



Brussels, 1.8.2013
C(2013) 5046 final

COMMISSION IMPLEMENTING DECISION

of 1.8.2013

**on the Annual Action Programme 2013 in favour of Israel to be financed from the
general budget of the European Union**

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THE EUROPEAN COMMISSION,

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

Having regard to European Parliament and Council Regulation (EC) No 1638/2006 of 24 October 2006 laying down the general provisions establishing a European Neighbourhood and Partnership Instrument and in particular Article 12 thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002¹ (hereinafter referred to as 'the Financial Regulation'), and in particular Article 84 thereof,

Whereas:

- (1) The Commission has adopted the Country Strategy Paper (2007-2013) for Israel and the National Indicative Programme for the period 2011-2013, which indicates the priorities of support to the implementation of the joint priorities agreed in the EU-Israel Action Plan.
- (2) The objective pursued by the Annual Action Programme is to develop an increasingly close relationship between the EU and Israel, aiming at achieving a significant level of economic integration and deepening political co-operation.
- (3) The Decision complies with the conditions laid down in Article 94 of the Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union² (hereinafter referred to as 'the Rules of Application')
- (4) The maximum contribution of the European Union set by the present Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of the Financial Regulation and Article 111(4) of the Rules of Application.
- (5) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of the Rules of Application to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (6) The measures provided for in this Decision are in accordance with the opinion of the ENPI Committee set up under Article 26 of Regulation (EC) No 1638/2006.

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 362, 31.12.2012, p. 1.

HAS DECIDED AS FOLLOWS:

Article 1

The Annual Action Programme 2013 in favour of Israel, "Support to ENP Action Plan", the text of which is set out in the attached Annex, is approved.

Article 2

The maximum contribution of the Community to the Annual Action Programme 2013 is set at EUR 2.0 million to be financed from budget line 19 08 01 01 of the general budget of the European Union.

This maximum contribution shall also cover any possible interest due for late payment.

Article 3

Increases or cumulated changes to the allocations to the specific actions not exceeding 20% of the contribution referred to in the Article 2 shall not be considered substantial, provided that they do not significantly affect the nature and objectives pursued. The use of contingencies shall be taken into account in the ceiling referred to in this article.

The responsible authorising officer may adopt these non-substantial changes in accordance with the principles of sound financial management and proportionality.

Section 4 of the Annex referred to in Article 1 sets out the elements required by Article 94(2) of the Rules of Application.

Article 4

This Decision will be implemented in conformity with the European Union's position that the territories which came under Israeli administration in June 1967 are not part of the territory of the State of Israel.

Done at Brussels, 1.8.2013

For the Commission
Cecilia MALMSTRÖM
Member of the Commission

ANNEX

Annual Action Programme 2013 for Israel: Action Fiche

ANNEX

Of the Commission Implementing Decision on the Annual Action Programme 2013 in favour of Israel to be financed from the general budget of the European Union

Action Fiche for the Annual Action Programme 2013 in favour of Israel, "Support to ENP Action Plan"

1. IDENTIFICATION

Title/Number	Support to the European Neighbourhood Policy (ENP) Israel-European Union (EU) Action Plan, 2013		
Total cost	Total estimated cost: EUR 2,000,000 Total amount of EU budget contribution: EUR 2,000,000		
Aid method / Method of implementation	Project approach Direct centralised management		
DAC-code	43010	Sector	Multi-Sector Aid

2. RATIONALE

2.1. Summary of the action and its objectives

The objective of the action is to develop an increasingly close relationship between the EU and the State of Israel aiming at achieving a significant level of economic integration and deepening political co-operation. Bi-lateral co-operation is developed through Institutional Twinning projects.

2.2. Sector context

The EU and Israel maintain strong bilateral relations and an open political dialogue.

Since 2011 efforts have been made to inject greater dynamism into EU-Israel relations notwithstanding the ongoing freeze of the "upgrade" that was agreed in 2008. The EU-Israel Association Committee met on 2 May 2012, and the Association Council on 24 July 2012, during which the EU and the State of Israel finalised the identification of new areas for cooperation.

The Association Committee established a list of 60 concrete activities in over 15 specific fields for cooperation between Israel and the EU. The means to implement these activities are manifold – including direct participation of Israel in EU programmes such as EU's Seventh Framework Programme for Research (FP7) and possibly Horizon2020 - the new EU Framework Programme for Research and Innovation, participation in regional programmes (e.g. Cross Border Co-operation, Euromed Youth), co-operation with EU Agencies, etc. Israel's participation in these activities does not require reviewing the level of direct bi-lateral co-operation under

the ENPI, where Israel's interest remains limited to Twinning and Technical Assistance and Information Exchange (TAIEX).

The implementation of institutional twinning projects has proven to be successful in Israel so far. Technical assistance through TAIEX is equally valued by Israel for *ad hoc* and targeted exchanges of public expertise.

The validity of the Action Plan (AP) was extended by mutual consent until December 2012 and negotiations for a further extension are on-going. The identification of priorities is guided by the policy objectives of the EU-Israel Action Plan and focuses on those areas which correspond with the EU's strategic interest and are consistent with Israel's priorities.

2.3. Lessons learnt

Since 2006 Israel has been receiving support from the TAIEX instrument and has since become one of the most frequent users of this instrument amongst European Neighbourhood and Partnership Instrument countries. The financing agreement for the first bi-lateral allocation in *Support to the European Neighbourhood Policy Action Plan* was signed in July 2008 in order to implement twinning activities.

Four twinning projects financed under the 2007 and 2008 credits have been successfully completed. These projects benefitted the Israeli Law, Information and Technology Authority; the Israeli Ministry of Transport and Road Safety; the Israeli Equal Employment Opportunities Commission and the Israeli Ministry of Communications. Two Twinning Projects with the Ministry of Agriculture and Rural Development (Veterinary Services/Animal Health and Rural Development) started in November 2011 and February 2013 respectively. Three new Twinning projects (environmental protection, statistics and energy) have been identified, and are set to start in 2013.

Israel Programme Authorising Officer's office has still insufficient human resources, unstable, with limited experience in EU programmes' management and has not so far established a mechanisms to handle this within its administration. This has resulted in significant delays in preparing projects. Most of the preparatory work as well as the project management is falling on the Delegation.

Results-Oriented Monitoring experts have consistently highlighted the high impact of past projects. External monitoring was coupled with an *ex post* Twinning Review Mission organised with regard to the Twinning project with the Israeli Equal Employment Opportunities Commission in December 2012. This mission was a pioneer of its kind in the ENPI-South region and underlined the sustainable impact of the Twinning project.

Ensuring the correct application of the EU positions of the definitions of Israeli territory continues to be a politically sensitive challenge. However, following the Foreign Affairs Council's (FAC) conclusions of May 2012 and of December 2012 and the Commission Notice "Guidelines on Israel's participation on EU programmes or other financial instruments in the 2014-2020 financial period" (under preparation at the time this document is written) to be adopted in July 2013, all agreements

between the State of Israel and the EU must unequivocally and explicitly indicate their inapplicability to the territories occupied by Israel in 1967; therefore the activities implemented within the Twinning project must exclusively take place in the pre-1967 territory of Israel.

2.4. Complementary actions

Given Israel's high income level, the majority of donors do not provide funding. This is a unique action.

2.5. Donor coordination

There is a once a year meeting with EU Member States on donor co-ordination which, due to the unusual funding situation, is primarily an exchange of information meeting.

There is also *ad hoc* co-ordination with other donors, when necessary.

3. DESCRIPTION

3.1. Objectives

General Objective:

The general objective is to develop an increasingly close relationship between the EU and the State of Israel aiming at achieving a significant level of economic integration and deepening political co-operation.

Specific objectives:

- To promote legislative approximation (including with regard to participation in European Union programmes);
- To strengthen the dialogue between the EU and Israel at political and administrative levels.

3.2. Expected results and main activities

The Action Programme supports the approximation of Israeli legislation to EU norms and standards with a view to facilitating and improving co-operation and paves the way to the participation in EU Programmes. Discussions with the Israeli authorities show that their main indicative priority areas are agriculture, environment, energy, transport, social affairs, health, consumer protection, public service. Final identification of specific areas and actions will be in line with the priorities agreed within the EU-Israel AP and the Country Strategy Paper (CSP).

The expected results are:

- The reinforcement of the administrative capacity of Israel through partnership co-operation between Israel public administrations and those of EU Member States.

- The implementation of the priorities agreed in the Action Plan.

3.3. Risks and assumptions

Start up of activities could possibly be delayed due to limited experience on the Israeli side in dealing with EU programmes and the lack of resources attributed to the subject. This risk will be mitigated through initial central management of the funds. There is also a need for the Israeli authorities to be much more pro-active to develop a pipeline to consume the credits of previous years' allocations. The formal necessity of including a clause defining "territoriality" may also be problematic.

3.4. Cross-cutting Issues

During all phases of this Action Programme, particular attention will be devoted to the principle of equality of treatment and opportunity in both gender issues and minority rights.

3.5. Stakeholders

The direct beneficiary of the programme is the Israeli Public Administration.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in the sections 3.2 and 4.3 will be carried out, is 48 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

4.3. Implementation components and modules

4.3.1 Grants: Calls for proposals on Twinning projects (direct centralised management).

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

Calls for proposals will be launched to implement twinning projects may pool together 2012 and 2013 funds.

The size of the grant will be decided based on the type of *acquis* sector identified, needs of the beneficiary administration, duration of the project, and typology of costs in the specific field of the project. The measure will be implemented through centralised management, under a Financing Agreement.

Discussions with the Israeli authorities show that their main indicative priority areas for new twinning projects are **fisheries, social affairs, health, consumer protection, transport, public service**. Discussions on developing a Twinning project on fisheries or social affairs are already well advanced and will be prioritised. Additional sectors being explored include support to the National Insurance Institute and environment.

Final identification of specific areas and actions will be in line with the priorities agreed within the EU-Israel AP and the CSP.

Specific objectives of the **two** projects to be financed under the Decision, in their specific field, will be:

- To promote legislative approximation (including with regard to participation in European Union programmes);
- To strengthen the dialogue between the EU and Israel at political and administrative levels.

The expected results are:

- The reinforcement of the administrative capacity of Israel through partnership co-operation between Israel public administrations and those of EU Member States.
- The implementation of the priorities agreed in the Action Plan

Twinning projects will be implemented in accordance with the applicable twinning manual.

(b) Eligibility conditions

All EU Member States' administrations or mandated bodies are eligible to apply to the Calls for Proposals. These include public law bodies and bodies governed by private law with a public service mission.

(c) Essential selection and award criteria

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

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

(d) Maximum rate of co-financing

Grants will finance 100% of the Twinning Budget. Contributions of the Beneficiary Countries as well as eligibility rules for costs incurred during the project are described in detail in Annex A7 of the Twinning Manual.

Payments are executed by the Commission.

(e) Indicative trimester to launch the call

The Calls for Proposals should be launched in the first trimester following the signature of the relevant Financing Agreement – tentatively in the second trimester of 2014.

Twinning projects will be implemented in accordance with the applicable twinning manual.

4.4. Scope of geographical eligibility for procurement in direct centralised and decentralised management

Subject to the following, the geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies and materials purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 21 (7) of the basic act on the basis of the unavailability of products and services in the markets of the countries concerned, for reasons of extreme urgency, or if the eligibility rules would make the realization of this action impossible or exceedingly difficult.

4.5. Indicative budget

Module	Amount in EUR	Third party contribution (indicative, where known)
4.3.1 Grants: Calls for proposals on Twinning projects (direct centralised management)- Number of contracts: 2	2,000,000	0
Total	2,000,000	0

The financial contribution of the European Union to the projects is of EUR 2,000,000. Each project component includes its own provision for identification, evaluation, audit and visibility.

4.6. Performance monitoring

Achievements will be monitored regularly by the European Commission and the key indicators will be the yearly results of the twinning activities undertaken.

4.7. Evaluation and audit

Audits will be performed in accordance to European Commission procedures. Additionally, a mid-term and an ex-post evaluation and *ad hoc* monitoring missions might also be carried out.

The European Commission will prepare the terms of reference and select the service providers for the audit, monitoring and evaluation missions. All audit and evaluation reports will be communicated by the European Commission to the beneficiaries. The beneficiaries will put at the disposal of the audits, monitoring or evaluation missions all necessary supporting documents.

4.8. Communication and visibility

The European Commission will ensure that adequate communication and visibility is given by the contracting parties to the projects, in accordance with the EU visibility guidelines for external actions.