. 2019: Decrease of 16 per cent of Palestinian communities not planned</p> <p>T3. 2019: 100 % of the West Bank mass area is coherently planned, in terms of future spatial-economic strategic interventions</p> <p>T4. 2019: Percentage of Palestinian structures vulnerable to demolition orders in the Palestinian communities in</p>	<p>GeoMoLG database</p> <p>Palestinian Central Bureau Statistics, UN OCHA, and MoLG Vulnerability Profile Project (VPP) survey Base line surveys and project reports</p> <p>MOA and other bodies reports</p>	<p>Palestinian communities maintain confidence that plans will result in improvement of their lives</p> <p>Update to the VPP survey will take place periodically by the corresponding agencies</p> <p>Palestinian farmer communities maintain confidence that land</p>

¹⁷ 1 Dunum = 0.1 hectares

¹⁸ Since the targeted communities are not yet identified, the exact percentage cannot be known at this stage

		small-medium famers by the provision of access to land and water infrastructure and post-harvest infrastructure	B5. The targeted area is either not profitability utilised or not cultivated. B6. No major income is generated from the targeted lands as a result of agriculture activities.	Area C is decreased (see footnote 40) T5. About 150 dunums are cultivated, and about 5,000 cubic meters of water as supplementary sources. Besides, about 40 Km of access roads are opened and used. T6. The living conditions of the targeted farmers are enhanced through affording reasonable source of income from their land.		development will result in improvement on the ground. Climatic conditions are favourable for farming
Outputs:	R1. Improved conditions of Palestinian communities in Area C in terms of planning.	I1-1: 5 New Local (Detailed) Outline Plans prepared I1-2: 25 Local (Detailed) Outline Plans are consolidated to advance discussions with the ICA I1-3: 4 Public Spaces locally designed I1-4: 1 Cluster Plan for a group of local Palestinian communities in Area C I1-5: 3 new city-region plans at the Governorate level	B1-1. 2016: Over 75,000 dunums of Palestinian built-up area is not planned/zoned in Area C B1-2. 2016: Over 300 sectoral meetings with technical specialists took place since 2011 B1-3. 2016: 20	T1-1. 2019: Over 10,000 dunums of Palestinian built-up area is planned/zoned in Area C T1-2. 2019: Over 400 sectoral meetings with technical specialists will take place by 2019	Outline Plans including transportations and water & sewage plans. Planning community reports	(i) Sustained periods of increased stability in Area C, making access to Palestinian communities feasible (ii) Full support and

		prepared	<p>dunums of public spaces are not detailed designed and implemented in 4 Palestinian villages in Area C</p> <p>B1-4. 2016: 12 percent of local communities behind the most Northern part of the Separation Barrier are planned separately</p> <p>B1-5. 2016: 25 per cent of Palestinians in the West Bank are targeted in terms of future spatial-economic strategic interventions at the city-region level</p>	<p>T1-3. 2019: 20 % of public spaces are designed, implemented and managed by 4 local communities in Area C</p> <p>T1-4. 2019: 100 % of local communities behind the most Northern part of the Separation Barrier are coherently planned</p> <p>T1-5. 2019: 100 per cent of Palestinians in the West Bank are targeted in terms of future spatial-economic strategic interventions at the city-region level</p>		
--	--	----------	--	---	--	--

	<p>R2. Strengthened capacity of the MoLG to monitor, quality control, perform planning functions and undertake advocacy work.</p>	<p>I2-1: 1 National Spatial Framework is prepared I2-2: 1 Policy document on tenure security for Bedouin and pastoral communities is prepared I2-3: 4 advocacy-oriented newsletters are published to defend the building and planning rights of the Palestinian communities in Area C I2-4: Monitoring system in place for Area C</p>	<p>B2-1. 2016: National Spatial Framework is not yet concluded B2-2. 2016: Main national partners (MoLG and Palestinian Land Authority) are not yet engaged in a collaborative discussion B2-3. 2016: 4 advocacy-oriented newsletters on Area C are prepared in collaboration with MoLG. B2-4: Prototype designed and software produced.</p>	<p>T2-1. 2019: Launch the final document of the National Spatial Framework by GoP/MoLG T2-2. 2019: Main national partners (MoLG and Palestinian Land Authority) substantially contribute to the policy document on tenure security for Bedouin and pastoral communities T2-3. 2019: 8 advocacy-oriented newsletters on Area C are prepared in collaboration with MoLG. T2-4: 2018 Monitoring system working and producing report</p>	<p>& Project monitoring reports Report of Area C demolitions, stop order and Area C indicators National Spatial Framework document Policy document re tenure security</p>	<p>Co-operation of the Palestinian local communities and MoLG with the involved Palestinian planning agencies (iii) Available qualified staff in the MOA with potential capabilities and leadership to deal with areas of policies, policy impact assessment, planning and monitoring & evaluation.</p>
--	---	--	---	---	--	--

	<p>R3. Improved access to land and improved agriculture practices.</p>	<p>I3-1: Number of dunums covered by small rainwater harvesting storage facilities (cisterns, reservoirs, small dams; etc)</p> <p>I3-2: Quantity of supplementary and secondary water resources (cubic meters)</p> <p>I3-3: Number of kilometres of agriculture roads rehabilitated</p> <p>I3-4: Number of people receiving rural advisory services</p>	<p>B3-1 The targeted area is not profitability utilised.</p> <p>B3-2 No supplementary/secondary irrigation</p> <p>B3-3 Limited access and improper agricultural roads</p>	<p>T3-1: About 150 dunums are cultivated</p> <p>T3-2: About 5,000 cubic meters of water as supplementary sources</p> <p>T3-3: About 40 Km of access roads are opened and used</p>	<p>Newsletters</p> <p>Ad hoc statistical and analytical reports of Area C</p>	
--	--	---	---	---	---	--



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.		