

Action Fiche for the West Bank and Gaza Strip

1. IDENTIFICATION

Title/Number	Support for the delivery of community services in East Jerusalem (ENPI/2012/023-762)		
Total cost	EU contribution: EUR 8,000,000		
Aid method / Method of implementation	Project approach – direct centralised management and/or joint management		
DAC-code	16010	Sector	Social/Welfare Services

2. RATIONALE

2.1. Sector context

East Jerusalem has traditionally served as the focus of political, commercial, religious and cultural life for the entire Palestinian population of the occupied Palestinian territory (oPt). Since the 1967 occupation and its annexation by the Israeli government in 1980, East Jerusalem 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.

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. This physical separation has severely affected the economic activities of East Jerusalem, as well as weakened the social fabric of its Palestinian communities. Recent trends in substantial land confiscation, increased house evictions and demolitions in highly populated urban neighborhoods, further weaken the Palestinian community in the city. Moreover, East Jerusalem has been further marginalised by the asymmetric delivery of public services provided by the Israeli municipality to Jerusalem's Palestinian population.

The necessary political support to encourage actions in East Jerusalem was reiterated in the Council conclusions on 23 May 2011, by which the EU clearly recalls that it has never recognised the annexation of East Jerusalem and reaffirms its commitment to Jerusalem as the future capital of two states. Pending a final status agreement, East Jerusalem should remain an integral part of the oPt and should be maintained as a center of life for its Palestinian population.

2.2. Lessons learnt

The EU has maintained its method of implementation to work in partnership between European/International organisations and local organisations in East Jerusalem thus creating an umbrella mechanism. Developments on the ground in 2011 confirmed the need and possible advantages of also working directly with Palestinian organisations.

The lessons learned for actions in East Jerusalem as a whole can be summarised thus:

- The EU must maintain its flexible and creative approach towards means of implementation. The EU approach of working across sectors has allowed interventions to respond to various needs in East Jerusalem, ensuring relevancy and responsiveness.
- Identifying actors that have the operational capacity to implement in the highly sensitive and political context of East Jerusalem has proven key.
- Enhance co-ordination on all ongoing operations in East Jerusalem in order to avoid duplication and increase the potential for synergies between all the actions remains critical.

2.3. Complementary actions

The programme is complementary to different actions implemented in East Jerusalem which are funded under EU thematic budget lines, the European Instrument for Democracy and Human Rights (EIDHR), the non-state actors programme, or the European Neighbourhood and Partnership Instrument (ENPI) (cultural activities) as well as with EU humanitarian aid.

2.4. Donor co-ordination

All Palestinian Authority institutions in Jerusalem have been closed by Israeli authorities, and thus, the Office of the President of the Palestinian Liberation Organisation (PLO) remains the Palestinian counterpart under the present operation in East Jerusalem. Within the framework of the EU-Palestinian Joint Committee on East Jerusalem set up in May 2011, the EU ensures regular co-ordination and consultation with the Palestinian authorities, which have contributed to develop the priorities of the Programme within the framework of the Strategic Multi-Sector Development Plan for East Jerusalem (SMDP).

However, donor co-ordination remains a challenge despite the political will of major donors to engage in East Jerusalem, including several EU Member States, the Islamic Development Bank, Norway, United Nations (UN) agencies and the World Bank. The EU Member States produced in 2011 an EU East Jerusalem Strategy (alongside the mapping exercise of EU actions in East Jerusalem), which should be revisited in 2012 so as to foster greater co-ordination with EU Member States, and beyond.

3. DESCRIPTION

3.1. Objectives

The **overall objective** is to support the process of institution building and deliver on the EU commitment to maintaining sustainable development, dignity and welfare of East Jerusalem communities, in order to consolidate the possibility of reaching a future political agreement of the status of Jerusalem as the future capital of two states.³

³ EU Council Conclusions, 13 December 2010 and 23 May 2011.

The **specific objectives** are to improve the socio-economic living conditions of Palestinian women and men living in East Jerusalem, in particular:

- To improve access to quality social services by:
 - Addressing specific needs of youth, particularly in highly marginalised neighbourhoods of East Jerusalem.
 - Improving the conditions of Palestinian public buildings and housing in the historic urban core of the city, and preserving and promoting the Palestinian cultural heritage and identity in East Jerusalem.
- To increase the economic opportunities of isolated East Jerusalem communities, especially of vulnerable women.

3.2. **Expected results and main activities**

(a) *Social services:*

The main **expected results** are an improved access of Palestinians living in East Jerusalem to quality social services, specifically responding to youth needs and to housing and public spaces deficiencies, which preserves and promotes the cultural heritage and the Arab/Palestinian identity of East Jerusalem.

The **main activities** will focus on two main components: i) *youth assistance*, including resilience and protection for highly marginalised youth, and community development and engagement in the areas of identity, social, cultural and economic life; ii) *housing and cultural heritage promotion* combining rehabilitation of buildings and public buildings with activities aiming at preserving and promoting the Arab/Palestinian cultural heritage and identity of East Jerusalem such as raising awareness and capacity building.

(b) *Economic support:*

The main **expected result** is that the livelihoods opportunities in marginalised areas of East Jerusalem or in areas isolated from the centre are augmented for women and men.

The **main activities** will include, inter alia, support to income generating initiatives aiming at securing livelihood opportunities, especially of vulnerable women, and promotion of activities for economic development.

3.3. **Risks and assumptions**

The implementation of the EU's strategy in the oPt is subject to unusual types and high levels of risk. As in previous years, any political developments directly affect the situation in East Jerusalem and may immediately impact on the ability of the organisations to operate and implement actions. In addition, all projects implemented in East Jerusalem, especially those requiring the import of goods, equipment and the free movement of service providers, are at substantial risk from unpredictable policies by the Government of Israel. Israeli policy to restrict working visas for international NGOs' staff members remains a risk to the operational capacity of such

organisations. Consequently, the alternative of supporting well established Palestinian organisations directly will continue to be assessed on a case-by-case basis.

Despite the continued interest of international actors to provide support to communities in East Jerusalem, risks pertaining to donor fatigue or insufficient donor financing remain.

Uncertainty concerning which Palestinian entity should be primarily responsible for the assistance to East Jerusalem remains, henceforth increasing the risks that assistance is not delivered in a co-ordinated and strategic manner. The risk can be mitigated by a unified position on the part of the donor community on the channelling of the funds targeting East Jerusalem.

3.4. Cross-cutting issues

As in previous years and whilst building on lessons learned, attention will be paid to ensure that projects incorporate the promotion of co-education, gender equality, child rights protection and empowerment of vulnerable groups in their activities. Notably when targeting youth, the importance of understanding the needs as well as mobilising female actors is key. With respect to improving housing services, the importance of mainstreaming environmental and gender concerns, as well as the role of good governance, must be highlighted. Particular attention will be given to ensure that gender issues are incorporated in economic development activities.

3.5. Stakeholders

Key stakeholders remain primarily community-based organisations, local and international NGOs and international organisations serving or targeting East Jerusalem communities, and community leaders. As in previous years, the institutional capacity of the remaining East Jerusalem organisations remains fragile, and it is still important to support them.

The EU directly relates to the Office of the President of the PLO in matters related to the EU Programme of Support to East Jerusalem. The link between the Office of the President of the PLO and their continued commitment to East Jerusalem is critical and should be fostered. Co-ordination with Line Ministries takes place as and when most appropriate.

Considering the difficulties of working in some sectors without the municipal authorities in East Jerusalem, the possibility of using the services of Israeli NGOs serving the Palestinian communities could be considered on a case by case analysis.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Joint management will apply for part 1 of the component "Project Activities" through the signature of a Contribution Agreement with UNDP in accordance with Article 53d of the Financial Regulation. UNDP complies with the criteria provided for in the applicable Financial Regulation and is covered by the Financial and Administrative

Framework Agreement between the European Union and the United Nations (FAFA) signed on 29 April 2003. Over the past ten years, UNDP has worked actively in the restoration and rehabilitation of cultural heritage sites in the oPt and is currently with UNESCO implementing a joint programme for "culture and development". UNESCO is the lead UN agency for the safeguarding of cultural heritage worldwide and UNDP is currently implementing a housing rehabilitation project in the Old City of Jerusalem.

For part 2 of the component "Project Activities" and for the components of Visibility and Monitoring, Evaluation and Audit direct centralised management will apply through the signature of a Financing Agreement between the European Union represented by the Commission and the Office of the President of the PLO.

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegated body under, respectively, decentralised, joint or indirect centralised management.

4.2. Procurement and grant award procedures

For direct centralised management

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the Regulation (EC) No 1638/2006. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in 21(7) ENPI of the above-mentioned regulation.

2) Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the General Budget. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 90 %. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the General Budget.
- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need

to start the action before the grant is awarded, in accordance with Article 112 of the Financial Regulation applicable to the General Budget.

For joint management

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant international organisation.

4.3. Indicative budget and calendar

The budget of the operation amounts to EUR 8,000,000.

The indicative breakdown of the overall amount is as follows:

Component	Method of Implementation / Type of contract	Amount (EUR)
<i>Project Activities</i>	1 Joint management – Contribution Agreement	2,400,000
	2. Direct centralised management – Grants	5,470,000
<i>Visibility</i>	Direct centralised management –Service Contracts	30,000
<i>Monitoring, Evaluation and Audit</i>	Direct centralised management –Service Contracts	80,000
<i>Contingencies</i>		20,000
TOTAL		8,000,000

Indicative timetable for grants:

Due to the particular difficult and volatile situation on the ground in East-Jerusalem it is not possible at this moment to give an indication on the timing of the launch for the call for proposals or on the number of grants foreseen.

The foreseen operational duration is expected to be 66 months as from the signature of the Financing Agreement, including a phase of operational implementation of 42 months and a phase of closure of 24 month.

4.4. Performance monitoring

The project will be monitored according to relevant indicators of performance, including gender-disaggregated data. The choice of key progress indicators will form part of the project formulation process and each action will be supported by a logical framework including objectively verifiable indicators to evaluate each stage's level of

achievement. In case of non-availability of existing information on baseline values necessary to establish relevant indicators, the projects could be designed in such a way that the baseline is established during the first months of implementation and target values adapted accordingly.

The Commission may carry out Results Oriented Monitoring via independent consultants.

4.5. Evaluation and audit

Each contract will include at least one external audit and an external final evaluation. When necessary, external audits of specific projects will be undertaken by the EU. If appropriate, a final global evaluation will be carried out in accordance with European Commission procedures.

4.6. Communication and visibility

The action will follow the visibility guidelines of the European Commission which may require adaptation to take account of the sensitive situation of East Jerusalem in order not to jeopardize the implementation of activities.