



This action is funded by the European Union

ANNEX 2

of the Commission implementing Decision on the Annual Action Programme 2016 (Part 1)
in favour of the Republic of Lebanon

**Action Document for
Support to the Implementation of the EU-Lebanon Partnership Priorities Programme (SIPPP)**

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals in section 5.3.2

1. Title/basic act/ CRIS number	Support to the Implementation of the EU-Lebanon Partnership Priorities Programme (SIPPP) CRIS number: ENI/2016/039-636 financed under the European Neighbourhood Instrument.	
2. Zone benefiting from the action/location	Lebanon	
3. Programming document	Single Support Framework for EU support to Lebanon 2014-2016	
4. Sector of concentration / thematic area	Technical Assistance and Twinning facilities	DEV. Aid: YES.
5. Amounts concerned	Total estimated cost: EUR 6,000,000. Total EU budget contribution: EUR 6,000,000.	
6. Aid modality And implementation modality	Project Modality Direct Management – grants - call for proposals for twinning and procurement of services	
7. a) DAC code(s)	15110; 15111; 52010; 41010	
b) main delivery channel	11000	

8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships				

SUMMARY

The programme's general objective is to support the Lebanese administration in the implementation of the EU-Lebanon Partnership Priorities.

The programme's specific objectives are: (i) to improve the capacity of the relevant Government of Lebanon institutions to meet the commitments undertaken in the context of the EU-Lebanon Association Agreement and Partnership Priorities; (ii) to enhance the efficiency of the entities involved in the implementation of the EU-Lebanon Partnership Priorities; (iii) to foster harmonisation of the domestic legislative and regulatory framework with EU and/or international frameworks and to facilitate subsequent enforcement and to facilitate future EU- Lebanon negotiations.

The proposed "demand driven" programme is fully in line with the EU-Lebanon Association Agreement and EU Lebanon Partnership Priorities, and the conclusions of the subcommittees, to be held during 2016 through 2019, will identify new areas of support and prioritise the requests for funding.

The potential beneficiaries will be identified at a later stage and include several state institutions.

1. CONTEXT

1.1. Sector/Country/Regional context/Thematic area

Lebanon is characterised by weak institutions that are prey to entrenched confessional divisions which affect the adoption and implementation of key government policies. Domestic stability rests on the fragile political system.

Furthermore, Lebanon is most affected by the Syrian conflict due to its geographical, historical, economic and social proximity and also to its weak institutions. Since 2011, Lebanon has been sustaining an extraordinary burden resulting from the mass influx of Syrians displaced from Syria into its territory. The Syrian crisis has led to further polarisation and weakening of a political system designed to cement multi-confessional co-existence through checks and balances.

The current government of Prime Minister Tammam Salam approved by the Parliament on 20 March 2014 confirmed in its policy statement the commitment of Lebanon to pursuing its partnership with the EU. As such, Lebanon has been fully engaged in the discussions and consultations leading to the review of the European Neighbourhood Policy (ENP). Indeed the EU and Lebanon face today immediate challenges some of which are linked to the protracted crisis.

While addressing the most urgent challenges, including migration and terrorism, Lebanon and the EU will continue working together towards a sustainable and stable Lebanon. In that respect, reinforcing state institutions will be a crucial element and one of the key pillars of the EU-Lebanon Partnership Priorities.

1.1.1. Public Policy Assessment and EU Policy Framework

The approved revised European Neighbourhood Instrument (ENI) for the period 2014-2020 emphasised the continued EU engagement in supporting state institutions which will help addressing immediate needs as well as structural deficiencies which undermine the country's governance and the confidence of the citizens and economic actors in the administration.

The EU-Lebanon Partnership Priorities, which tackles some of the systematic challenges that Lebanon is facing, provide a concrete framework for engagement as they address both the urgent needs and the structural issues, including reinforcement of state institutions.

A stable Lebanon requires developing co-operation projects in the area of institutional capacity building.

1.1.2. Stakeholder analysis

The programme's targets are the entities of the public sector responsible for the implementation of the European Neighbourhood Policy Partnership Priorities.

The Project Administration Office (PAO) in collaboration with the EU Delegation will identify the needs of the state institutions and jointly agree on the potential beneficiaries taking into account the priority actions identified under the EU-Lebanon Partnership Priorities.

A Steering Committee will be created and its main task will be to decide upon the eligibility of the Lebanese public institutions in view of further twinning actions.

Most of the Lebanese public institutions have worked and co-operated with EU experts and have the capacity to absorb a twinning project.

1.1.3. Priority areas for support/problem analysis

The Programme is justified by the need to support the Lebanese state institutions in order to increase their competences and capabilities in providing a better service delivery and coping with the challenges brought by the unstable situation in the country.

A strengthened public sector is a key determining factor for the country's stability.

Activities have not been identified at this stage and will be selected by the Steering Committee following a "demand driven" approach.

2. RISKS AND ASSUMPTIONS

Category of risk	Level of risk (H/M/L)	Mitigation measures
<p>Political:</p> <ul style="list-style-type: none"> • A lack of or a too weakly co-ordinated approach amongst the wide variety of stakeholders prevents the reform process from being coherent and comprehensive. • A lack of agreement by the stakeholders regarding the priorities and methodologies to be used hampers the implementation of this action • Institutional instability due to a change in the government disrupts the willingness to pursue this twinning action with the national expert • The natural employee resistance to change impedes the smooth integration of the national expert and threatens the implementation of the action. 	<p>M</p> <p>M</p> <p>L</p> <p>L</p>	<ul style="list-style-type: none"> • An ad hoc Steering Committee is called for to enhance co-ordination amongst stakeholders. • An ad hoc Steering Committee is called for to settle the disagreement between stakeholders. • A negotiation procedure is initiated by the PAO with the PM cabinet to ensure the smooth transition and acceptance of the continuation of function of the national expert. • Consensus-building in the early project stages will be sought by the PAO that will assume its role of mediator throughout this project.
<p>Assumptions</p>		
<ul style="list-style-type: none"> ▪ The security situation does not deteriorate and does not hamper Lebanon's reform efforts. ▪ The EU-Lebanon political dialogue continues and technical subcommittees are held regularly. 		

- Lebanon authorities remain committed to the reform agenda and the implementation of the commitments in the Partnership Priorities.
- The PCM dedicates sufficient resources to the implementation of the programme, in identifying priorities and suitable means of implementation.
- The EU is able to provide timely answers to requests for assistance of the Lebanese administration.

3. LESSONS LEARNT, COMPLEMENTARITIES AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

In recent years, despite political instability and a climbing fragility accentuated by the Syrian conflict, Lebanon has embarked on a reform process whilst maintaining its commitment to develop the EU-Lebanon partnership through the European Neighbourhood Policy (ENP). Lebanon's reform efforts in the area of promoting greater accountability of the government and combating corruption are still necessary and require donors' support.

Despite the progress made in implementing political, social and economic reforms, Lebanon is still facing a number of critical challenges. Its institutional and administrative capacity remains weak compared to international administrative performance standards, the promotion of good governance, the fight against corruption and bureaucracy, and the process of democratization remain a challenge for the country.

Macroeconomic stability still needs to be ensured and the public deficit reduced, economic activity needs to be stimulated, the high unemployment rate should be reduced and the efficiency and effectiveness in the management of the infrastructures need to be strengthened.

Previous twinning actions in Lebanon have been completed, such as the Project "Twinning: Modernizing the administrative and operational capacity of the tax administration" (DEC Support to reforms III: ENPI/2009/020-491). The final report of this project emphasizes that, despite heightened instability in the country, the twinning action has been successfully implemented thanks to the common work of all partners and a shared willingness to adapt the activities of the project to the needs of the beneficiaries, thereby highlighting the possibility and the added value of undertaking further twinning actions in Lebanon.

In a similar vein, the final report of another recently completed twinning project (Twinning Project: Modernized Clearance Process LB12/ENP-AP/FI/08; DEC ENPI/2009/020-491 (Support to Reforms III) also highlighted that, despite challenges internal to the project and related to the political situation in Lebanon, the twinning intervention was successful across all the foreseen components, notably thanks to a great level of co-ordination between Lebanese and European partners.

3.2. Complementarities, synergy and donor co-ordination

The SIPPP is complementary to the other programmes identified in the EU-Lebanon Partnership Priorities. It covers, on demand and without overlaps, specific needs of the Lebanese administration and facilitates reform in chosen areas.

In particular, SIPPP complements EU support provided through technical assistance programmes notably “Building National Stability”, "Protection and Sustainable Development of Maritime Resources in Lebanon - PRO MARE", and "Technical Assistance for the Government of Lebanon".

Both the assistance mobilised through the Technical Assistance Information Exchange (TAIEX) missions and that provided by the Support for Improvement in Governance and Management (SIGMA) Programme will be instrumental for identifying and preparing further Twinning actions and/or for completing the results of previous Twinning actions.

The proposed programme is fully in line with the EU-Lebanon Partnership Priorities. The “demand driven” mobilisation of assistance will allow the EU to fully align the project to the Lebanese national priorities. The implementation through Lebanon public structures respects the aid effectiveness principle.

The Presidency of the Council of Ministers (PCM) through the PAO will ensure proper co-ordination with all the stakeholders including the state institutions.

3.3. Cross-cutting issues

Crosscutting issues will be analysed in detail in the identification phase of the specific projects.

It can be anticipated that, in line with previous SAAP (Support to the Implementation of the EU-Lebanon Association Agreement Programme) objectives, good governance will be an issue systematically addressed in the design of the specific projects.

Particular attention to environmental sustainability was given in the implementation of SAAP; the new SIPPP may address specific projects to strengthen the institutional capacities of the Ministry of Environment and to develop and enforce environmental legislation based on EU and international legislative standards were developed.

Follow-up assistance can be considered as an individual project and/or a crosscutting issue in the identification phase of specific projects, where relevant.

Gender analysis will be elaborated in the project design. In a country like Lebanon, where, on the one hand, a number of educated and skilled women participate in the political, social and economic life of the country, and, on the other, many women are still subject to the traditional patriarchal power relations, the gender perspective will assume particular interest and relevance.

4. DESCRIPTION OF THE ACTION

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of:

SDG target 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture, but also promotes progress towards Goals

- SDG 5: Achieve gender equality and empower all women and girls.
- SDG 10: Reduce inequality within and among countries
- SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

This does not imply a commitment by the country benefiting from this programme.

4.1. Objectives/results

Objectives

The overall objective of the programme is to support the Lebanese administration in the implementation of the EU-Lebanon Partnership Priorities.

Three specific objectives have been identified:

1. To improve the capacity of the relevant Government of Lebanon institutions to meet the commitments undertaken in the context of the EU-Lebanon Association Agreement and the Partnership Priorities;
2. To enhance the efficiency of the entities involved in the implementation of the Partnership Priorities ;
3. To foster harmonisation of the domestic legislative and regulatory framework with the EU and/or international frameworks and to facilitate subsequent enforcement and to facilitate future EU-Lebanon negotiations.

4.2. Main activities

Main activities to achieve the Specific Objectives are twinings between EU Member States and the Government of Lebanon.

The programme activities will have to comply with the following eligibility criteria:

- (i) Direct link with the implementation of the Association Agreement;
- (ii) Conformity with the orientations given by the Partnership Priorities;
- (iii) Coherence with the outcomes and guidance of the EU-Lebanon dialogue; and

Through these activities, the SIPPP will aim at achieving the following results:

1. Improved institutional capacities of the Government of Lebanon in terms of strategic planning, policy and legislative planning, policy proposal preparation, drafting legislation, implementation, monitoring and evaluation;
2. Improved legislative, regulatory and legal framework, in approximation with the EU;
3. Creation of a wealth of relevant experience and competence in the Lebanese administration dealing with EU affairs, going hand in hand with an increased awareness of the EU policy, of the EU-Lebanon Association Agreement and Partnership Priorities in the Lebanese administration and among the Lebanese population.

The conclusions of the subcommittees, to be held during 2016 through 2019, will identify new areas of support and prioritise the requests for funding.

4.3. Intervention logic

Grants will be awarded for classical twinning and twinning light on the basis of a "demand driven" procedure: the PAO, in collaboration with the EU Delegation, will select the Lebanese administration who will be considered eligible for receiving a twinning (or a twinning light) grant, in both cases to be implemented by the "twinning" administration in a EU Member State.

5. IMPLEMENTATION

5.1. Financing agreement

In order to implement this action, it is foreseen to conclude a Financing Agreement with the Partner Country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

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

5.3. Implementation modalities

5.3.1 Procurement (direct management)

Technical assistance will be recruited to provide support to the Programme Administration Office (PAO).

Subject in generic terms	Type (works, supplies, services)	Indicative number of contracts	Indicative quarter for launch of the procedure
Technical Assistance	Services	1	02/2017

5.3.2 Grants: call for proposal for twinning projects (direct management)

Under the present programme, it is expected to conclude up to 12 Twinning grant contract(s).

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

The Twinning calls for proposals modality will be used for achieving the objectives and results described in section 4.1 above.

(b) Eligibility conditions

In line with Article 4(10)(b) of Regulation (EU) No 236/2014, participation in Twinning calls for proposals is limited to public administrations of the EU Member States, being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies entrusted with a public service mission under their control provided they act for the account and under the responsibility of that Member State.

(c) Essential selection and award criteria

The essential selection criterion is the operational capacity of the applicant.

The essential award criteria are the technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.

(d) Maximum rate of co-financing

The rate of co-financing for Twinning grant contracts is 100%¹.

(e) Indicative timing to launch the calls

1st quarter of 2017

(f) Use of lump sums/flat rates/unit costs

Twinning contracts include a system of unit costs and flat rate financing, defined in the Twinning Manual, for the reimbursement of the public sector expertise provided by the selected Member States administrations. The use of this system of unit costs and flat rate financing, which exceeds the amount of EUR 60 000 per beneficiary of a Twinning contract, is subject to the adoption of a separate, horizontal Commission Decision.

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 in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5. Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution
5.3.1. – Direct Management (procurement)	500,000	0

¹ As provided for in the Twinning Manual

5.3.2. - Direct Management (twinning grants)	5,100,000	0
5.8 – Evaluation 5.9.- Audit	150,000	0
5.10 - Communication and visibility	100,000	0
Contingencies	150,000	0
TOTAL	6,000,000	0

5.6. Organisational set-up and responsibilities

It is anticipated that the project will be implemented through grant agreements (mainly twinning) and technical assistance contracts. The specific budget for each action will be decided during the identification phase of each individual twinning.

Housed within the Presidency of the Council of Ministers, the Programme Administration Office (PAO) shall retain its role as Lebanon's National Contact Point for Twinning. Experts procured by the contractor to provide technical assistance shall support the PAO in this function. The PAO Director will be an official of the Lebanese administration, and therefore not remunerated by the Programme.

Lebanon's Ministries and government entities will be channelling their requests for support through Twinning to the PAO, which compile a list to be reviewed jointly with the EU Delegation - taking into account the priority actions identified under the EU-Lebanon Partnership Priorities - and resulting in the identification of Lebanese entities eligible for a twinning (or a twinning light) grant, in both cases to be implemented by the "twinned" administration in a EU Member State.

5.7. Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's (EU Member State twinning partner as well as of the service contractor). To this aim, the implementing partners 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. 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 mid-term and a final evaluation will be carried out for this action or its components via independent consultants.

The mid-term evaluation will be carried out for learning purposes, in particular with respect to the selection of future twinnings.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that Lebanon's weak institutions are prey to entrenched confessional divisions and this poses a challenge for twinnings.

The Commission shall inform the EU Member State twinning partner and the service contractor at least 4 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 country and other key stakeholders. The implementing partners (EU Member State twinning partner, the service contractor) and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any necessary adjustments.

Indicatively, two contracts for evaluation services shall be concluded in 2018 and 2020 using the appropriate framework contract.

5.9. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded approaching the end of implementation of the grant agreements in 2020.

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 by the service contractor at the start of implementation and supported with the budget, indicated in section 5.5 above.

Appropriate communication and information activities will be planned and implemented by the beneficiaries of each specific project under the programme, in line with EU guidelines for the visibility of external operations. These activities will target both Lebanese public institutions and the Lebanese public at large, with the aim of promoting a wider understanding of the relationship between Lebanon and the EU in the context of the European Neighbourhood Policy.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be

included in, respectively, the financing agreement, procurement and grant contracts and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Through the contracting of a communication company, the EU Delegation will ensure appropriate and adequate visibility and communication for the Programme. Contracting should take place at an early stage of the Programme, in order to ensure communication both to Lebanese and European audiences.