



Brussels, 29.10.2020
C(2020) 7372 final

COMMISSION IMPLEMENTING DECISION

of 29.10.2020

**on the annual action programme part II in favour of the European Neighbourhood
Instrument (ENI) South countries for 2020**

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THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018] on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

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,

Whereas:

- (1) In order to ensure the implementation of the annual action programme part II in favour of the European Neighbourhood Instrument (ENI) South countries for 2020, it is necessary to adopt an annual financing Decision, which constitutes the annual work programme, for 2020. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing Decisions.
- (2) The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The Commission has adopted the European Neighbourhood Instrument (ENI) Regional South Strategy Paper (2014-2020)⁴ and the Multiannual Indicative Programme (2018-2020)⁵ which sets out the following priorities: building resilience and promoting stability, fostering inclusive and sustainable economic development and job creation, promoting connectivity and the sustainable use of natural resources, support for capacity development/institution building of regional bodies.

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.3.2014, p. 95.

³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

⁴ http://eeas.europa.eu/archives/docs/enp/pdf/financing-the-enp/regional_south_strategy_paper_2014_2020_and_multiannual_indicative_programme_2014_2017_en.pdf

⁵ Commission Implementing Decision C(2018) 6362 adopted 5 October 2018.

- (4) The objectives pursued by the annual action programme to be financed under the European Neighbourhood Instrument⁶ are to contribute to sustainable human development by promoting a shift towards greener and climate-resilient cities in the Southern Neighbourhood and to promote evidence-based policy-making and to foster democratic development by using statistical data in the Southern Neighbourhood countries.
- (5) The first action entitled ‘Climate for Cities in the Southern Neighbourhood region’ (Annex 1) aims to contribute to human sustainable development by promoting a shift towards greener and climate-resilient cities in the Southern Neighbourhood, in line with countries’ commitments under the Paris Agreement. The action will in particular improve citizen’s quality of life and socio-economic benefits through the setup of resource efficient and low carbon strategies at urban level and promote awareness to national authorities of the opportunity to develop institutional frameworks facilitating local administrations’ climate action through different institutional models.
- (6) The second action entitled ‘Support to the statistical systems of the Neighbourhood South countries (MEDSTAT V)’ (Annex 2) aims to promote evidence-based policy-making and to foster democratic development by using statistical data in the Southern Neighbourhood countries. The action will in particular support the National Statistical Institutes (NSIs) and National Statistical Systems (NSSs) to develop, produce and disseminate to users more and better-quality data on the priority thematic sectors and increase societal awareness about the importance of professionally independent statistics and raise statistical literacy in society, thus contributing to fact-based decision making.
- (7) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (8) In order to allow for flexibility in the implementation of the programme, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.
- (9) The action provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee established under Article 15 of the financing instrument referred to in recital 4 and footnote 6.

HAS DECIDED AS FOLLOWS:

Article 1
The programme

The annual action programme part II in favour of the European Neighbourhood Instrument (ENI) South countries for 2020, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- Annex 1: Climate for Cities in the Southern Neighbourhood region;
- Annex 2: Support to the statistical systems of the Neighbourhood South countries (MEDSTAT V).

⁶ 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).

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme for 2020 is set at EUR 23 000 000, and shall be financed from the appropriations entered in the following line of the general budget of the Union:

- budget line 22.040102 for an amount of EUR 23 000 000.

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

Article 3
Flexibility clause

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) 2018/1046, where these changes do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 29.10.2020

For the Commission
Olivér VÁRHELYI
Member of the Commission



ANNEX 1

of the Commission Implementing Decision on the Annual Action Programme part II in favour of the European Neighbourhood Instrument (ENI) South countries for 2020

Action Document for Climate for Cities in the Southern Neighbourhood

ANNUAL PROGRAMME

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	Climate for Cities in the Southern Neighbourhood region CRIS number: ENI/2020/042-607 financed under the European Neighbourhood Instrument
2. Zone benefiting from the action/location	Southern Neighbourhood countries: Algeria, Egypt, Israel ¹ , Jordan, Lebanon, Libya, Morocco, Palestine ² , Syria ³ and Tunisia.
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) 2014-2020 ⁴ . Regional South Strategy Paper (2014-2020) and Multiannual Indicative Programme (2018-2020) ⁵
4. Sustainable Development Goals (SDGs)	Main SDG: Goal 13 on "Climate action" Other significant SDG: Goal 5 on "Gender equality" Goal 7 on "Affordable and clean energy"

¹ See Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards on http://eurlex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2013.205.01.0009.01.ENG.

² 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.

³ Co-operation with the Government of Syria is suspended since 2011.

⁴ http://eeas.europa.eu/archives/docs/enp/pdf/financing-the-enp/enp_wide_strategic_priorities_2014_2020_and_multi_annual_indicative_programme_2014_2017_en.pdf

⁵ Commission Implementing Decision C(2018) 6362 adopted 5 October 2018.

	Goal 11 on “Sustainable cities and communities”			
5. Sector of intervention/ thematic area	Promoting connectivity and the sustainable use of natural resources	DEV. Assistance: YES		
6. Amounts concerned	Total estimated cost: EUR 19 000 000 Total amount of EU contribution: EUR 19 000 000			
7. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management through: - Grants			
8 a) DAC code(s)	43030 Urban development and management			
b) Main Delivery Channel	Main channel: 12000 Recipient Government Detailed channel: 12002 Local Government			
9. Markers (from CRIS DAC form)⁶	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	X
	Gender equality and Women’s and Girl’s Empowerment ⁷	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	X
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	X
	10. Internal markers⁸	Policy objectives	Not targeted	Significant objective
Digitalisation ⁹		X		

⁶ When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).

⁷ Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD-DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5.Mainstreaming.

⁸ These markers have a different scope/rationale than the DAC codes. Posting criteria related to the encoding of the financial breakdown in CRIS/ABAC

⁹ Please refer to the instruction notes Ares(2019)4143016 dated of 01/07/2019 and Ares(2019)5219708 dated of 13/08/2019.

	Migration ¹⁰	X		
	COVID Response	X		
11. Global Public Goods and Challenges (GPGC) thematic flagships	Global Climate Change Alliance + (GCCA+) Climate Change Mitigation: Supporting low carbon development			

SUMMARY

The Mediterranean region is a hotspot for climate change. It has been warming up 20% faster than global average since the 1980s. In 2050, it is expected that two thirds of the worldwide population will live in cities. Around the Mediterranean, in 2018, 60% already lived in urban areas where, given the population density, climate change will carry severe consequences in particular for water and food availability, and overall human's health.

In line with the European Green Deal agenda and the Paris Agreement, the EU aims at supporting Southern Neighbourhood cities in their energy and climate transition, in particular through the implementation of their Sustainable Energy and Climate Action Plan (SECAP). Since 2011, the regional EU-funded Clima-MED and CES-MED projects actively support these endeavours in particular through dedicated technical assistance to cities in drafting their Sustainable Energy and Climate Action Plans (SECAP).

It is now time to accelerate the implementation of the SECAPs, in countries' contexts of uneven fiscal decentralisation and low ability of municipalities to borrow and get access to climate finance, as well as limited technical and financial capacities of municipal staff. Considering the (often) insufficient political impetus from national authorities and a limited awareness of populations about climate change's challenges, there is a need for a prompt and real "behavioural change" as regards natural resources management.

The overall objective of this Action is to promote a shift towards sustainable and green development of cities in the Southern Neighbourhood, in line with countries' commitments (Nationally Determined Contributions - NDCs) under the Paris Agreement.

The specific objective is to demonstrate the socioeconomic benefits of resource efficient and low carbon strategies at municipal level, and their immediate impact on the citizens' quality of life.

In the context of the (current and) post- COVID-19 pandemic crisis, this action will also positively contribute to foster a sustainable, resilient and climate-neutral economic recovery in the partner countries.

¹⁰ Please refer to note Ares(2019)627611 of 04/02/2019.

The call for proposals financed by this Action will foster municipal integrated approaches that shall ultimately improve a societal cohesion locally, by building partnerships between municipalities' services, private companies, local investors, NGO's and the civil society. Municipalities, in association with local and/or international private companies/financing institutions, will be invited to propose projects based on a secured bankable financing plan, which identifies investors and financial partners whose firm involvement is documented at project's submission. For each of the 9-10 cities' projects to be finally awarded, the EU grants shall finance a limited part of infrastructure investments, and numerous accompanying ("soft") measures. This Action aims at attract additional funding from institutional financiers, and private sector, thereby experimenting new means and demonstrating the feasibility of accessing climate finance by local administrations.

Should this Action be successful, it would pave the way for the replication of similar actions to be instructed by financing institutions (probably for large cities), possibly in the framework of the Neighbourhood Investment Platform (NIP) blending facility and/or the European Fund for Sustainable Development (EFSD) "Sustainable Cities" guarantee scheme.

This action contributes to achieving some of the Sustainable Development Goals (SDG) of the Agenda 2030 for Sustainable Development: SDG13 (climate action), SDG 11 (sustainable cities and communities), SDG 7 (affordable and clean energy), SDG 5 (gender equality).

1. CONTEXT ANALYSIS

1.1 Context Description

Climate change is this century's number one challenge. The EU and its partner countries are expected to accelerate the transition to a low-carbon future to limit first, and halt global warming in line with the goals of the Paris Agreement. This requires stepping up efforts on climate change mitigation as well as taking adequate adaptation measures.

The Mediterranean region is characterised by a fast growing population (multiplied by 4 in 60 years), and an economic growth (3.3% p.a.) that remains insufficient to create enough job opportunities for all, thus generating inequalities. In addition, the participation of women in the MENA labour market remains the lowest worldwide an estimated by the ILO, at around 20% in 2018. All countries are classified as low or upper-middle income countries (except Israel). Unemployment rate is high, in particular youth unemployment at 28%, and the women's participation to economic activities is low. Southern neighbourhood economies have a limited trade and economic integration among them, and remain overall insufficiently competitive on the global market.

In the Mediterranean region, climate change's impact is already severe. Extreme weather events such as heat waves, draughts, heavy rains and storms, floods are increasingly frequent. Sea levels are expected to rise, which will affect large coastal cities. In a context of regional water scarcity, these cumulated phenomena shall affect key sectors of the economy while

hindering economic growth and exacerbating social and geopolitical tensions, possibly leading to migration flows

In Egypt for instance, rising sea levels are affecting the Nile River delta, thus increasing the risk of flooding and threatening the country's agricultural production. Jordan now ranks as the world's second water-poorest country, where water per capita is 88% below the international water poverty line.

In addition, there is an imbalance between Southern Neighbourhood countries' actual contribution to climate change and its consequences on their territories. ENI south countries currently emit less than 1% of global greenhouse gas emissions, but are already impacted by extreme climatic events. The implementation of adaptation measures and sustainable urban policies is therefore fair and essential to promote security, stability and socioeconomic growth in the region.

The experience of EU-funded projects has shown that returns on investments on mitigation measures such as energy savings are easy to quantify and are often very remunerative, with short payback periods. On the contrary, adaptation policies are designed with a longer-term perspective, and are subject to more significant uncertainties because of the difficulty to estimate their return on investments. It is therefore important to better support adaptation measures.

1.2 Policy Framework (Global, EU)

The adoption of the **Paris Agreement** under the United Nations Framework Convention on Climate Change (UNFCCC) marked an unprecedented step in the global action against climate change, establishing the objective to limit global warming to less than 2 degrees Celsius. All Southern Neighbourhood countries, except Libya and Syria, have ratified the Agreement, thus giving their Nationally Determined Contributions (NDCs) a legal value. The European Union, as the world's largest aid donor, has a unique expertise in fighting against climate change and a long tradition of assisting its partners in climate change adaptation and mitigation, while putting an emphasis on the gender responsive dimension of the Paris Agreement.

The recent **European Green Deal**¹¹ is designed to make Europe the world's first climate-neutral continent by 2050. It is an integral part of this Commission's strategy to implement the United Nation's 2030 Agenda and the sustainable development goals. In line with these ambitions, the European Commission proposes to rise the 2011's target of at least 20% of EU development spending in the period 2014–2020 on climate action¹², to at least 25% under the NDICI (the new Neighbourhood, Development and International Cooperation Instrument within the next Multiannual Financing Framework 2021-2027, currently under discussion).

¹¹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, The European Green Deal, 11 December 2019, COM/2019/640 final (<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1580228299402&uri=CELEX:52019DC0640>)

¹² Including both mitigation and adaptation measures

EU's partnership should then focus on key areas like the energy transition, value chains, food systems, blue economy, biodiversity and last but not least, sustainable cities.

At regional level, the EU is supporting since 2008 the structured policy dialogue taking place within the **Union for the Mediterranean (UfM)**. The 2014 Ministerial Declaration on Environment and Climate Change encouraged Member States to join forces in the areas of depollution, green economy and climate change. A new ministerial meeting is under preparation for December 2020, to be hosted by Egypt.

At municipal level, since 2008 the **EU Covenant of Mayors for Climate & Energy** brings together thousands of local governments voluntarily committed to implementing climate and energy objectives. Initially launched in Europe, with the ambition to gather local governments voluntarily committed to achieving and exceeding the EU climate and energy targets, this initiative crossed boundaries in the framework of the **Global Covenant of Mayors for Climate and Energy** (and its Regional Covenant of Mayors), and gathers now more than 9 000 local and regional authorities across 57 countries. The Southern Neighbourhood region is increasingly embedded into this initiative, in line with the 2015's "Review of the European Neighbourhood Policy". The regional EU-funded Clima-MED project is currently the main stakeholder animating the Mediterranean Covenant of Mayors' initiative.

1.3 Public Policy Analysis of the partner country/region

The Southern Neighbourhood countries have been actively involved in the adoption of the UN Development Agenda 2030 and welcomed the Sustainable Development Goals (SDGs). In addition, as part of the Paris Climate Agreement, countries have submitted Nationally Determined Contributions (NDCs), which include commitments to greenhouse gas reduction and adaptation priorities beyond 2020.

This action intends to enhance the empowerment of municipalities in the path towards climate resilience and sustainable development, leading to socioeconomic growth and improved wellbeing of its citizens. It will therefore contribute to achieving some of the Sustainable Development Goals (SDG) of the Agenda 2030 for sustainable development: SDG13 (climate action), SDG 11 (sustainable cities and communities), SDG 7 (affordable and clean energy), SDG 5 (gender equality).

Given its huge potential for renewable energy deployment, circular economy's mainstreaming, and the necessity for protecting the biodiversity and depolluting rural and urban environments, the Southern Neighbourhood region shall be encouraged and accompanied to make sure that, as its goods and services economy grows, it builds its own Green Deal.

1.4 Stakeholder analysis

Municipalities (or local administrations) and in particular their staff managing technical and financial files, are key players for effective climate action due to their proximity and political accountability to populations. The rather limited duration of mayors' mandate should in principle incentivise them to develop and implement actions with short-term and sustainable impact to households, farmers, local economic players etc. The Covenant of Mayors' experience in Europe as in Southern Neighbour countries has shown that addressing climate

and energy related matters at municipal level is a strong opportunity for visible, concrete and replicable results.

The private sector shall play a crucial role in implementing energy and climate actions at municipal level. Private companies are allowed to borrow on local and international financial markets, which is more rarely the case for municipalities, unless under sub-sovereign guarantee mechanisms. Municipalities should therefore be encouraged to develop urban development plans in partnership with technical companies such as public services' providers, ESCO¹³-type companies (via innovative financing mechanisms like PPP or energy performant contracts), while the latter borrowing to financial actors such as local commercial banks and/or private investors.

International Financing Institutions and Climate Finance Funds shall play an active role in facilitating access to credit for SECAP implementation as well as de-risking the investment's environment. In the past two years, their contribution to the definition of innovative (country specific) financing mechanisms driven by appropriate policy dialogue sessions has proven useful.

The involvement of **civil society and (local and international) NGO's** active in urban development and environmental matters, is a key success factor for this Action, including where appropriate women and WCSO that need to be engaged at political and policy levels. Participatory approaches will be strongly encouraged.

To ensure a better sustainability of the infrastructures being built throughout this Action, the beneficiaries of this Action (among which the civil society, as detailed further on) should implement "soft" measures like (i) capacity building of municipalities' technical and financial staff; (ii) the fostering of technological innovation by research centres, (iii) new education and training programs by academics; (iv) awareness campaigns towards the population on improved natural resources management; (v) capacity building of the local media to better promote resource efficiency. Civil society organisations shall be heavily involved in these endeavours.

Finally, the **Union for the Mediterranean** (UfM) provides an appropriate forum for regional policy dialogue on environment and climate action. As UfM Co-presidency, the **European Union** plays a central role in defining UfM's objectives and priorities. The outcomes of this Action shall contribute to improving the environment for SECAP implementation in Southern Mediterranean countries (through enhanced regulatory frameworks, more effective fiscal decentralisation processes....) while mainstreaming gender equality, raising awareness and promoting this Action's results for further duplication.

¹³ An energy service company (ESCO) is a business that provides a broad range of energy solutions including designs and implementation of [energy savings](#) projects, [retrofitting](#), [energy conservation](#), energy infrastructure outsourcing, [power generation](#) and [energy supply](#), and risk management.

1.5 Problem analysis/priority areas for support

The EU recognises that the global climate and environmental challenges are a significant threat multiplier and a source of instability¹⁴. The EU commits to work with partner countries to increase climate and environmental resilience to prevent these challenges from becoming sources of conflict, food insecurity, population displacement and forced migration, and support a just transition globally. EU actions and policies aim at contributing to a successful pathway towards a sustainable future, while ensuring that no one is left behind.

Notwithstanding their prominent role in the framework of the Paris Agreement, national authorities cannot solely address climate change. The stakeholders mentioned here above are also key actors that shall contribute to reaching countries' NDCs. The massive need for capital investments calls for a substantial increase of private sector's contribution, which requests less risky business environments to provide funding.

Moreover, the fiscal decentralisation is uneven, and is not well established in many Southern Neighbourhood countries, and municipalities are only rarely allowed to borrow directly from the market and access intermediary financial institutions, at national or regional levels. Access to finance is therefore a bottleneck in implementing SECAPs and the funds available from the financial markets or donors remain underutilised.

In addition, the local governance capacities remain overall limited and constitute a brake in sustainable development dynamics. The sense of ownership and accountability by local decision-makers (including city's mayors) needs reinforcement. Addressing climate change's local impact is an opportune way for that purpose. It indeed places the mayors as "actors of concrete change" through measures with direct impact on populations, whose willingness to contribute usually misses such driving force. It also offers a framework for integrated actions (based on food-water-energy nexus for instance) that gives space for innovative approaches and better synergies, compared to sector limited visions. This therefore fosters a societal cohesion locally.

Setting up sovereign guarantee mechanisms is a heavy burden for countries under severe public debt constraints. The European Union therefore opted for enhancing domestic private sector's involvement through the European Fund for Sustainable Development (EFSD), which entails a blending facility as well as dedicated guarantee mechanisms, in particular for Sustainable Cities. This Action intends to pave the way for projects' pipeline definition as soon as the EFSD guarantee will be operational (in principle in the course of 2020).

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Legislative and regulatory frameworks limit municipalities' direct access to credit and climate	M	The Guidelines for Applicants will require that:

¹⁴ Council Conclusions on climate diplomacy of 26/02/2018. <http://data.consilium.europa.eu/doc/document/ST-6125-2018-INIT/en/pdf>

<p>finance instruments in most of the Southern Neighbour countries</p>		<ul style="list-style-type: none"> - in countries where ministries/public entities supporting municipalities exist, the beneficiary should involve the latter in the proposal’s design. This could allow for proper monitoring and policy dialogue with the relevant European Union Delegation. - in countries where no dedicated public entity supporting municipalities exists (or exists but does not provide real transfer of responsibility nor funding), the beneficiary should specify reporting channels towards the most relevant Line Ministry in its country, allowing for a proper monitoring and policy dialogue with the relevant European Union Delegation. <p>In both cases, the National Coordination Groups and the SECAP Support Mechanism already setup in each country by the regional EU-funded Clima-MED project will contribute and follow up the implementation of this Action.</p> <p>The European Union will also finance a dedicated technical assistance project to accompany the implementation of the Action at local level as well as with national authorities (see here under for more details).</p>
<p>Insufficient administrative capacity of municipal staff to implement the actions</p>	<p>M</p>	<p>The Guidelines for Applicants will require that applying municipalities hire technical teams (consultants) supporting the municipal staff in implementing and monitoring the projects.</p> <p>In addition, the European Union will finance a dedicated technical assistance project to accompany the implementation of this Action at local level as well as with national authorities (see here under for more details).</p>

		The SECAPs to be funded are likely to have been developed under EU funded projects, such as CES-MED and Clima-Med.
Political instability within some of the partner countries, preventing energy and climate actions at local level	M	Adoption of progressive and adaptable project's approaches and introduction of flexibility provisions in the call for proposals
The limited cost recovery schemes of public services being provided at municipal level in many cities in the region, might result in limited number of proposals being submitted (due to a low willingness of private operators to get involved in projects with uncertain financial sustainability).	M	The grant component of the investment shall allow for reducing the cost of capital for investments and mitigate the risks related to infrastructure projects. The Guidelines for Applicants will require that project's proposals entail a sound analysis of the project's financial and economic sustainability (including "willingness to pay" commitments" from local communities for upgraded infrastructure and services).
Assumptions		
<ul style="list-style-type: none"> • Countries remain committed to reaching their NDCs in the framework of the Paris Agreement, and they valorise and recognize the work done at local level. • The Union for the Mediterranean plays an active role in mobilising partner countries to align with the regionally agreed climate change and energy Ministerial Declarations. • Municipalities commit to ensure sustainability of the respective projects, by making available the necessary human, financial and material resources. • The financial sector shows interest and participates in valorising the gains of climate and energy actions at local level by offering necessary financial instruments. Additional co-financing is also ensured by International and European Financial Institutions. • In each partner country, gender balance strategies (well aligned with the Paris Agreement and the 2030 Agenda for Sustainable Development) are in place to guarantee women's involvement in relevant capacity building, decision-making and implementing processes of projects financed under this Financing Decision. 		

3. LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The design of this action built on:

- The evaluation of EU support provided at regional and bilateral level in the field of environment in the Neighbourhood South countries (2010-2017);
- The outcomes of the steering committees of projects on which this action is built (in particular EU-funded projects Clima-Med, Sudep, CES-Med and Clima South);
- The conclusions of relevant UfM sectoral policy dialogue meetings, including climate change and environment meetings.

The key conclusions are:

- Regional projects are effective in testing and disseminating innovative approaches.
- Effective coordination between the regional, national and local level ensures complementarity and long term sustainability. To this end, more effort should be made to involve civil society, local authorities and national administrations.
- Demonstration projects are necessary, and become even more impactful when they are well integrated into a wider strategic approach at national (and regional) level. The demonstration projects under this Action will respond to overarching objectives of the European Neighbourhood Policy as regards climate action. The “SECAP implementation” technical assistance (to be financed and implemented through another simultaneous Decision), EU Delegations- and European Commission’s monitoring will ensure the alignment of projects’ outcomes and impact with partner countries’ strategies on climate change.
- Gender responsive capacity building is an indispensable element of successful sector policies’ implementation. Each project under this Action must entail a substantial component for this purpose. Additional instruments may be mobilised by the EU and/or the donor community after the end of the Action’s implementation, such as TAIEX, inter-cities twinnings etc.

3.2 Complementarity, synergy and donor co-ordination

This project will build on the achievements of, and will ensure continuity with the EU-funded projects “Clima-MED”, “Cleaner Energy Savings Mediterranean Cities” (CES-MED)¹⁵, “Sustainable Urban Development Program” (SUDEP)¹⁶, “ClimaSouth: Support to Climate Change Mitigation and Adaptation in the ENP South Region”¹⁷ and “Energy Efficiency in the Construction Sector in the Mediterranean” (MED-ENEC)¹⁸.

Since 2011, the CES-MED project has supported local authorities in the Southern Neighbourhood in developing their Sustainable Environment and Climate Action Plan (SECAP). Since early 2019, the project Clima-MED has taken over this task and has additionally supported the writing down of some SECAP into bankable dossiers in order to better attract climate finance investments. As of today, a few cities have been able to implement part of their SECAP on their own budget. However, no SECAP has been entirely implemented, which justifies the need for additional efforts, as described in this Action.

¹⁵ <http://www.ces-med.eu/>

¹⁶ <http://www.sudepsouth.eu/>

¹⁷ <http://www.climasouth.eu/>

¹⁸ <http://www.med-enec.com/>

The Clima-MED project extends until June 2022, and its activities will fully coordinate with the cities' developments throughout this Action. Moreover, accompanying the technical and financial implementation of the projects under this Action will require significant human and financial resources, which shall be entrusted to the Clima-Med project team via an addendum to their current contract (which will also extend the project implementation period in line with the timeframe of this Action).

Synergies will also be sought with EU's bilateral programs and projects with each of the EU partner countries¹⁹, including the investment projects funded by the Neighbourhood Investment Platform (NIP)²⁰.

In addition, the project shall pave the way to - and therefore naturally liaise with - a coming guarantee mechanism named "Energy Efficiency and Sustainable Cities in EU Neighbourhood", being developed by EBRD under the European Fund for Sustainable Development (EFSD). This mechanism aims (among others) at helping municipalities to provide better and more sustainable urban services and infrastructure, with green measures being integrated (e.g. in water supply network rehabilitation, more sustainable solid waste management or better wastewater treatment).

Coordination with other international donors, European Financing Institutions (EFIs) and International Financing Institutions (IFIs) is fundamental. Instruments developed by these institutions (such as the Global Environment Facility, Green Climate Fund, EBRD Green Cities Program...) will be taken into account too. The project will also work in collaboration with the Union for the Mediterranean Secretariat.

4. DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The **overall objective** of this Action is to contribute to sustainable human development by promoting a shift towards greener and climate-resilient cities in the Southern Neighbourhood, in line with countries' commitments under the Paris Agreement.

The **specific objectives** are:

- improved citizen's quality of life and socio-economic benefits through the setup of resource efficient and low carbon strategies at urban level
- to promote awareness to national authorities of the opportunity to develop institutional frameworks facilitating local administrations' climate action through different institutional models.

Expected results are as follows:

¹⁹ Please refer to EU Delegations website for each of the partner countries.

²⁰ https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/neighbourhood-wide/neighbourhood-investment-platform_en

- Nine to ten cities²¹ in the Southern Neighbourhood build partnerships with local private companies to implement their Sustainable Energy and Climate Action Plan (in total or partially) and/or climate adaptation measures.
- The local financing sector (banks, private investors) acknowledges the necessity and concrete business opportunities of implementing SECAP and/or climate adaptation measures, and therefore takes an active part in its financing.
- Municipalities' technical and financial capacity increases sufficiently to manage the SECAP implementation and/or climate adaptation measures in a sustainable manner.
- Cities population's awareness on the necessity for a prompt behavioural change increases, leading to a more efficient use of natural resources and a climate-resilient approach locally.
- The dissemination of the positive impact of the SECAP implementation and/or climate adaptation measures triggers replication initiatives in the Southern Neighbourhood region as well as an increased number of cities joining the Global Covenant of Mayors on Climate and Energy.

Indicative activities are:

- Implementation of infrastructure components of a SECAP (for instance, and not exclusively: energy efficiency in public buildings, water efficiency measures, wastewater treatment infrastructure, solid waste management, energy efficient street lighting...).
- Gender responsive awareness raising campaigns at municipal level (from schools to households, private companies...).
- Capacity building towards local commercial banks in identifying new opportune lending sectors with high and positive climate impact, and developing appropriate innovative financing mechanisms for wider replication.
- Gender responsive training workshops towards city/local administration representatives in efficient management of natural resources and urban governance methods and principles.
- Technical support to academics and research centres in developing new educational and training programs fostering innovation and green technology deployment.
- Capacity building to local media in better promoting natural resource efficiency.
- Developing disaster preparedness and risks reduction interventions that fully embed the gender equality dimension.

4.2 Intervention Logic

The Southern Neighbourhood national and local decision-makers acknowledge the impact of climate change, and increasingly express interest in demonstrating the relevance of cost efficient climate-related actions at municipal level.

²¹ Most probably secondary cities with less than 100,000 inhabitants.

Until today, being entrusted to local or to national actors, the provision of basic public services (electricity and/or water supply, waste water management, waste management, efficient public transport...) remains insufficient in many cities, which hampers sound economic development and fair social inclusion. The local business environment appears too risky for potential investors, who remain reluctant in engaging into concrete measures based on solid business cases that could ultimately improve citizens- wellbeing.

This Action could initiate a snowball effect that would pave the way for many more similar initiatives driven by private operators and/or international financing institutions. This could materialise by demonstrating in a few cities the immediate impact of concrete climate-related actions, thanks to preparation of quality investments plans, solid awareness campaigns, training programs to the key actors (including commercial banks and municipal staff), and through massive dissemination campaigns in the countries and at regional level.

4.3 Mainstreaming

Considering the domain of intervention of the Action, environmental sustainability and climate change are obviously embedded into its design and implementation phases.

Moreover, in the EU's neighbour countries (and particularly in rural areas), addressing the impact of climate change on local communities can also pave the way for improved public services provision to the population and poverty reduction, acting as an important engine of economic growth and social development (including better health and education). As men and women's roles and responsibilities are significantly different in households, markets and communities, all activities within this programme will entail to the extent possible a gendered sensitive and responsive approach in line with the EU Gender Action Plan 2016-2020, the Paris Agreement and the 2030 Agenda, that encourages equality and equal opportunities. Finally, all activities implemented within this Action will support and enable women's active participation in decision-making processes with regard to more sustainable political and local climate governance. Among other things, women play a critical role on the climate change agenda due to their local knowledge of and leadership in sustainable resource management, and/or leading sustainable practices at the household and community level.

All of the Action's implementing beneficiaries will be required to ensure (when possible) women's and women CSOs' active participation in training and capacity building activities, as well as active and regular consultation with women's CSOs who work on good governance, human rights, sustainable development and energy from a gender sensitive angle.

Finally, through the Action's focus on climate-related governance, institutional support and capacity building at local levels, good governance will be fully promoted.

4.4 Contribution to Sustainable Development Goals (SDGs)

This intervention is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of Sustainable Development Goals (SDGs) targets 13 on "Climate action" and 11 "Sustainable cities and communities", while also contributing to 5 "Achieve gender equality and empower all women and girls" and 7 on "Affordable and clean energy".

5. IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²².

5.3.1 Grants: (direct management)

(a) Purpose of the grants

The grants will contribute to reaching all results specified in section 4.1.

(b) Type of applicants targeted

The call for proposals will target cities in the Neighbourhood South region, while possibly giving priority to municipalities (associated with local and/or international private companies/financing institutions) whose SECAP has been prepared in the framework of the Clima-MED project.

Proposals should involve public-private partnerships aiming at implementing (all or parts of) the cities' SECAP: a city/local administration – or a local or international NGO's acting in partnership with the city - shall act as lead applicant, with private companies/SMEs/local financing institutions as co-applicants. Third party funding should be provided by local/national/international banks, climate finance funds and/or private investors. Should the occasion arise, twinned European cities could also be involved in the projects proposed by the Southern Neighbourhood cities.

Municipalities, in association with local and/or international private companies/financing institutions, will be invited to propose projects based on a secured bankable financing plan,

²² www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

which clearly identifies investors and financial partners whose firm involvement is documented at project's submission.

Proposals need to ensure that the EU contribution will trigger additional funding for actions with a predominant climatic objective that shall include mitigation and/or adaptation measures. Therefore, depending on the content of the cities' SECAP, the call might address different domains of intervention, and an integrated (multi-sector) approach will be favoured. Finally, proposals should clearly express how local authorities intend to implement actions, if selected, in an inclusive and participatory manner.

In addition, and consistently with the way SECAPs are designed, the promoters will be strongly encouraged to:

- associate local universities/research institutes to the proposed project, in order to foster synergies between technological innovation and the private sector, possibly leading to specific training curricula and opportunities for jobs creation.
- involve local schools, NGOs and/or educators in order to raise awareness and foster a behavioural change among citizens/consumers accompanying the implementation of measures financed throughout the project;
- take into account any national mechanism/institution supporting municipal development (when these exist), by involving relevant public institutional actors in the whole preparation and implementation of the action.

Specific eligibility criteria will be determined throughout the preparation of the guidelines for applicants. Among others, the creditworthiness of applicants, and the "willingness to pay" by the cities' inhabitants for improved public services will be carefully assessed in order to secure a smooth project implementation and a satisfactory degree of confidence in the projects' sustainability.

The EU contribution shall not exceed 50% of the total project costs, and not more than 30% of the infrastructure investment costs.

These EU co-financing rates are the highest that the EU intends to contribute to, at the date of drafting of this action document. But the Commission's authorising officer responsible may decide to review them upwards while drafting the guidelines for applicants, depending on the (unpredictable) impact of COVID-19 pandemic crisis.

As an example, a EUR 4 000 000 project could entail EUR 1 500 000 for "soft" measures (as described in section 1.4 "Civil society") and EUR 2 500 000 for infrastructure investments (for instance for energy efficiency measures in public buildings, and the construction of a storm water reservoir and drainage systems to prevent from floods). The EU could then finance maximum EUR 750 000 for these infrastructure costs. In addition, up to EUR 1 250 000 could be granted to finance "soft" accompanying measures. Projects with highest leverage effect could possibly be favoured.

By doing so, the EU aims at stimulating municipalities to design integrated projects that will synergise complementary actors in order to address common needs in multiple intertwined

sectors (nexus approach). The financing of numerous “soft” activities inherent to the project shall trigger a behavioural change at municipal level as a direct result of the accompaniment of the concrete SECAP implementation.

In order to encourage municipalities to submit proposals, eligible costs will include (in a retroactive manner) the feasibility studies (i.e technical, financial, economic and environmental studies) necessary for writing down the SECAP actions into a bankable dossier (including detailed tendering files), up to a maximum of 10% of the total investment costs. Indeed, the donor community has acknowledged that the lack of available funds (grants) to cover these studies is a serious financing gap that hampers the implementation of SECAP in the Southern Neighbourhood region.

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, subject to the following provision.

The Commission’s authorising officer responsible may extend the geographical eligibility 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 (amount in EUR)
Fostering the implementation of Sustainable Energy and Action Plans (SECAP) and climate adaptation measures from cities in the Southern Neighbourhood composed of: - Grants (direct management) – cf section 5.4.1	19 000 000	N.A.
Evaluation (cf. section 5.8) Audit/Expenditure verification (cf. section 5.9)	will be covered by another Decision	N.A.
Communication and visibility (cf. section 5.10)	N.A.	N.A.
Total	19 000 000	N.A.

5.6 Organisational set-up and responsibilities

This action will be managed by Commission services (Directorate General Neighbourhood and Enlargement Negotiations) and EU Delegations, where relevant, in close co-operation with other Commission services and other relevant stakeholders.

EU Delegations will be closely involved in the whole program and project cycle management of this action.

5.7 Performance and results 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 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 log frame matrix .

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

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, a final evaluation will be carried out for this action or its components via independent consultants 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 (i) the innovative approaches fostered through numerous activities financed under this programme, and (ii) the highly expected potential for synergies and complementarity with other actions financed by the EU in the frame of its bilateral co-operation with each country in the region.

The Commission shall inform the implementing partners at least 2 months 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 countries 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 countries, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

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.

The financing of the audit shall be covered by another measure constituting a financing decision.

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.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.

The communication and visibility requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. Communication and visibility activities shall be implemented in accordance with the EU communication and visibility requirements in force.

6. PRE-CONDITIONS

Not applicable

APPENDIX - INDICATIVE LOGFRAME MATRIX ²³

	Results chain: Main expected results	Indicators (at least one indicator per expected result)	Baselines (incl. reference year)	Targets (incl. reference year)	Sources of data	Assumptions
Impact (Overall Objective)	Contribute to human sustainable development by promoting a shift towards greener and climate-resilient cities in the Southern Neighbourhood, in line with countries' commitments under the Paris Agreement.	Number of climate resilience policies, strategies and action plans adopted and implemented at cities level	0 (in 2020)	9-10 (in 2026)	Nationally Determined Contributions from Partner countries Global Covenant of Mayors data	<i>Not applicable</i>
Outcomes (Specific Objectives)	Improved citizen's quality of life and socio-economic benefits through the setup of resource efficient and low carbon strategies at urban level Promote awareness to national authorities of the opportunity to develop institutional frameworks facilitating local administrations' climate action through different institutional models.	Overall energy efficiency improvement by supported cities (%) Overall greenhouse gas emissions at supported cities' level (%) Number of local administrations that adopt climate adaptation strategies and investment plans Amount of financial flows from central government to local authorities dedicated to green and climate-resilient actions (%)	0 (in 2020) 0 (in 2020) 0 (in 2020) 0 (in 2020)	15% (in 2026) -20% (in 2026) 40 (in 2026) 15% (in 2026)	Nationally Determined Contributions from Partner countries Global Covenant of Mayors data	Countries remain committed to reaching their NDCs in the framework of the Paris Agreement, and they valorise and recognize the work done at local level
Outputs	<ul style="list-style-type: none"> Nine to ten cities in the Southern Neighbourhood build partnerships with local private companies to implement their Sustainable Energy and Climate Action Plan (in total or 	Number of SECAP totally (or partially) implemented	0 (in 2020)	9-10 (in 2026)	Nationally Determined Contributions from Partner countries.	Municipalities commit to ensure sustainability of the respective projects, by

²³

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

	partially) and/or climate adaptation measures.					
	<ul style="list-style-type: none"> The local financing sector (banks, private investors) acknowledges the necessity and concrete business opportunities of implementing SECAP and/or climate adaptation measures, and therefore takes an active part in its financing. 	Number of new financing mechanisms developed by banks, that finance new cities' SECAP	0 (in 2020)	2 per country where the Action takes place (in 2026)	Publications from the banking sector	making available the necessary human, financial and material resources.
		Number of training sessions (disaggregated by sex) to financial sector actors	0 (in 2020)	10 per project (in 2026)	Publications from municipalities	The financial sector shows interest and participates in valorising the gains of climate and energy actions at local level by offering necessary financial instruments.
	<ul style="list-style-type: none"> Municipalities' technical and financial capacity increases sufficiently to manage the SECAP implementation and/or climate adaptation measures in a sustainable manner. 	Number of municipal staff trained (disaggregated by sex)	0 (in 2020)	3 per project (in 2026)	Annual reports from National Ministries in charge of local development	Additional co-financing is also ensured by International and European Financial Institutions.
	<ul style="list-style-type: none"> Cities population's awareness on the necessity for a prompt behavioural change increases, leading to a more efficient use of natural resources and a climate-resilient approach locally. 	Number of awareness raising campaigns realised (in total)	0 (in 2020)	20 (in 2026)	UfM Secretariat reports	
		Number of people directly impacted by the awareness campaigns (disaggregated by sex)	0 (in 2020)	50 000 (in 2026)	Clima-MED annual reports	
<ul style="list-style-type: none"> The dissemination of the positive impact of the SECAP implementation and/or climate adaptation measures triggers replication initiatives in the Southern Neighbourhood region as well as an increased number of cities joining the Global Covenant of Mayors on Climate and Energy. 	Number of replication initiatives at the Southern Neighbourhood region	0 (in 2020)	30 (in 2026)	Surveys		



ANNEX 2

of the Commission Implementing Decision on the Annual Action Programme part II in favour of the European Neighbourhood Instrument (ENI) South countries for 2020

Action Document for the support to the statistical systems of the Neighbourhood South countries (MEDSTAT V)

ANNUAL PROGRAMME

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	Support to the statistical systems of the Neighbourhood South countries (MEDSTAT V) CRIS number: ENI/2020/042-655 financed under the European Neighbourhood Instrument	
2. Zone benefiting from the action/location	Southern Neighbourhood countries: Algeria, Egypt, Israel (¹), Jordan, Lebanon, Libya, Morocco, Palestine (²), Syria (³) and Tunisia. The action shall be carried out at the following locations: Southern Neighbourhood and EU countries.	
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) 2014-2020- Regional Neighbourhood South Strategy Paper (2014-2020) – and Multiannual Indicative Programme (2018-2020) ⁴	
4. Sustainable Development Goals (SDGs)	Main: SDG 17 Others: SDG 5, 7, 8, 13 and 15	
5. Sector of	Statistical capacity building	DEV. Assistance: YES ⁵

¹ See Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards on http://eurlex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2013.205.01.0009.01.ENG.

² 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.

³ The cooperation with Syria is suspended since 2011.

⁴ Commission Implementing Decision C(2018) 6362 adopted 5 October 2018.

intervention/ thematic area				
6. Amounts concerned	Total estimated cost: EUR 4 000 000 Total amount of EU contribution: EUR 4 000 000			
7. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management through: - Procurement			
8 a) DAC code(s)	16062 Statistical capacity building			
b) Main Delivery Channel	10000 – PUBLIC SECTOR INSTITUTIONS			
9. Markers (from CRIS DAC form)⁶	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	x	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	x	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment ⁷	<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	
	Biological diversity	<input type="checkbox"/>	X	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	X	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	X	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	X	<input type="checkbox"/>

⁵ Official Development Assistance is administered with the promotion of the economic development and welfare of developing countries as its main objective.

⁶ When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).

⁷ Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD-DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5.Mainstreaming.

10. Internal markers ⁸	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation ⁹	X		
Migration ¹⁰		X		
	COVID Response	X		
11. Global Public Goods and Challenges (GPGC) thematic flagships	Not applicable			

SUMMARY

The objective of the programme is to support the National Statistical Systems (NSS) of the Southern Neighbourhood countries to develop and produce reliable and comparable statics, in line with European and international norms and standards, and thereby improve both the availability and quality of statistical data from the Southern Neighbourhood countries and their dissemination to policy-makers, other users and the wider public.

The statistical data produced by Southern Neighbourhood countries need to be improved and better harmonised with European and international norms and standards, so that the data can be better used to design, implement and monitor national policies as well as the European policies towards these countries. At national level, more and better quality statistics is essential for evidence-based decision-making. At the EU level, reliable and harmonised data are needed to monitor the implementation of the agreements signed with the Southern Neighbourhood countries, and to do a follow-up on EU policies in such areas as trade, SMEs development, transport, energy, gender equality, migration, poverty, business development, economic integration, governance, etc. In addition, good statistical data are needed to monitor the implementation of the Sustainable Development Goals (SDGs) and to measure and compare the impact of policy interventions.

Technical assistance to the national statistical systems of the Southern Neighbourhood countries will be delivered through a number of regional or country-specific activities aimed at strengthening the countries statistical systems: trainings; provision of expert advice; support to data collection and dissemination; organisation of meetings, seminars and workshops to discuss problems in producing statistics in accordance with the European and international norms and standards. The technical assistance will also include specific actions to promote compliance with the Statistics Code of Practice for the European Neighbourhood South countries (based on the European Statistics Code of Practice).

⁸ These markers have a different scope/rationale than the DAC codes. Posting criteria related to the encoding of the financial breakdown in CRIS/ABAC.

⁹ Please refer to the instruction notes Ares(2019)4143016 dated of 01/07/2019 and Ares(2019)5219708 dated of 13/08/2019.

¹⁰ Please refer to note Ares(2019)627611 of 04/02/2019.

The proposed action will be implemented, when appropriate, at the regional level, but also at country level to address specific needs of individual Southern Neighbourhood countries according to the differentiated approach agreed for the revised European Neighbourhood Policy.

The programme is expected to result in strengthened capacity of the Southern Neighbourhood countries' statistical systems and more and better quality data from the countries. It is thus expected to serve improved governance and democracy as policy decisions can be based on sound evidence, allowing the society at large to hold the government accountable on the basis of sound evidence. This project will also help the EU to plan and monitor its policies towards these countries based on facts.

1 CONTEXT ANALYSIS

1.1 Context Description

Reliable and trustworthy statistics are essential for informed decision-making in a democratic society. They are indispensable for planning towards and measuring progress in reaching development goals and providing essential information about the effectiveness of policies and programmes. They help governments improve their policies and to be transparent and accountable about the delivery of policy results, contributing to gaining the trust and support of citizens. Reliable and inclusive statistics are a key element towards better measurement, monitoring and management of the results of cooperation and development assistance.

Euro-Mediterranean statistical cooperation was launched by the Barcelona declaration and the Euro-Mediterranean partnership (1995–96) with the aim of promoting cooperation in statistics in order to harmonise methods and exchange of data. Its main objective is to set up a continuing process of statistical harmonisation to allow gradual convergence towards harmonised and comparable economic and social data in Southern Neighbourhood countries and to increase compliance with European and international norms and standards.

The Forum of Euro-Mediterranean Statisticians, a high-level decision-making body, steers the cooperation in the field of statistics between the EU and Southern Neighbourhood countries. European Commission representatives (Eurostat, DG NEAR), the Directors-General of the National Statistical Institutes (NSIs) of the countries and representative of interested member states, participate in the annual Forum.

The regional statistical programme MEDSTAT has been a key vehicle for developing and furthering Euro-Mediterranean statistical co-operation since 1996. The proposed project aims to consolidate and build on the achievements of the four phases of the MEDSTAT programme, MEDSTAT I - IV. Despite considerable progress in the Southern Neighbourhood countries towards production and dissemination of better statistics, much remains to be done to bring the countries up to European and international norms and standards, and to make statistics in the region more gender responsive.

The Report of the UN Secretary-General ‘Special edition: progress towards the Sustainable Development Goals’ of 8 May 2019¹¹, states for Sustainable Development Goal 17 “Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development” that national statistical offices responsible for the production of official statistics “need to comply with strict international principles, including scientific methods, professional ethics and standard procedures for the collection, processing, storage and presentation of statistical data”. The report further states that “For developing countries to meet the data needs of the Sustainable Development Goals, current donor support for data and statistics will need to increase by nearly \$200 million per year.” The MEDSTAT programme has been instrumental in helping the Southern Neighbourhood countries to make considerable progress so far, but support is needed to ensure further progress and sustainability of achievements, including reaching the objectives of SDG 17. The proposed programme will be part of the international community’s effort to help the countries reach the objectives.

At national level, MEDSTAT has brought together different data producers, thus helping to create a national statistical system (NSS). This said, the NSS needs further strengthening and the NSI’s lead therein requires consolidation. For now, many NSIs have a difficult standing within the institutional framework. They lack the human and financial resources to improve and harmonise their statistics, for example via training. Furthermore, funds for conducting the necessary surveys are not always adequate. Different ministries and institutions sometimes compete for responsibilities and budget allocations for statistical work, which leads to a lack of cooperation and coordination. Statistics that are produced are sometimes not publicly available or are not disseminated in a user-friendly manner, preventing their wider reach. Decision-makers need to be sensitised to official statistics, so that political decisions can be taken based on statistical facts.

At regional level, there are challenges which are not sufficiently addressed by bilateral action. These include: (1) inclusion and motivation of countries which are less active at international level, (2) lack of comparability of data within the region and (3) lack of cooperation between countries. Regional co-operation is essential for the effective sharing of experience and best practice, both in the North-South and South-South context. Regional cooperation is crucial also in fields such as trade statistics to eliminate asymmetries in trade balances and to establish sub-regional (Agadir Agreement) or Euro-Mediterranean free-trade areas.

1.2 Policy Framework (Global, EU)

At the global level, national statistical systems are expected to follow the United Nations Fundamental Principles of Official Statistics (UNSC, 2014). In addition, Eurostat and the ENP-South countries have developed a Statistics Code of Practice for the European Neighbourhood South Countries¹², based on the European Statistics Code of Practice. The Forum of Euro-Mediterranean Statisticians endorsed the Code in April 2016. The countries recognise the importance of quality data for guiding social, economic and environmental policies, and that the development, production and dissemination of such data need to follow the statistical principles.

¹¹ <https://undocs.org/E/2019/68>.

¹² <https://ec.europa.eu/eurostat/web/products-catalogues/-/KS-32-11-955>.

The 2030 Agenda for Sustainable Development constitutes an unprecedented statistical challenge as it contains an ambitious set of goals and targets, to be monitored using statistical indicators. At the same time, it offers a tremendous opportunity to improve the quality of statistics and information available to citizens. The NSIs have an essential but challenging role in producing and collecting the indicators or in supporting other producers of statistics to do so.

Recognising this challenge, the Global Partnership for Sustainable Development Data (GPSDD), a broad coalition of governments, international agencies, non-governmental organisations and private sector firms, was established to help countries meet the challenges of monitoring the 17 Sustainable Development Goals (SDGs).

In this context, SDG 17 on partnerships for the goals calls upon the international community to enhance capacity building support to developing countries to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts.

The Euro-Mediterranean statistical cooperation started with the launch of the Barcelona process in 1995. In 2004, the relations with the Southern Mediterranean countries were further strengthened through the European Neighbourhood Policy (ENP) and were boosted again with the launch of the Union for the Mediterranean (UfM) in 2008. In the Ministerial Declaration, the UfM Ministers took note of the important role of reliable statistics as an important factor in decision-making¹³.

The May 2011 Communication “A New Response to a changing Neighbourhood”¹⁴ underlined the need for enhanced cooperation in all sectors relevant to the Internal Market, including statistics. The following year the Communication “Delivering on a new European Neighbourhood Policy”¹⁵ reported on progress and stressed a number of issues on which partner countries needed to step up their reform efforts and where the EU could deliver more promptly. Statistics is one of the domains.

Statistics were also particularly mentioned in the ENI Regional South Strategy Paper (2014-2020) under “Objective 2: Building a partnership for inclusive and sustainable economic development”, as one of the potential fields of intervention for exchange of best practices and capacity building. Another priority laid out in the strategy where statistical cooperation is indispensable is migration and mobility and the need for intensified cooperation between the EU and ENP-South countries on both regular and irregular migration.

Capacity development of statistical systems and the alignment of statistical offices and of their statistics with European and international norms and standards and quality requirements are mentioned in most of the Single Support Framework documents of the Southern

¹³ Successive UfM declarations in different sectors have highlighted the importance of producing reliable data. For instance, the 2017 UfM Declaration on the Role of Women in Society highlights the need to collect gender responsive data.

¹⁴ https://ec.europa.eu/research/iscp/pdf/policy/com_2011_303.pdf

¹⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52012JC0014>

Neighbourhood countries. Improving the national statistical system will help ensure the availability of reliable and comparable data to feed analysis of sectorial policies in the region.

The six political priorities of the new Von der Leyen Commission (2019-2024), in particular the priority for turning climate and environmental challenges into opportunities across all policy areas (European Green Deal) and the priority for social fairness and prosperity (an economy that works for people) will also serve as a policy framework to guide the EU support for strengthening the statistical capacities of the Southern Neighbourhood countries.

1.3 Public Policy Analysis of the partner country/region

The Southern Neighbourhood region continues to be dominated by the enduring effects of the global economic recession in 2008 and the subsequent Arab Spring in 2011. The civil war in Syria has had serious implications for the economies and political and social stability of its neighbours. Many of the countries in the region have been or are being embroiled in conflicts hampering their normal functioning and development.

With an average of about 30% youth unemployment, the region has one of the highest youth unemployment rates in the world and one of the most pressing challenges is the need to create jobs for the high numbers of young people coming onto the labour market every year. Likewise, the participation of women in the labour market in the MENA region remains the lowest worldwide, estimated at around 20% by the ILO in 2018, compared to a 50% average in the EU and 51% average in the OECD countries. Solid measures to boost women's integration in the formal economy, and access to decent work are urgently needed in order to achieve sustainable economic governance. Reliable official statistics will help drive and implement such measures and monitor their effectiveness.

The Euro-Mediterranean countries form one of the least economically integrated regions in the world. The potential for increased integration is huge and would bring significant benefits for the region. EU – Partner Country Association Agreements that are also free trade agreements have provided a positive framework for the development of economic relations in the region. However, insufficient progress has been achieved so far, with a strong trade imbalance in favour of the EU for some of the partner countries.

The Mediterranean has always been an area of mobility and migration. Instability in parts of the region and its geographical position is also a major enabler of migratory movements. Countries in the region can be at the same time countries of origin, transit and destination for migrants. All the main migration routes towards the EU, the Central Mediterranean, Eastern and Western Mediterranean route, go across the region.

The EU has been and is a key contributor to institutional and statistical capacity building in the region. Although progress has been made, the countries continue to face several challenges. As a result of budget cuts, limitations on recruitment and high staff rotation, the NSIs suffer from lack of financial and human resources and lack of capacity, including in the use of modern technologies in producing and disseminating data as widely as possible. The lack in resources and capacity also hinders effectively responding to new demands for statistics arising from emerging priorities on the national and international agenda (e.g. SDGs, migration crisis), as well as to rapidly evolving statistical production developments (such as

innovative technologies and use of administrative and other data). In the institutional arena, the NSIs are yet to take the role as coordinators of the national statistical system that would be needed to ensure the production of reliable official statistics.

The EU's relations with the region are guided by the 2017 European Consensus on Development, the Global Strategy and the 2015 revised European Neighbourhood Policy. These new policy frameworks call for the need to focus on achieving sustainable development and the overall goal of increasing the resilience and stabilisation of our neighbours. The EU is also committed to supporting regional cooperation bodies, namely the Union for the Mediterranean (UfM) and the League of Arab States, in order to promote effective cooperation, dialogue, stability and sustainable development with the Mediterranean region.

The UfM Ministerial Declaration on Regional Cooperation and Planning, adopted in June 2016, is the new framework for the Euro-Mediterranean partnership. The increase of the number of the high-level UfM or Euro-Mediterranean meetings are a positive signal expressing a shared objective of establishing deeper regional cooperation.

So far regional cooperation generated concrete initiatives key for the stabilisation of the region, such as operations in the field of energy, trade integration, private sector development, security and support to civil society. These initiatives are designed to have a direct impact on its beneficiaries (e.g. entrepreneurs, youth, non-governmental organisations (NGOs), local and national authorities, regional organisations).

Complementing bilateral and thematic programmes, regional intervention can raise awareness on, and catalyse activities in, policy areas where sharing of experience and peer review are important in order to advance reforms. Typically, regional cooperation will continue to provide a tool for enhanced dialogue with the EU on issues linked to EU policies and norms.

Fostering regional dialogue and the exchanges of best practices with Southern Mediterranean partners are relevant modalities for all the objectives of the Neighbourhood South programming document 2018-2020.

1.4 Stakeholder analysis

The stakeholders to be targeted are the NSIs as well as other producers of official statistics being part of the national statistical system (e.g. National Bank, Ministry of Finance, other line ministries), together being responsible for the development, production and dissemination of official statistics in the countries.

Statistical data provide factual evidence for a wide range of users: policy makers, economists, media, academia, civil society and the public at large. Therefore, assistance provided to the NSIs and the NSS as a whole is relevant for the entire society in the Southern Neighbourhood countries and in the EU Member States.

The Southern Neighbourhood countries face statistical capacity challenges that hamper their ability to implement sustainable and inclusive development policies, and to monitor SDGs' progress.

The MEDSTAT programme has contributed to the countries' efforts to produce more reliable and better quality statistics, and to harmonisation with European and international norms and standards in statistics.

At national level, it has strengthened the NSIs position within the NSSs, contributing to better coordination with other producers of official statistics, particularly in the MEDSTAT priority thematic sectors. At regional level, the culture of statistical harmonisation and quality has been highly promoted, as well as the exchange of experiences between Southern Neighbourhood countries. In spite of significant progress made with the help of the MEDSTAT programme so far, the majority of the countries need continued support.. They currently lack the financial and human resources and capacity to ensure sustainability of progress made or to progress further. In addition, the producers of official statistics are faced with increasing data needs in a rapidly changing statistical production environment, straining the capacities of even more evolved statistical systems, let alone of those with fewer resources. This is exacerbated for a number of the countries by the fact that they are fragile, beset by internal or external strife, or both.

Some of the weaknesses still to be addressed are that the data users are mainly NSS members and that exchanges between Southern Neighbourhood countries as well as achievements depend strongly on external expertise/intervention. Addressing these require more capacity-building.

A lack of appreciation at the top of government of the critical importance of evidence-based decision making for good governance in most Southern Neighbourhood countries needs to be tackled. Policy-makers' awareness of the importance of official statistics as a driver for trustworthy policies in modern democratic societies needs to be strongly increased. Better and more targeted communication on statistics should address the needs of various user groups and both genders, using modern communication and dissemination technologies, such as infographics and visualisation.

The Forum of the Euro-Mediterranean statisticians was set up in 2013 to steer Euro-Mediterranean cooperation on statistics. The annual Forum gathers high-level representatives from the National Statistical Institutes of the South Neighbourhood and of the European Commission (Eurostat, DG NEAR) as well as representatives of interested EU member states.

The sense of commitment to and ownership of the MEDSTAT programme is strong among the country partners, and they took the lead of the working groups which were set up in six thematic areas (migration, transport, business registers and statistics, energy, labour market and trade) and three horizontal issues (gender, training and visibility) under MEDSTAT IV. The shift from being a beneficiary to partner demonstrated the willingness to assume responsibility for the implementation and outcomes of MEDSTAT, contributing to sustainability of outcomes. It became clear during implementation, however, that the majority of the countries still lack adequate resources and capacities, and require further external support in order to become self-sustainable. The MEDSTAT IV external evaluation backed the observation. Therefore, the inception phase should serve to assess the capacities and resources of the countries to address the proposed priorities, and to see if there is a need to have a more focussed action with fewer priorities in order to have a bigger impact.

1.5 Problem analysis/priority areas for support

Quality data and statistics are essential for informed policy making and planning. They support policymakers by identifying issues that require policy intervention, providing the evidence to support the development of or adjustment of policy, facilitating monitoring and evaluation of the impact of the policy.

With the help of MEDSTAT, most Southern Neighbourhood countries have made progress in statistical capacity, but they still need support both to progress further and to sustain progress made. A significant number of data needed for a democratic and social market economy, and the use of gender responsive indicators, are either lacking or are not produced in line with European and international norms and standards, needed to ensure the reliability and comparability of data. Available data are often disseminated not using modern information and communication technologies and methods, preventing the data reaching a wider user community. Data may also be produced for the government that requires information in order to manage state-owned enterprises, micro-manage enterprises and regional development. Moreover, although the perception of the role of statistics in a democratic society has changed in the countries, statistical offices are very often regarded as institutions serving the government rather than the society as a whole, and may be considered by the government to serve its interests. This is contrary to the UN Fundamental Principles of Official Statistics and to the Code of Practice principles, according to which a statistical office needs to be professionally/scientifically independent from political and other external interference in producing and disseminating statistical information.

The programme will address these problems by focusing on the following key issues:

1. Strengthening the NSIs, also as a coordinator of the NSS, and the NSS and enhancing the institutional environments in such a way that data are developed, produced and disseminated in a professionally independent manner, thus helping to ensure their credibility ;
2. Increasing the capacity of the NSIs and the National Statistical Systems, so that they could produce an increasing number of professionally independent, high quality statistics in accordance with European and international norms and standards (e.g. relevance, impartiality, equal access, professional ethics, privacy and data protection compliance) and make them available to different groups of data users with the help of modern information and communication technology and methods. It is indeed important to make data and statistics available to citizen as it brings greater accountability and transparency in public action.

While many of the activities will and have to be common for all countries because of the similarity of problems and challenges, there is a need to take into account the situation in each country and the specific goals it needs to achieve, e.g. in the context of political commitments, such as the Agadir Agreement¹⁶ or other agreements. The exact share of assistance at regional level for all beneficiary countries and at national level for single countries cannot be defined at this point in time. However, the preference is likely to be given to regional activities – as they are designed to increase harmonisation and comparability of data at regional and

¹⁶ A free trade agreement between Egypt, Jordan, Morocco and Tunisia.

international level – with taking into account different levels of statistical advancement, thus specific needs, of individual countries.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<p>Insufficient human and financial resources available to NSIs</p> <p>Inefficiencies in action implementation because of lack of coordination between the countries in the region and the donors active in the region</p> <p>Professional independence of the NSI is hampered by external factors</p>	<p>H/M</p> <p>L</p> <p>M</p>	<p>Beneficiaries will need to ensure adequate resources either by prioritising existing activities or by securing new resources</p> <p>The beneficiaries coordinate and monitor donor assistance through their international cooperation departments. The Forum of Euro-Med Statisticians alongside the Principal National Coordinators in respective NSIs¹⁷ are meant to help to better coordinate efforts in the field of statistics. Furthermore, Eurostat monitors the various donor activities in the region through its annual donor coordination survey, and EU Delegations in the countries are also key in monitoring activities in the countries.</p> <p>It is crucial for a successful implementation of the action that the governments guarantee the professional independence of the NSI. This can be achieved by ensuring that professional independence is guaranteed by law which is enforced and by emphasising the need for governments to respect the Statistics Code of Practice for the European Neighbourhood South Countries, especially its Principle 1 on professional independence and the UN Fundamental Principles</p>

¹⁷ The PNCs are the link between the NSI and the programme activities. They ensure the coordination and follow-up of the Euro-Med cooperation activities in their countries and help prepare the agenda of the Forum.

Assumptions		
<ul style="list-style-type: none"> • Commitment of national authorities to the process, also through adequate resource allocation to the National Statistical Institutes. • Cooperation between the official statistics providers in the beneficiary countries. • Parallel implementation of necessary, complementary national projects in the area of statistics. • Sufficient support to NSI provided by the government. • Availability of experts and good cooperation between all stakeholders. • The necessary human and technical resources are provided by the national authorities. 		

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The MEDSTAT programme should be regarded as a long-term regional partnership rather than a technical development programme in a region beset with long-standing economic and societal problems and geopolitical conflict. After almost 20 years of support, assistance on statistics is still justified in the key neighbourhood region, because of its strategic importance for the EU. The MEDSTAT countries continue suffering significant shortcomings in data, which are particularly problematic to EU's effective engagement with the region to promote its interests and priorities. The MENA region lags behind other regions in most data categories. These data shortcomings hamper proper assessment of economic trends, effective policy formulation and prediction of risks. Moreover, the region is characterised by dynamic change, which often requires quick reactions to real-time challenges, including adapting and adjusting policies, which is difficult in the absence of the relevant and up-to-date official statistics.

The final evaluation of MEDSTAT IV underlined its relevance and its achievements in terms of improved capacity, transfer of professional know-how, training and the ability for the beneficiaries to learn from the other countries in the region. It confirmed the relevance of the six priority sectors¹⁸ for both the NSIs and the European Union. On the weak side, the evaluation mentioned that the dissemination of official statistics in the fields covered by MEDSTAT IV was advancing very slowly and that the communication of NISs with outside users was poor. The evaluation also showed that, although the issues of quality and the Code of Practice were addressed in the MEDSTAT priority sectors, more understanding of the practical implementation of quality concepts would be needed.

The evaluation further concluded that most countries progressed in building statistical capacity in the priority sectors and in most transversal sectors (visibility, relations with users, training and gender in statistical production). However, the pace of absorption and change has varied between countries, sectors within a country and within a sector. Nevertheless, given the

¹⁸ Business registers; External trade and balance of payments; Transport; Energy; Labour market; Migration.

budget and the level of activity, MEDSTAT IV was very cost-effective compared to one-country projects. The benefits of the regional approach to cooperation were evident and included further harmonisation of data across the region, and the ability to learn about good practices and innovations from other Southern Neighbourhood countries. It also created peer-pressure among countries to catch up with other countries' achievements. The systematic recourse to the technical competence of Eurostat has proved to be very beneficial in terms of quality.

Recommendations from the evaluators include the launch of a follow-up programme based on the achievements and approach of MEDSTAT IV (combining thematic and horizontal activities) as follows:

- maintaining the three priority sectors international trade and balance of payments; business register/business statistics; and migration surveys
- combining gender and labour statistics into a new 'Inclusiveness: gender, labour statistics' priority area and making a combined priority area 'Energy, transport and sustainable development'
- adding a priority area 'Environment & biodiversity.'

The evaluators recommend training, visibility, code of practice/quality and statistical technology (including Big Data) as transversal themes. Other recommendations include more work with the Union of the Mediterranean and more involvement of statistical data users. The final evaluation concluded that the tri-angular management mode (DG NEAR as Contracting Authority – Eurostat as technical advisor – contractor as implementer) led to complications and delays. It proposed a different management mode, such as Eurostat managing the programme, for any future programme.

3.2 Complementarity, synergy and donor co-ordination

In general, coordination with other partners and EU actions on statistics and on their related policies worked well during MEDSTAT IV. The working groups, lead coordinators and key experts all contributed.

At bilateral level, statistics in the Neighbourhood South are addressed by the European Union mainly through twinning projects (e.g. in Algeria, Israel, Jordan, Lebanon, Palestine). Short term TAIEX support on statistics was mobilised both at bilateral and regional levels on a variety of subjects. Nearly 40 events have been organised since 2011 in Algeria, Jordan, Lebanon, Morocco, Tunisia and in Europe. These national activities are complementary to the regional programmes as they target specific needs of the country at a larger scale, while the regional programme focuses on common problems and challenges.

Eurostat has provided and continues to provide technical assistance to the region through small-scale service contracts on trainings, workshops and meetings, including the Eurostat-PNC meeting and the Forum of the Euro-Mediterranean Statisticians

Furthermore, the NSIs and their international cooperation departments are aware that donor coordination is one of their main tasks. Each year they are requested to contribute to the Eurostat Donor Survey and to report recently planned, on-going and completed assistance projects in the field of statistics. The aim of the survey is to give an overview of the cooperation projects in the field of statistics, to avoid duplication and maximize

complementarity of assistance provided by different donors. The level of response from the ENP-South countries to the Donor Survey questionnaire varies from year to year.

MEDSTAT V should further develop coordination and synergies among partner countries by promoting the involvement of the Union for the Mediterranean in its implementation. The proposed cross-subdelegation to Eurostat for the management of the programme (cf. section 5.3 below) should also facilitate coordination of various donor activities.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The **overall objective** is to promote evidence-based policy-making and to foster democratic development by using statistical data in the Southern Neighbourhood countries.

The **specific objectives** of the project are (1) to support the National Statistical Institutes (NSIs) and National Statistical Systems (NSSs) to develop, produce and disseminate to users more and better-quality data on the priority thematic sectors and (2) to increase societal awareness about the importance of professionally independent statistics and raise statistical literacy in society, thus contributing to fact-based decision making.

Expected outputs of the project are: improved statistical capacity within the NSIs and the NSSs; institutional strengthening of the NSIs and NSSs, including improved cooperation and coordination within countries; further production and harmonisation of statistical data in line with European and international norms and standards, including gender sensitive data; data exchange ; experience and best practice-sharing at regional level; more user-friendly dissemination of statistics; and a better understanding and increased awareness of the importance of statistics on the part of the users in the countries (politicians, governments, administration, private sector, journalists, universities, civil society).

Priority thematic areas are expected to be:

- International trade and investments
- Business register and business statistics
- Migration surveys and statistics
- Inclusiveness: gender, labour statistics
- Energy, transport and sustainable development
- Climate action, environment and biodiversity

These priorities are based on the recommendations made by the evaluators, but also on the expressed needs of the MEDSTAT countries. Some of the priorities (trade, business, migration, labour market, energy and transport) derive from the European Neighbourhood Policy and have already been endorsed by the Forum of Euro-Med Statisticians, where the orientations of regional statistical cooperation are discussed and defined. Other priorities (investments, climate action, environment, biodiversity) are responding to new priorities for the Commission (e.g. Green Deal, EU External Investment Plan). Furthermore, EU policies require statistics from ENI-South countries in particular in these areas, which are priority sectors supported by the EU at bilateral or regional level. Therefore, the production of reliable

data in these sectors are essential to measure the impact of the EU cooperation. Developing statistics in these selected priorities is also key to contribute to regional integration.

Other areas falling into the new Commission priorities or into new emerging priorities may also be considered such as digitalisation or epidemiology. The final priority areas will be determined at the tendering phase, based also on feasibility in terms of the number of priority areas.

Continued work on statistical governance – support to governance mechanisms, adherence to statistical principles, coordination of the statistical system, user relation – will also be necessary for reaching sustainability of the statistical systems. Therefore, statistical governance will be considered a key area of intervention under MEDSTAT V.

The range of topics within each theme should be primarily limited and focus on regional priorities. Specific short-term action in other sectors might still be necessary, for example on health¹⁹ and education. Thematic activities may be accompanied by horizontal activities, such as training, human resources, quality of statistics, classifications, use of administrative sources, and dissemination and use of statistics and information systems.

Special emphasis should be placed on statistical literacy and increasing the use of statistics, for example by joint user-producer and awareness-raising events. Activities may include workshops, technical assistance missions, study visits, training courses, working groups, data exchange and production of statistical publications. Training is always highlighted as a key activity by the NSIs. Other suitable activities may be considered.

The project will continue to work with the NSIs as focal points within the NSSs, thus strengthening their position in the institutional network. As other producers of data will also take part in the project, interinstitutional cooperation will continue to be promoted and synergies created. Work with national gender equality mechanisms would be foreseen whenever possible. Eurostat should continue its role as technical advisor to the project and should publish data collected in connection with the project as appropriate. The long-term experts would have to cover several thematic and/or horizontal subjects at the same time, including gender mainstreaming, and the share of short-term experts should increase. Special attention would be paid to recruiting more experts from the Southern Neighbourhood countries, and some of them with specific expertise on gender statistics.

MEDSTAT V should broaden and deepen the existing network of statisticians in the region and continue to be associated with the Euro-Mediterranean Forum of Statisticians organised by Eurostat. Closer cooperation with the Union of the Mediterranean should be encouraged as most of the policy priorities proposed to be covered by MEDSTAT V are influenced by the work of the Union for the Mediterranean, in particular gender, trade, transport, energy and environment.

¹⁹ For example to help the partner countries to meet specific WHO standards for reporting data and statistics on disease outbreaks and pandemics such as coronavirus (COVID-19).

4.2 Intervention Logic

With a view to reaching the objectives and implementing the activities as described in section 4.1, and in the framework of direct centralised management, the proposed programme shall be implemented via one single contract through a tendering process.

The methodology to be applied in the programme is well tested in providing assistance in statistics to countries outside the EU, especially to the Enlargement countries, but also to the Neighbourhood countries. It organises practical transfer of know-how by means of expert advice on statistical standards and methodology, training courses for targeted specialists, support for data collection, joint publications, methodological workshops, etc. all aiming at increasing the availability and coverage of high quality statistical data covering those countries. Creative and innovative approaches to statistics will also be encouraged under MEDSTAT V.

The main implementing partners are the National Statistical Institutes (NSIs), which are the focal points for official statistics in the countries and closely cooperate with other producers of official statistics (typically line ministries, the Central Bank and other specialised state bodies). The partners are well known and established as the Commission (Eurostat) cooperates with them on a regular basis by providing assistance within its limited resources to increase the availability and quality of the data (training courses, publications, assessments of the National Statistical Systems or of specific domains) and by collecting and publishing data in Eurostat's database (where the data is published with the caveat that it has been supplied by the countries under their own responsibility).

Consistent coordination of donors active in the field of statistics is expected to increase the coherence and relevance of the assistance provided to the NISs

4.3 Mainstreaming

Gender statistics are needed to adequately reflect socio-political, economic and cultural differences and inequalities in the situation of women and men, and of girls and boys, as well as to ensure equal access and participation of women and men in all aspects of life. Therefore, in addition to being central to the 'Inclusiveness: gender, labour statistics' priority area, gender will be mainstreamed in all other thematic priority areas, and in particular in the Business register and business statistics and Migration surveys and statistics priority areas. This support is aimed at helping the national governments to support and complement their gender equality policies and support them in monitoring their progress.

4.4 Contribution to Sustainable Development Goals (SDGs)

This action will primarily contribute to the **SDG 17**, fostering global partnerships, through enhancing capacity building support to developing countries to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts. It will also contribute to **SDG 5** (gender equality), **SDG 7** (affordable and clean energy), **SDG 8** (decent work and economic growth), **SDG 13** (climate action) and **SDG 15** (life on land) as the action will assist the partner countries to collect and produce reliable data to measure the progress achieved for some of their targets.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it not foreseen to conclude a financing agreement with the partner countries.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²⁰.

5.3.1 Procurement (direct management)

The procurement will contribute to achieving the two specific objectives listed in section 4.1. This action will be implemented by one single service contract. Programme management is proposed to be a cross subdelegation to Eurostat. The EU delegations in the region will be kept informed on the development and implementation of the present action.

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Support to the statistical systems of the Neighbourhood South countries	Services	1 st semester 2021

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, subject to the following provisions.

With regard to the aim of fostering regional and trans-regional co-operation, the Commission decides that natural and legal persons from the following countries, territories or regions shall

²⁰ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

also be eligible for participating in procurement and grant award procedures: Member States of the European Economic Area (EEA). The supplies originating there shall also be eligible.

The Commission's authorising officer responsible may extend the geographical eligibility 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 realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
Specific Objectives 1 and 2 composed of: - Procurement (direct management) – cf. section 5.3.1	4 000 000	N.A.
Evaluation (cf. section 5.8) Audit/Expenditure verification (cf. section 5.9)	will be covered by another Decision	N.A.
Communication and visibility (cf. section 5.10)	N.A.	N.A.
Total	4 000 000	N.A.

5.6 Organisational set-up and responsibilities

In order to implement this action, a cross subdelegation to Eurostat for tendering, contracting and management is proposed. The cross subdelegation would be transformed into co-delegation at a later stage. Co-delegating the management of the programme to Eurostat is in line with the MEDSTAT IV final evaluation, which proposed simplifying the management arrangements of any follow-up programme.

The National Statistical Institutes are the main bodies in each country that will be involved in the implementation of the programme. Depending on the set-up in each of the Southern Neighbourhood countries, other producers of official statistics, such as the National Banks, ministries of finance and other ministries, may also be involved in activities related to their area of competence.

A steering committee will meet once a year to discuss the implementation of the action, to provide guidance and to agree on new priorities. It will be composed of representatives of DG NEAR, ESTAT, the NSIs and the implementing partner (contractor).

Through the service contract, technical assistance will be provided to the NSIs and the other producers of official statistics (as relevant and related to their area of competence). This will take the form of providing support to the implementation of activities in the priority areas listed above. The support may be in the form of provision of expertise, training on

methodology, support to data collection, study visits to experienced EU/EEA/EFTA²¹ Member States' NSIs, or, where appropriate, to Southern Neighbourhood countries' NSIs, consultations, analysis and dissemination of the data, meetings/seminar/workshops, provision of general training on methodological and institutional issues, and other suitable forms.

5.7 Performance and Results 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 partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action 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.

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

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, a final evaluation will be carried out for this action or its components via independent consultants 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 a possible new phase can be programmed on the basis of the lessons learned. The final evaluation shall also be gender responsive.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation mission. 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 report shall be shared with the partner countries and other key stakeholders. The financing of the final evaluation shall be covered by another measure constituting a financing decision.

²¹ European Free Trade Association.

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.

The financing of the audit shall be covered by another measure constituting a financing decision.

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 which would include a strategy to communicate effectively on the gender mainstreaming efforts accomplished by the action.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.

The communication and visibility requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. Communication and visibility activities shall be implemented in accordance with the EU communication and visibility requirements in force.

6 PRE-CONDITIONS

Not applicable

[APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)²²] (max. 2 pages,

<The indicative AD logframe should have a maximum of 10 expected results (impact, outcome and output) and associated indicators.

On the basis of this indicative logframe matrix, a more detailed logframe(s) might be developed at contracting stage linked to this AD. The indicative logframe matrix will evolve during the lifetime of the Intervention. The activities, the expected outputs and related indicators are indicative and may be updated during the implementation of the Intervention as agreed by the parties (the European Commission and the implementing partner/s).

The logframe matrix must be used for monitoring and reporting purposes. At the latest in the first progress report, implementing partner/s should include the complete logframe including all baselines and targets for each indicator). Each progress report should provide the most up to date version of the logframe as agreed by the parties (the European Commission and the implementing partner/s) with current values for each indicator. The final report should enclose the logframe with baseline and final values for each indicator.

Indicators to be presented, when relevant and possible, disaggregated by sex, age, urban/rural, disability, any disadvantaged group, income quintile etc.

Additional notes: The term "results" refers to the outputs, outcome(s) and impact of the Action. Assumptions should reflect risks and related management strategies identified in the Risk analysis. >

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
Impact (Overall Objective)	Promoting evidence-based policy-making and fostering democratic development in the Southern Neighbourhood countries.	Governments references to statistical data	- Government publications - Global assessments, peer reviews	<i>Not applicable</i>

²² Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

			<ul style="list-style-type: none"> reports - Country progress reports in the framework of the revised ENP - Country reports from international institutions 	
Outcome(s) (Specific Objective(s))	<p>SO1: Users are provided with more and better data on the priority sectors</p> <p>.</p> <p>SO2: The use of these data is increased</p>	<p>1) Quantity and quality of data produced; accessibility and comprehensibility of data</p> <p>2) References made to statistical publications and data sources</p>	<p>1) Statistical publications</p> <ul style="list-style-type: none"> - Databases, e. g. New Cronos at Eurostat - Websites - Progress and final reports - Expert advice - User polls <p>2) Users' publications (reports, press releases, websites)</p>	<ul style="list-style-type: none"> - Political stability within countries - Political will and strengthened civil society

Outputs	<p>O.1</p> <ul style="list-style-type: none"> - Improved statistical capacity within the NSIs and the NSSs; - Further harmonisation of statistical data in line with European and international norms and standards; - Further provision of gender responsive data; - Promotion of regional exchanges of experience <p>O.2</p> <p>-More user- friendly dissemination of statistics; and a better understanding</p>	<ul style="list-style-type: none"> - Budget and resources allocations to NSIs and NSSs - Implementation of the Statistics Code of Practice for the European Neighbourhood South Countries , such as the principles of professional independence, commitment to quality, impartiality and objectivity, access and clarity, relevance - Data are collected and presented disaggregated by sex in the proposed priorities - Data collection methods take into account stereotypes and social and cultural factors that may induce gender biases - Number of regional seminars and trainings organised to increase knowledge on other methodologies used in the region, including methodologies to improve gender sensitive data collection <p>- Number of quality reports available to users</p>	<ul style="list-style-type: none"> - Government budget - Publications, databases, websites - Country progress reports in the framework of the revised ENP - Yearly activity reports of NSIs 	<ul style="list-style-type: none"> - Continuous support from the NSIs and NSSs - Availability of financial and human resources

	<p>-Increased awareness of the importance of statistics on the part of the users</p>	<ul style="list-style-type: none"> - Data used for policy decisions - Comprehensibility of data - Understanding of data production process - Number of events under the lead of NSIs to present statistical data to public audiences 		
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