

## Action Fiche for West Bank and Gaza Strip

### 1. IDENTIFICATION

Title/Number	Support to Delivery of Community Services in East Jerusalem		
Total cost	EU contribution: EUR 8,000,000		
Aid method / Method of implementation	Project approach – centralised (direct) management		
DAC-code	16010	Sector	Social/Welfare Services

### 2. RATIONALE

#### 2.1. Sector context

The action is aligned with the results of the Palestinian Strategic Multi-Sector Development Plan (SMDP) for East Jerusalem, which constitutes the latest review on East Jerusalem and was released by the Office of the President in November 2010. This document is referred to in the new Palestinian National Development Plan 2011-2013 as the reference document as regards East Jerusalem.

East Jerusalem's economy is characterized by low labour-force participation and a high level of structural unemployment, limited opportunities, limited public investments in communities and infrastructure, inadequate municipal services, little private investment, and, as a result, unsustainable fiscal conditions and a deteriorating economic base.

The inadequacy and low level of provision of public services, resulting from the municipal under-investment has resulted in East Jerusalem remaining below West Jerusalem in a number of development indicators such as employment rate and income level. In terms of social indicators, East Jerusalem has higher rates of illiteracy, dependency, early marriage and early child birth, and over-crowding. It has far fewer libraries, parks, clinics, social workers and social centres for aged and disabled, road infrastructure, and emergency facilities. Significantly, East Jerusalem also fares worse than many other Palestinian areas in the West Bank and Gaza, especially in school enrolment, completion and literacy levels.

Planning and development in East Jerusalem limit and prevent, rather than encourage, economic development in East Jerusalem. East Jerusalem is becoming increasingly poor and dependent on the Israeli system. In addition, the continued expansion of Israeli settlements, together with the persistent emission of eviction orders and demolitions of Palestinian houses which have increased significantly since early 2008, further weaken the Palestinian community in the city.

The needed political support to encourage actions in East Jerusalem was reiterated in the Council conclusions on December 2010, by which the EU clearly recalls it has never recognised the annexation of East Jerusalem and reaffirms its commitment to Jerusalem as the future capital of two states.

## **2.2. Lessons learnt**

Although the method of implementation chosen by the EU (partnership between European/International organisation and local organisation) has proven to be efficient in this singular context first by strengthening the weakened civil society of East Jerusalem, and second by offering the local organisations a sheltering umbrella under which to operate, developments on the ground in 2010 confirmed the need and possible advantages of sometimes working directly with Palestinian organisations.

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

- (1) The EU has to maintain its flexible and creative approach towards means of implementation.
- (2) Clearly articulated scope of actions: items/activities in terms of reference which are vaguely worded at the outset tend to remain vague throughout the project, despite discussions and analysis undertaken during implementation.
- (3) Clear logical frameworks are an essential component of terms of reference with objectively verifiable indicators.
- (4) Timely decisions by the beneficiaries are needed. Projects should start with a realistic assessment of political willingness to benefit from individual activities.
- (5) Regular and strong exchange of information and awareness of all ongoing operations in East Jerusalem in order to avoid duplication and increase the potential for synergies between all the actions.

## **2.3. Complementary actions**

A number of donors, including several EU Member States, Norway, United Nations (UN) agencies and the World Bank (WB) are supporting projects in East Jerusalem.

Ongoing consultations between the EU and the UN, but also other donors, take place to ensure complementarity and continuity with EU-funded projects (including projects of European Commission's Directorate General for Humanitarian Aid and Civil Protection).

Despite it not being possible to work directly with the Palestinian Authority (PA) (all Palestinian institutions in East Jerusalem have been closed down by the Israeli authorities), the present operation builds on consultations with the Palestinian Ministry of Planning and the SMDP produced by the East Jerusalem Unit of the Office of the President of the Palestine Liberation Organisation (PLO). Moreover, consultations with line ministries are taking place and complementarity with national sectoral policies is ensured, especially in fields such as education and tourism.

## **2.4. Donor coordination**

Since 2008, donor coordination has taken place through the Jerusalem Unit of the President's Office (for instance through the Jerusalem Fund). Methods to further this co-ordination have been developed in the framework of the EU-funded project which aimed both at strengthening the capacity of the Monitoring and Co-ordination Unit and at producing the Strategic Multi-Sector Development Plan (SMDP).

Consequently, it was expected that the Jerusalem Unit of the Office of the President of the PLO would build its capacity to channel donor co-ordination and develop consultation and coordination mechanisms, especially in view of the implementation

of the investment plan of the SMDP. This has not proven to be the case and therefore greater Palestinian institutional involvement and ownership over actions in East Jerusalem is uncertain.

Lastly, EU Member States have produced an EU East Jerusalem Strategy (alongside the mapping exercise of EU actions in East Jerusalem), which would further strengthen EU coordination.

### 3. DESCRIPTION

#### 3.1. Objectives

The **overall objective** is to support the process of institution building and deliver on the EU commitment to maintaining sustainable development, dignity and welfare of East Jerusalem community, in order to consolidate the possibility of reaching a future political agreement on the status of Jerusalem as the future capital of two states<sup>1</sup>.

**Specific objectives** are to improve the socio-economic living conditions of Palestinians living in East Jerusalem:

- To contribute to improve Palestinian communities' access to and protection of their social, political and economic rights in selected neighbourhoods in East Jerusalem.
- To contribute to significantly enhance the quality of vocational training education in East Jerusalem.
- To improve the quality of primary and preschool education in promoting the adoption of an inclusive education strategy.
- To contribute to enhance economic development by supporting the development of the tourism sector in East Jerusalem.

#### 3.2. Expected results and main activities

##### (a) *Social services:*

The main **expected results** are to improve access of Palestinians living in East Jerusalem to quality social services, more specifically:

- Particularly marginalized neighbourhoods benefit from increased mobilisation of Palestinian communities, resulting in improved access to education services, health services, protection services such as legal or housing assistance, and improved sense of cultural identity.
- East Jerusalemites completing vocational training courses are better educated and better qualified for a skilled job market.
- East Jerusalemite children with special needs and learning difficulties have increased and adapted access to the mainstream education system.

**Main activities:** following consultations with Palestinian and international non-governmental service providers, main activities will be identified based on the needs of the East Jerusalem population.

It is foreseen that following identification of particularly deprived and marginalized neighbourhoods, a comprehensive initiative will be developed to build a multi-layer

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<sup>1</sup> Conclusions of Council of EU, December 13th, 2010

action that would intervene in complementarily in the sectors of health, education, economic development and gender, as well as residency rights.

In addition, in the area of education, results from previous actions, findings of the ongoing SMDP and consultations with the East Jerusalem directorate of the Ministry of Education and Higher Education point to the need to enhance inclusive education. A comprehensive approach encompassing upgrade of equipments, "on the job" teacher trainings, principals' trainings, and family involvement emerges.

In line with the stronger EU approach and the findings of the SMDP, consultations for possible activities in the fields of legal assistance and housing will take place.

*(b) Economic support:*

The main **expected results** are to improve the economic situation of Palestinians living in East Jerusalem, more specifically:

- The quality and availability of tourist services is improved and is better suited to the current tourist market demands.

**Main activities:** following consultations with Palestinian stakeholders and building on the results of the SMDP, main activities will be identified to support the tourism sector, which has been identified as the priority sector to be supported to enhance the economy in East Jerusalem.

### 3.3. Risks and assumptions

The pursuit of the EU's strategy in the occupied Palestinian territory is subject to unusual and unusually high levels of risk. In the context of the already difficult situation of Israeli occupation and division between West Bank and Gaza, the most notable risks include renewal of violent conflict between Palestinians and Israel, and renewal of violent conflict between Palestinian factions. Any political developments directly affect the situation in East Jerusalem and may immediately impact on the ability of organisations to implement actions. In addition, all projects implemented in East Jerusalem, especially those requiring the import of goods, equipment and the free movement of service providers are at substantial risk from unpredictable policies by Israel. For instance, working through international NGOs, which was put forward as the safer means of implementation by the EU, has shown to be vulnerable to a recent attempt of Israeli policy to restrict working visas for international NGOs' staff. The current agreement to suspend this new regulation is fragile. Hence the option of supporting well established Palestinian organisations directly will be assessed on a case by case basis.

The internal Palestinian disputes over who should be prime responsible for the assistance to East Jerusalem increases the risks that assistance is not delivered in a coordinated and strategic manner. The risk can be mitigated by a unified position on the part of the donor community on the channelling of the funds targeting East Jerusalem.

### 3.4. Cross-cutting Issues

Attention will be paid to ensure that projects incorporate the promotion of co-education, gender equality, child rights protection and empowerment of vulnerable groups in their activities and many of the projects implemented will specifically deal with these problems. Environmental issues will be incorporated in actions targeting youth in areas where solid waste management or water management are crucial. In addition, good governance and child participation will be integrated as part of the

education process, gender components incorporated in economic development as well as in health activities, and good governance and environment will be central in urban planning activities.

### **3.5. Stakeholders**

Stakeholders are primarily community-based organisations, local NGOs serving or targeting East Jerusalem communities, and community leaders.

The institutional capacity of East Jerusalem organisations is often fragile, mainly due to the limited level of support they receive. Since many of the local NGOs moved to Ramallah in the last 2 years (mainly to escape the heavy Israeli taxation), it appears even more important to support the remaining civil society.

Line ministries and the Ministry of Planning and Administrative Development are involved in the consultation process, and were part of the committees responsible for approving the sectoral reviews (and the resulting proposed interventions) of the SMDP.

Health and education professionals are particularly involved, and a number of Member States are active in the areas of proposed support including Denmark, France, Germany, Italy, Spain and United Kingdom. In addition, the Office of the Quartet Representative is involved in the tourism sector, and ongoing consultation is assured.

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

As the last connection between the East Jerusalem population and the Palestinian central authority, the involvement of the Office of the President is crucial.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

Direct centralised management

A Financing Agreement will be concluded between the European Union represented by the Commission and the relevant authority of the PA.

### **4.2. Procurement and grant award procedures**

#### 1) Contracts

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

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

#### 2) Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the general budget.

When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 90% of the total accepted costs of the Action. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget.

#### **4.3. Indicative budget and calendar**

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

The indicative breakdown of the overall amount is as follows:

<b>Component and Management mode, (type of contract)</b>	<b>Amount (EUR)</b>
Project Activities under direct centralised management (mainly grants)	7,870,000
Visibility under direct centralised management (service contracts)	30,000
Monitoring, Evaluation and Audit under direct centralised management (service contracts)	100,000
<b>TOTAL</b>	<b>8,000,000</b>

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

#### **4.4. Performance monitoring**

The project will be monitored according to relevant indicators of performance.

The choice of key progress indicators will form part of the project identification and formulation process and each action will be supported by a logical framework including objectively verifiable indicators to evaluate each stage's level of achievement. The European Commission's Standard Indicators will be taken into account where available and as appropriate. In case of non-availability of existing information on baseline values necessary to establish relevant indicators, the projects could be designed in such a way that the baseline is established during the first months of implementation, and target values adapted accordingly.

#### **4.5. Evaluation and audit**

External final evaluations, covering each activity of the action, will be carried out in accordance with European Commission procedures. Where appropriate, external audits of specific projects will be undertaken

#### **4.6 Communication and visibility**

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