

SUMMARY

Annual Action Programme (AAP) 2017 – Part 1 in favour of the European Neighbourhood Instrument (ENI) South countries to be financed from the general budget of the European Union

1. IDENTIFICATION

Budget heading	22.04.01.02, 22.04.01.03 and 22.04.02.03
Total cost	EUR 37.71 million of EU contribution ¹
Legal basis	Regulation (EU) No 232/2014

2. REGIONAL BACKGROUND

Regional cooperation in the Southern Neighbourhood complements bilateral assistance and thematic programmes by promoting coherent approaches across the region on a number of thematic priorities. It encourages South-North and South-South cooperation and promotes dialogue and knowledge sharing among partner countries and regional organisations. All together regional actions are meant to build a strategic sector vision at regional level in various areas of mutual interest (e.g. economic development, energy and security).

The 2017 Annual Action Programme - Part 1 for the European Neighbourhood South covers support in the priority objectives defined in the Regional South Strategy Paper for the period 2014-2020. In line with the European Neighbourhood Policy (ENP) review greater emphasis is given to economic development, security and support to regional bodies.

3. SUMMARY OF THE ACTION PROGRAMME

1) Background

The EU policy responses to the challenges of the Southern Neighbourhood region are guided by the European Neighbourhood Policy (ENP) and its review in 2015 including the bilateral relations between the EU and each of the ENP countries, and the policy dialogue with relevant regional organisations such as the Union for the Mediterranean and the League of Arab States.

With a total allocation of EUR 37.71 million, the 2017 ENI South Regional Action Programme - Part 1 includes new actions in the areas of economic governance,

¹ This amount does not include:
- EUR 15 million already decided in 2015 under AAP 2015:
a) Contribution to the European Endowment for Democracy (EED): EUR 2 million, see C(2015) 4603 of 30.06.2015;
b) Global Allocation: EUR 13 million, see C(2015) 6146 of 01.09.2015.
- EUR 20 million channelled through the Neighbourhood Investment Platform 2017;
- EUR 14.08 million that will be presented in the AAP 2017 part 2.
This amount includes EUR 2 million in favour of the ENI East countries for Annex 2 "2017 Security Package".

security and institution-building as well as continued support to the Middle East Peace Process.

2) Complementarity with EU bilateral assistance and national policies

In the areas and sectors in which bilateral aid is already provided, the regional interventions will complement the bilateral programmes by promoting new actors of development and innovative approaches to challenges of mutual interest. The regional cooperation will generate synergies with national dialogues and activities in the Mediterranean partners in the priority areas of the ENP reviewed.

3) Coherence with the work of regional organisations

The EU cooperation objectives in the Southern Neighbourhood countries are also guided by the work of the Union for the Mediterranean (UfM) and the League of the Arab States (LAS). The 2017 Annual Action Programme – Part 1 will push for more coordination and dialogue with these organisations in the identified priorities/sectors.

The UfM Ministerial Declaration on Regional Cooperation and Planning, adopted in June 2016, and the UfM Roadmap, adopted in January 2017, are the new framework for the policy dialogue and work with the UfM.

The 2014 and 2016 EU-LAS Ministerial Declarations have highlighted the common interest for joint work on security. The Ministerial Declarations acknowledge also the importance of civil society in promoting human rights and the contribution of women to the economy.

4) Coherence with the programming documents

In continuation of the approach taken in 2016, this Annual Action Programme covers support to the priority objectives defined in the Strategy Paper 2014-2020 and Multiannual Indicative Programme 2014-2017 for Regional South². In particular:

- ✓ Objective 1 - Building a Partnership for Liberty, Democracy and Security is addressed by Annexes 2, 3 and 4 (hereunder);
- ✓ Objective 2 - Building a Partnership for Inclusive and Sustainable Development is addressed by Annex 1;
- ✓ Objective 3 - Building a Partnership with the People is addressed by Annex 3.

5) Identified actions

Annex 1 – Support to economic governance and reforms in the Southern Neighbourhood (EUR 8 million)

The main objective of this action is to promote economic governance and reforms that are conducive to sustainable economic growth, enhanced public and private sector investments, SME development, job creation and inclusiveness in the Southern Mediterranean partner countries, through two interventions:

- 1) **Support to economic reforms and macroeconomic management through the IMF Middle East Technical Centre (METAC).** This component is designed to help partner countries and economic institutions in the region to prepare, implement and monitor sound macro-economic policies aiming to

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C(2014) 5242 of 30.07.2014.

achieve higher sustainable and inclusive growth, while reducing vulnerabilities. (EUR 2 million).

- 2) **Support to an enabling business environment for Micro, Small and Medium Enterprises (MSME) development and financial inclusion.** This component is designed to contribute to an enabling business environment for MSME development and for their financial inclusion, in line with best European approaches and international best practices, in view of the important potential of small businesses for job creation. (EUR 6 million).

Annex 2 – 2017 Security Package (EUR 7 million from ENI South and EUR 2 million from ENI East)

The security package includes three interventions which are priorities set out in the security chapter of the ENP Review:

- 1) **EU4Border Security:** The action seeks to enhance border security in the Southern Neighbourhood, by fostering bilateral, multilateral and regional cooperation. The project will familiarize Southern Neighbourhood countries with the mandate and work of the European Border and Coast Guard Agency (Frontex) and increase their capacity to undertake risk, strategic and operational analysis with a view of strengthening border security. It will also support regional information sharing, utilising tools provided by Frontex and contribute to the fight against security threats, in particular organised crime (including the illicit trafficking in drugs and the smuggling of migrants and trafficking in human beings) and the travel of terrorists. (EUR 4 million).
- 2) **EU4Monitoring Drugs:** The action seeks to enhance the capacity of ENP East and South countries to monitor drug markets. The European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) will build on a previous ENI-funded pilot project with several ENP South and East countries over 2014-2016, which raised a real interest for working closer with this Agency. It is proposed to scale up this cooperation with an ENP-wide project, mirroring the work of the agency at EU level, i.e. combining support for a better monitoring of drug markets, making the information public and identifying practical recommendations to combat the phenomenon. (EUR 2 million from ENI South and EUR 1 million from ENI East)
- 3) **Building Integrity programme:** This action is a contribution to North Atlantic Treaty Organization (NATO's) Building Integrity (BI) Programme. This support will build on the Sector Security Reform Communication and the July 2016 joint EU-NATO declaration that calls for a closer mutual cooperation, with a particular focus on EU's neighbours. It is also an opportunity to test a new approach for our cooperation with military actors, with a focus on improving their governance. The NATO's BI Programme provides practical tools to help participating countries strengthen integrity, transparency and accountability and reduce the risk of corruption in the defence and security sector. (EUR 1 million from ENI South and EUR 1 million from ENI East).

Annex 3 – South Programme III – Support for institution-building and international co-operation in the Southern Neighbourhood (EUR 15.71 million)

The overall objective of this action is to promote institution building and institutional cooperation, as well as democratic governance, intercultural dialogue and inclusion of civil society in policy-making, through four interventions:

1. **Support the Union for the Mediterranean (UfM) Secretariat.** This component is designed to support the work programme of the secretariat of the UfM for the year 2018. (EUR 4.21 million).
2. **Support to the Anna Lindh Foundation for Intercultural Dialogue (ALF) – Phase V.** This component is designed to help the ALF to implement the fifth phase of its action programme since its inception. (EUR 7 million)
3. **Support to the Council of Europe to implement the South Programme III - Institutional support.** This component is designed to allow the Council of Europe to continue delivering its actions in favour of democratic governance, rule of law, reinforcement of the constitutional processes, justice, anti-corruption and human rights in the Neighbourhood South region. (EUR 3 million).
4. **Reinforcing dialogue and cooperation with regional organisations, mainly with the League of Arab States.** This component is designed to contribute to reinforcing the political dialogue and the technical cooperation with regional organisations, such as the League of Arab States. Dialogue with civil society will also be promoted. (EUR 1.5 million).

Annex 4 - Middle East Peace Process (MEPP) - EU Peacebuilding Initiative 2017 (EUR 5 million)

In alignment with the EU council conclusions on the Middle East Peace Process, the overall objective of the programme is to support and promote the conditions for a sustainable resolution of the Israeli-Arab conflict through civil society and citizens' positive engagement. The programme will be implemented through a call for proposals which will finance civil society initiatives in Israel, Palestine³, and tentatively Europe and Jordan aiming at: (i) promoting conditions for a negotiated settlement of the conflict via participatory civil engagement; (ii) building mutual understanding, confidence and trust; (iii) contributing to peacebuilding through cross-border work supporting socio-economic development in and empowerment of most conflict-affected communities.

6) Expected results:

The "*Support to economic governance and reforms in the Southern Neighbourhood*" should deliver the main following expected results:

- an integrated budget planning and management process that effectively links policies to public resource allocation, and further develop treasury systems,

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This designation shall not be considered as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

including government banking arrangements, commitment controls and financial management information systems;

- more risk-oriented banking supervisory and a regulatory framework is achieved that enhances financial stability and support long-term capacity building to efficiently supervise, monitor and assess the soundness of the banking system and reduce financial sector vulnerabilities;
- compliance with international standards is improved for the compilation of external statistics and government reporting on national accounts and the impact of macro-economic policies;
- Policies, alternative financial mechanisms and instruments supporting MSMEs are better adapted and contribute to a broader and easier access to finance as well as to a more conducive business environment for MSMEs;
- improved awareness and understanding among MSMEs and relevant stakeholders of alternative and available mechanisms/instruments including exchange of views, sharing of experiences and best practices for MSMEs in Southern Neighbourhood countries resulting in a more conducive environment;

The "*2017 Security Package*" should deliver the main following expected results:

- ENP South countries have increased capacity to undertake risk analysis and are aware of the benefits that a participation in a risk analysis network may bring;
- enhanced capacity of the partner countries to detect both cross-border criminality at the borders and the movement of travellers potentially involved in terrorism activities (FTFs);
- the situational awareness of the participating countries is improved and the information sharing, utilising tools provided by Frontex, among them, as well as with Frontex is increased
- capacity of EU Neighbourhood countries to develop and update integrated, balanced and evidence-based drug policies as well as strategic analytical and intelligence-led responses to the drug problem is enhanced;
- expertise and information sharing networks on security and health drug-related threats, amongst EU Neighbourhood countries and with EU Member States, are strengthened;
- community of practice is further enhanced and maintained, effectively linking nations and institutions committed to strengthening transparency, accountability and integrity in the defence and related security sector;
- building integrity action plans for each of the participating countries.

The "*South Programme III – Support to institution-building and international co-operation in the Southern Neighbourhood*" should deliver the main following expected results:

- the role of the UfM Secretariat as a regional dialogue platform is reinforced;
- the internal functioning of the UfM Secretariat is improved, in particular as evidenced by the supportive relations with Commission line DGs;

- the work programme of ALF is successfully implemented and its capacity to promote intercultural dialogue practices and skills is strengthened;
- support and advice to Southern Mediterranean countries are provided in reinforcing human rights, rule of law and democracy;
- the dialogue and cooperation with regional organisations are reinforced, mainly with the League of Arab States.

The "*Middle East Peace Process - EU Peacebuilding Initiative*" should deliver the main following expected results:

- citizens' support and advocacy for political efforts to the resolution of the conflict is reinforced;
- better understanding of barriers to conflict resolution caused by misinformation, incitement and biased narratives amongst Israelis and Palestinians is achieved;
- confidence between both sides and better understanding of the benefits of the two-state solution is increased;
- reduction of fear and mistrust between Israelis and Palestinians working together is achieved.

7) Past EU assistance and lessons learnt:

The actions presented in this document are based on the experience and the lessons learnt from the previous phases of the programmes, or from similar actions undertaken in the past. Mid-term project evaluations, ex-post evaluations and result-oriented monitoring (ROM) exercises have highlighted the importance of result- and impact-oriented implementation. Their findings and recommendations have guided the design of these new actions. The ENI South delegations have also been consulted for the preparation of this Annual Action Programme-Part 1.

8) Complementary actions/donor coordination:

EU cooperation objectives in the Southern Neighbourhood countries are guided by the UfM and the ENP. These programmes generate synergies with, and complement all other bilateral cooperation activities with the Mediterranean partners in the priority areas referred to above and all past or current regional cooperation programmes between the Mediterranean countries concerning the same areas.

The ENP strategy paper which frames the regional activities to be carried out during the period concerned takes into account the activity plans of other donors. All regional programmes and projects are approved by the representatives of the EU Member States on the ENI Committee before their adoption by the European Commission. Coordination with International Financial Institutions operating in the region is also ensured through regular policy and technical meetings.

Ministerial Conferences, sectorial working groups and task forces on different issues such as security, trade, energy, innovation, transport and regional economic integration are regularly organised in the context of the UfM under the co-presidencies (Jordan, European Commission) and with representatives from EU Member States and partner countries in order to keep them informed of the progress of our initiatives and to take their recommendations and proposals into account.

In line with the European Consensus on Development, the Paris Declaration, the Accra Agenda for Action and the Busan Partnership for Effective Development Cooperation harmonisation will be sought in the field of donor co-ordination and sharing of information with other international organisations and bilateral donors to avoid duplication of activities.

4. COMMUNICATION AND VISIBILITY

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

Each action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan, to be elaborated before the start of implementation and supported with the budget indicated in section 5 below.

The measures shall be implemented either (a) by the Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, 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 and the appropriate contractual obligations⁴.

5. COST AND FINANCING

Programme title	Amount
Support to economic governance and reforms in the Southern Neighbourhood	EUR 8 million
2017 Security Package	EUR 9 million ⁵
South Programme III – Support to institution and international co-operation in the Southern Neighbourhood	EUR 15.71 million
Middle East Peace Process - EU Peacebuilding Initiative 2017	EUR 5 million
Total EU contribution to the Annual Action Programme 2017 – part 1 in favour of the ENI South countries	EUR 37.71⁶ million

⁴ https://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions_en.

⁵ This amount includes EUR 2 million in favour of the ENI East countries.

⁶ This amount includes EUR 2 million in favour of the ENI East countries.



This action is funded by the European Union

ANNEX I

of the Commission Implementing Decision on the Annual Action Programme 2017– Part 1 in favour of ENI South countries

Action Document for support to economic governance and reforms in the Southern Neighbourhood

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 section concerning grants awarded directly without a call for proposals: 5.3.1.

1. Title/basic act/ CRIS number	Support to economic governance and reforms in the Southern Neighbourhood CRIS number: ENI/2017/040-459 financed under the European Neighbourhood Instrument	
2. Zone benefiting from the action/location	The action shall be carried out at the following location: Neighbourhood South countries (Algeria, Egypt, Israel ¹ , Jordan, Lebanon, Libya, Morocco, Palestine ² , Tunisia and Syria ³).	
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Regional South Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)	
4. Sector of concentration/ thematic area	Building a partnership for inclusive and sustainable economic development	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 33 million	

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 suspended since 2011.

	<p>Total amount of EU budget contribution: EUR 8 million</p> <p>This action is co-financed by IMF, other donors and beneficiary countries for an indicative amount of EUR 25 million.</p> <p>Budget line: 22.04.01.02</p>			
6. Aid modality(ies) and implementation modality(ies)	<p>Project Modality</p> <p>Direct management:</p> <p>Grants – direct award</p> <p>Procurements of services</p>			
7 a) DAC code(s)	<p>15111 Public finance management</p> <p>32130 Small and medium-sized enterprise (SME) development</p> <p>24010 Financial policy</p>			
b) Main Delivery Channel	<p>43 000 – International Monetary Fund (IMF)</p> <p>50 000 – Other</p>			
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"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	Not applicable			
10. SDGs	Main SDG Goal no 8 "Decent Work and Economic Growth"			

SUMMARY

The **overall objective** of this action, building on the results of existing programmes, is to promote economic governance and reforms that are conducive to sustainable economic growth, enhanced public and private sector investments, development of small and medium-sized enterprises, job creation and inclusiveness in the Southern Mediterranean partner countries, through two interventions:

Component 1: Support to economic reforms and macroeconomic management through the IMF Middle East Technical Centre (METAC). This component is designed to help partner countries and economic institutions in the region to prepare, implement and monitor sound macro-economic policies aiming to achieve higher sustainable and inclusive growth, while reducing vulnerabilities.

Component 2: Support to an enabling business environment for Micro, Small and Medium Enterprises (MSME) development and financial inclusion

This component is designed to contribute to an enabling business environment for MSME development and for their financial inclusion, in line with best European approaches and international best practices, in view of the important potential of MSMEs for job creation.

1 CONTEXT

1.1 Sector/ Regional context

Component 1 – Support to economic reforms and macroeconomic management through METAC

The deteriorating economic situation and the challenging political security context combined with a stagnating global economy has reduced economic growth and strained the availability of public financial resource in most Southern Mediterranean partner countries as well as their access to international financial resources. In addition, dislocations due to the refugee crisis have impacted the human, financial and institutional capacity in many countries in the region. For host countries, the large movements of refugees have entailed high fiscal costs and strained their domestic absorption capacity.

Mitigating the economic costs of conflicts and the refugee crisis, and fostering growth and inclusiveness in the region require deep macroeconomic and structural reforms, and assistance for capacity development. This would be equally beneficial to host communities as well as refugees, in line with the 'win-win' approach promoted by the EU Compacts (e.g. Lebanon, Jordan). The promotion of public reforms and efficiency and better targeting of scarce public financial resources should help to put the public finance of partner countries on a sustainable path, to attract further international and domestic investments and restore higher growth.

METAC (the Middle East Regional Technical Assistance Centre of the International Monetary Fund - IMF) was created to enhance co-ordination and support among development partners to promote effective implementation of economic governance initiatives within the Middle East North Africa (MENA) countries. The centre was established in Beirut in 2004, to initially serve ten countries/territories in the Middle East⁴. In 2016, at the suggestion of the EU, METAC extended its operations to Morocco, Algeria, and Tunisia.

⁴ Egypt, Jordan, Lebanon, Libya, Palestine, Syria, Sudan, Yemen, Irak and Afghanistan.

The current phase of METAC (phase IV, 2017-2021) is financed by contributions from Germany, France, the Netherlands, the IMF, Kuwait, Lebanon and beneficiary countries. The EU also participated in previous phases.

A regional initiative supported by the international community is best suited to complement existing EU actions at bilateral level, to finance specialised technical expertise to support the design and implementation of complex public governance reforms; to leverage common policy dialogue amongst donors and partner countries and to the exchange of best-practices on economic management policies and reforms within the specificity and common challenges of the region.

Component 2 – Support to an enabling business environment for MSME development and financial inclusion

Micro, small and medium-sized enterprises (MSMEs) are widely recognised as engines of economic growth and key contributors to sustainable gross domestic product. In the Southern Neighbourhood countries they account for approximately 90% of private enterprises in the region, contributing from 40% to 80% to GDP and from 40% to 75% to total employment. The estimated 6 million MSMEs in the Southern Neighbourhood (not taking into account the informal sector) have an important potential for job creation, both for unskilled and skilled labour, as they are often engaged in activities with high labour and low capital intensity such as services, construction, transport and light manufacturing.

However, their potential remains largely untapped and they do not contribute their full share to sustainable growth.

One important constraint for MSME expansion in the Southern Neighbourhood region is inadequate access to finance. While the financial and banking sectors in the region are relatively large, credit is mostly channelled to governments and a limited number of large firms, leaving the bulk of enterprises with little or no access to finance. The reasons for such exclusion differ from one country to another but are mainly a combination of deficiencies in the financial infrastructure (lack of credit information bureaus and collateral registries), the regulatory framework, absence of regulations on delivery channels to reach out to underserved MSMEs, or insufficient financial literacy and institutional lack of know-how.⁵ As a consequence, financial institutions have little confidence in evaluating the creditworthiness of MSMEs, which reduces their willingness to lend. They rely on collateral (almost exclusively real estate) at unduly high levels, which excludes many potential borrowers.

To support MSMEs development and job creation, most governments in the Southern Neighbourhood have put increased emphasis on an enabling business environment. Despite political and economic turmoil, work on SME policy elaboration and implementation is ongoing across the region. However, progress has been modest, incremental and uneven across economies, with gaps in important policy dimensions, such as financial inclusion.

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A survey undertaken by the World Bank, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) shows that a significant share of small firms are disconnected from the banking sector since they lack financial expertise and the capacity to deal with financial institutions. Small companies often do not have the capacity to develop credible business plans, nor to present audited accounts to the banks.

Countries less exposed to political and economic shocks (such as Morocco, Algeria and Israel) have advanced well on SME policies, while in countries more directly affected by political and economic instability (such as Egypt, Tunisia and Jordan), policy performance has largely remained stagnant. Although key SME institutions have continued to operate and most SME support programmes have remained active without major budget reductions, the new initiatives and the elaboration of strategies have been put on hold. Lebanon and Palestine registered advances in several dimensions, largely due to improvements in the institutional framework and the contribution of specialised institutions (in areas such as SME financing, incubation and provision of services to SMEs), often supported by international donors. As to financial inclusion⁶, while some of the Southern partner countries are taking steps to move financial inclusion up their reform agenda (e.g. Morocco and Egypt) there has not yet been a high level commitment to financial inclusion across the region and a lot remains to be done in terms of policy framework.

This regional action will therefore work on an enabling environment for MSME development with a focus on financial inclusion, particularly for micro, very small and small enterprises, and stimulate sector policy dialogue and peer learning based on the different country experiences. It will deepen past EU regional action and be implemented in complementarity with the important ongoing bilateral programmes.

1.1.1 EU Policy Framework

The actions proposed under this Action Document are joint priorities for co-operation as called for by **different Joint Communications** of the European Commission and of the High Representative of the EU for Foreign Affairs and Security Policy⁷. “The Review of the European Neighbourhood Policy” has identified inclusive economic development and employment creation, in particular for the youth, as one of the three priority pillars in the strong mutual interest of the EU and Southern Mediterranean partner countries. **The European Neighbourhood Policy (ENP) review explicitly puts economic and social development** at the heart of the EU contribution to stabilising the neighbourhood and building partnerships. It is calling on partner countries to support the **adoption of policies** conducive to stronger, sustainable and more inclusive economic growth, facilitating business and investment partnerships; promoting market access and trade development, developing MSMEs, and fostering employment. It also underlined the key role of a balanced macroeconomic framework and good economic governance for stabilisation and as a precondition for growth.

The proposed actions are in line with the Foreign Affairs Council Conclusions of December 2014 on the AMICI initiative⁸, which has as objective to increase European and international collaboration in support to **reforms that will enable new investment opportunities and accelerate economic growth** in the Southern Mediterranean Countries.

⁶ Financial Inclusion means that "individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way", <http://www.worldbank.org/en/topic/financialinclusion/overview>.

⁷ COM JOIN(2015)500 final of 18 November 2015 "Review of the European Neighbourhood Policy" and COM (2016)385 final of 7 June 2016 on "Establishing a new Partnership framework with third countries under the European Agenda on Migration.

⁸ See Council conclusions at www.consilium.europa.eu/en/workarea/downloadasset.aspx?id=40802190973

Attention to the business environment has been an EU priority for almost ten years and is embedded in the **Small Business Act (SBA)**⁹. Adopted by the EU in 2008, the Small Business Act for Europe recognises the central role of MSMEs in the economy and guides the development of a comprehensive policy framework, structured around ten operational dimensions. The SBA was also set to guide Euro-Mediterranean co-operation on SME development. Support for implementing the SBA principles in Southern Neighbourhood countries is thus included in the work programme of the **Euro-MED Industrial Co-operation Working Party** - the regional sector platform which brings together SME ministries and business representatives and aims at implementing priorities of the Union for the Mediterranean's (UfM) **Ministerial meeting on industrial co-operation**.

One key principle of the SBA refers to access to finance and the policy measures required to remove obstacles to MSME finance. To respond to that and other above mentioned concerns, the EU and the European Financial Institutions (EIB, European Bank for Reconstruction and Development (EBRD), KfW and AFD) have jointly created the **"EU Initiative for Financial Inclusion"**. This initiative was launched in 2016 with the aim to facilitate and expand access to finance for MSMEs and start-ups, in order to enhance job creation and contribute to economic growth in countries in the region, focusing in particular on women and young entrepreneurs as well as MSMEs operating outside of the main urban areas. The initiative, which mobilises funding of up to EUR 1.2 billion and aims at reaching up to 200,000 MSMEs in the region, will benefit from the policy work and sector dialogue established under this action.

In addition, links to the **External Investment Plan (EIP)** will be established, where relevant. The EIP encourages new partnerships with additional international financial institutions and Member States development banks, in view of widening the range of instruments available (e.g. seed capital, microfinance, crowdfunding, etc.) and improving the outreach towards MSMEs.

1.1.2 Stakeholder analysis

Component 1 – Support to economic reforms and macroeconomic management through METAC

METAC has long-standing experience and expertise to help member countries in implementing reform measures needed to achieve higher and more inclusive economic growth.

The main stakeholders for this component are the governments of the partner countries (Lebanon, Jordan, Palestine, Egypt, Libya, Morocco, Algeria and Tunisia) and their respective ministries (finance, planning etc) which design, implement and monitor macroeconomic and public administration reforms. The final beneficiaries are the citizens of these countries that will benefit from improved governance, sustainable growth and improved public services delivery.

Component 2 – Support to an enabling business environment for MSME development and financial inclusion

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<http://www.eubusiness.com/topics/social/sme/sba>

Main stakeholders will be SBA co-ordinators; the Working Party on Euro-Mediterranean Industrial Co-operation; relevant ministries on industrial co-operation or SMEs as well as Business Support Organisations.

Target groups for capacity building are in particular policy makers in charge of developing the business environment for MSMEs and implementing the SBA principles. Other stakeholders are those who advocate for a more enabling business environment and transmit information to decision-makers concerning SMEs reforms needed, help create the climate for action or facilitate it directly. This group is composed of representatives of business intermediaries, private sectors associations, including women and youth associations, member of the civil society, including academia and media, among others.

For financial inclusion, stakeholders are ministries dealing with access to finance policies (Ministries of Industry/SME development, Ministries of Finance), as well as Central banks, international and local banking and non-banking financial institutions and private sector representatives. Final beneficiaries are MSMEs, with a particular emphasis on micro and small companies, female and young entrepreneurs, or enterprises located in less served areas (e.g. outside urban areas).

1.1.3 Priority areas for support/problem analysis

Component 1 – Support to economic reforms and macroeconomic management through METAC

METAC provides support to member countries strengthening their institutional and human capacity to design and implement macroeconomic and financial policies that promote growth in a sustainable and inclusive manner. This includes the mobilisation of expertise and technical assistance (TA) that will facilitate the strengthening of domestic resources mobilisation and the efficiency of public administration and fiscal institutions, fostering financial stability, enhancing monitoring of the impact of policies and statistics gathering, thus helping member countries make steady progress towards the Sustainable Development Goals.

The METAC program for **Phase IV (2017-2020)** focuses on the implementation of the following key activities and priorities:

- **Fiscal reform and consolidation continue to be a priority for METAC countries.** The three main priorities in the fiscal sector are to enhance basic Public Finance Management (PFM), mobilise revenue, tax and custom administrations reform. In particular, revenue mobilisation is critical to provide governments with enough resources to invest in inclusive projects and public infrastructure as well as to eventually reduce aid dependency and increase the private sector on economic development policies.
- **Technical Assistance (TA) will be offered to METAC countries to modernise their macro-economic institutional set-up and legal systems.** Capacity building and training will be provided to ensure that reforms implemented in the different macroeconomic sectors are legally robust and fit in with the countries' broader legal context.
- **Financial sector development and strengthening banking supervision,** to different degrees, are needed in most of METAC countries. METAC will

continue to assist member countries in strengthening their financial systems and provide TA in other related banking areas, such as building supervisors capacity in Islamic banking and developing/improving a credit registry system (CRS) that will reduce credit costs. METAC will assist countries in the implementation of Basel II, and in moving supervision from a compliance-based to a risk-based approach.

- **Strengthening macroeconomic statistics** is essential for macroeconomic analysis and policy making. Building statistical capacity in the region to produce sound and timely statistics remains a top priority for many member countries. During Phase IV, METAC will cover the following areas: (i) national accounts (NA); (ii) price indices; and (iii) balance of payments statistics.
- Finally, METAC will organise **regional workshops** to share best practice experience, in collaboration with METAC countries' national agencies and the donor community, on areas of common interest for the region (eg inclusive economic policies, Public Finance Management (PFM), revenue administration, central banking supervision and macroeconomic statistics, macro-finance management in fragile countries).

Component 2 – Support to an enabling business environment for MSME development and financial inclusion

Regional action in this field aims to support: the sector dialogue on MSME reforms of the Working party for industrial co-operation, the capacity of SBA co-ordinators and related stakeholders for preparing and implementing reforms, the implementation of the Small Business Act, the sharing of best practice on policies related to MSME finance, and visibility and co-operation with the "EU Initiative for Financial Inclusion" as regards available MSME finance instruments.

While previous EU support has covered all 10 dimensions of the Small Business Act, future support will have a particular focus on financial inclusion and cover fewer priority areas, such as:

- **Institutional and regulatory framework for SME policy making**, including inter-institutional co-ordination, legislative and administrative simplification; taking into consideration the needs of small business; and inclusive and effective public private consultations..
- **Operational environment for business creation** including the simplification of regulations to reduce costs and procedures for starting an enterprise; and the use of e-government tools to facilitate company registration.
- **Internationalisation of SMEs** including policies and instruments in Mediterranean partner countries which support trade, business and investment linkages of their SMEs..
- **Access to finance/financial inclusion policies** Across the region, no harmonised policy framework on financial inclusion is in place. Morocco is the most advanced country, with ongoing work for a national strategy on financial inclusion to develop a more inclusive and diversified financial sector. Egypt is also undertaking reforms to improve the environment for

business creation and to facilitate access to finance for SMEs. In this context, the key challenge is how the EU can help policy makers and financial institutions to facilitate access to finance for MSMEs. EU support aims at enhancing the policy and regulatory framework whilst supporting the development of effective financial and non-financial tools adapted to MSMEs, with a particular emphasis on micro and small companies lead by female and young entrepreneurs or MSMEs located in less served areas (e.g. outside urban areas). Actions in this context will help to enhance the impact of the "EU Initiative for Financial Inclusion."

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Political instability preventing a regional focus on economic reforms and sound economic governance, development, drop of business climate index, reduced growth, increase in public debt and limited fiscal space.	Moderate to high	Maintain regular and intense high-level political and economic dialogue at regional (eg UfM) and national levels.
Limited involvement of stakeholders and uneven interest from public authorities	Moderate	Reinforce dialogue with stakeholders targeted in the different project activities and ensure their implication from the early stage of the design
Limited inclusiveness of new initiatives aiming to boost employment at national level	Moderate	Involvement of policy makers and key stakeholders from an early stage of design into new initiatives aiming to increase the efficiency of economic governance, supportive of private sector development and job creation. Sharing of best practice, replication of success stories and strong visibility measures of success stories
Limited capacity of actors (authorities and social partners) at local level. Local stakeholders are usually neglected in formulating their needs in relation to national authorities.	Moderate	Design more targeted / effective – development policies and instruments benefitting local actors, including for access to finance, with the aim to enhance territorial cohesion and inclusiveness.
Assumptions		
Policy makers in the region are looking for policy reforms and co-operation strategies to increase economic development and inclusiveness, to tackle pervasive high unemployment.		
Partner countries will contribute with their own resources to implement policies and ensure sustainability and durability to the respective proposed actions by making available the necessary human, financial and material resources.		
Partner countries and private sector stakeholders are willing to co-operate within the region and with the EU and the international community to adopt modern policies and institutional frameworks, tools and instruments.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Component 1 – Support to economic reforms and macroeconomic management through METAC

An independent evaluation on activities carried by METAC Phase III (May 2010-April 2015) was undertaken in September 2014. It concluded that METAC was successful in delivering results and contributing to building public capacity in its beneficiary countries to support more sustainable macroeconomic management policies, in difficult circumstances, for the MENA region. Evaluators noted the rapid availability of expertise to partner countries and important improvements in the effectiveness of delivering METAC TA operations, including the introduction of results-based management, the development of a Field Manual for METAC operations, the extension of the Steering Committee (SC) representation to all beneficiary countries, an improved IMF TA dissemination policy, and the increasing use of the METAC's website as a means for sharing information.

Nevertheless, areas of improvement for the new METAC phase include: (i) the development of medium-term country strategies for METAC member countries to plan for the delivery of country priority activities; (ii) closer co-ordination and complementarity should be sought in the future with related assistance provided from other donors – in particular with PFM and budget support operations being provided by the EU; and (iii) enhanced co-ordination and forum of discussion between partner countries and the donor community to pursue policy dialogue and support to reform through the annual Steering Committee.

Component 2 – Support to an enabling business environment for MSME development and financial inclusion

The ongoing regional programme "Enhancement of the Business Environment in the Southern Mediterranean (EBESM) is providing technical expertise and capacity strengthening to targeted public and private stakeholders, in particular the SBA co-ordinators, and is coming to an end in 2017. Additionally, the programme aims at raising awareness and strengthening the policy dialogue around MSMEs development issues, in particular to give greater attention to MSMEs as creators of employment.

An evaluation on the current programme activities was carried out in early 2017. Its conclusions confirm the relevance of the work and the importance to further support the implementation by the MED partner countries of the key principles of the SBA, such as those related to the institutional and regulatory framework for SME policy making and on the operational environment for business creation, in particular the extent to which public administrations have developed instruments to simplify regulations and reduce costs and procedures for starting a business. However, the evaluation recommends a more targeted use of resources, focus on fewer topics, improved follow-up to actions implemented at country level through targeted technical assistance, and enhanced experience-sharing at regional level to better exploit the North-South, South-South framework for exchange.

Since the EU Initiative for Financial Inclusion was launched only in 2016, there is no evaluation yet. However, some of the facilities covered by the initiative have been

monitored (via ROM) and show that they have addressed issues critical to MSMEs such as lack of available funding, an inappropriate environment and a need to diversify the local financial tools.

3.2 Complementarity, synergy and donor co-ordination

Activities under Component 1 will be closely co-ordinated with relevant assistance provided by the EU and other donors – having regard of the multi-donor nature of METAC IV programme. The annual Steering Committee of METAC will be the occasion to pursue common policy dialogue with beneficiary countries, review progress and ensure complementarity with EU support programmes– in particular with public administration reform/PFM and budget support operations as well as twinning projects in countries like Tunisia, Jordan and Morocco. Complementarity will also be ensured with the programme in *Support for Improvement in Governance and Management (SIGMA)*, a joint initiative of the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD). SIGMA contributes to strengthen public administrations in the Neighbourhood countries to align with the good governance principles of transparency, accountability, responsiveness and participation and provide quality policy outcomes supporting socio-economic development. The activities of METAC on macroeconomic statistics will also be co-ordinated with the EU MED-Statistics IV programme.

The value added of regional action under Component 1 lies in having access to IMF specialised expertise for all Southern Neighbourhood countries and in enhanced donor co-ordination.

Component 2 will be implemented in close co-operation with the EU Delegations which have already been consulted on the proposed activities. This co-operation and co-ordination will be ensured in the context of bilateral programmes addressing the business environment (e.g. in Algeria and Jordan) as well as other bilateral action on SME development and access to finance (e.g. in Egypt, Lebanon, Morocco and Palestine)¹⁰. In case of sector budget support programmes with relevant SME policy conditionalities, special attention will be given to a good articulation between regional and bilateral interventions.

Activities related to financial inclusion will be complementary to the "EU Initiative for Financial Inclusion" for the Southern Neighbourhood countries which provides financial instruments in co-operation with European Finance Institutions (EFIs) mainly via local commercial banks. Close co-ordination with EFIs will be ensured. They will target the policy level by strengthening the dialogue on financial inclusion and by enhancing the regulatory framework related to MSMEs access to finance. In addition, actions also aim at promoting alternative financial mechanisms and

¹⁰. E.g: "Programme d'appui à l'amélioration de la diversification industrielle et du climat des affaires en Algérie (PADICA).
"Promoting Inclusive Economic Growth" and "EU Facility for Inclusive Growth and Job Creation" in Egypt.
"EU Support to the Private Sector Development" in Jordan.
"Programme d'appui à la croissance et la compétitivité au Maroc" (PACC).
"Initiative Régionale d'appui au développement économique durable en Tunisie" (IRADA).
"EU Private Sector Development Programme (PSD)" in Lebanon.
"The Palestine Market Development Programme (PMDP)", Start-up Incubator programme, and the European Palestinian Credit Guarantee Foundation.

instruments from non-banking financial institutions which can respond more flexibly to the actual needs of the MSMEs.

The value added of regional action under Component 2 lies in establishing a shared understanding of relevant MSME reforms and a coherent implementation across all countries. It also supports the external dimension of internal EU policies by promoting the implementation of the Small Business Act in partner countries.

Activities carried out in the regional context will systematically intend to bring benefits to partner countries (e.g in the form of sharing of experiences and best practices), and provide value-added to projects/programmes funded by bilateral resources.

3.3 Cross-cutting issues

Equal opportunity and gender mainstreaming: Inequalities in the participation of women in business and the labour market are registered in the whole region, together with other significant differences such as substantial wage gap between men and women and the lack of entrepreneurial opportunities. Unemployment generally affects women more than men in all age groups, particularly as regards long-term unemployment. The growing educational level of women in the region has often not translated into improved market access. The action will address equal opportunity and gender mainstreaming in several ways: in particular Component 1 will support policies promoting more inclusive economic development and access of women to economic functions in the public administration and private sectors; Component 2 will support an enabling business environment that is more attentive to the participation of women and the youth in the creation of new enterprises, including by promoting specific financial instruments.

Migration/protection of vulnerable groups: Among the key actions, the ENP review suggests greater EU involvement in fostering regional co-operation between neighbouring countries facing common challenges such as security and migration. Stronger links with the diaspora, legislative bodies and local economic actors, such as business, trade unions and social partners were highlighted as key in fostering self-reliance for the forcibly displaced, and for progressively integrating migrants and returnees.¹¹ The issue of migration will be integrated into the design of more inclusive economic policies and expenditure frameworks under Component 1 as well as under Component 2 to promote MSME development, access to finance and employment, that would help to integrate refugees whenever possible under the respective national legal framework.

Engagement with civil society: public-private policy dialogue and civil society engagement are very important for the success of this project, in particular for youth employment and employability. Component 1 will support transparency and public consultation when undertaking economic and institutional reforms and Component 2 will seek to involve private sector in legal/administrative forms to enhance the business environment in an effective manner as well as to facilitate access to finance.

¹¹ https://eeas.europa.eu/topics/european-neighbourhood-policy-enp_en

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The **overall objective** of this action is to promote economic governance and reforms that are conducive to sustainable economic growth, enhanced public and private sector investments, SME development, job creation and inclusiveness in the Southern Mediterranean partner countries.

Two complementary components will be supported with the following **specific objectives**:

(i) Support to macroeconomic management and institutional capacity building.

This component has as specific objective to help member countries strengthen institutional and human capacity to design and implement macroeconomic and financial policies that promote growth in a sustainable and inclusive manner.

(ii) Support Mediterranean partner country authorities in establishing an enabling business environment for MSME development and financial inclusion.

This component has as specific objective to contribute to an enabling business environment in line with best European approaches and international best practices, for MSMEs development and their financial inclusion for MSMEs, in view of their important potential for job creation.

The expected results related to the **objective (i)** are:

- An integrated budget planning and management process that effectively links policies to public resource allocation, and further develop treasury systems, including government banking arrangements, commitment controls and financial management information systems;
- Real improvements in revenue performance are achieved through enhancing strategic focus and optimising the allocation and development of resources and systems, taxpayer compliance is increased through enhanced transparency and governance procedures;
- More risk-oriented banking supervisory and a regulatory framework is achieved that enhances financial stability and support long-term capacity building to efficiently supervise, monitor and assess the soundness of the banking system and reduce financial sector vulnerabilities;
- Compliance with international standards is improved for the compilation of external statistics and government reporting on national accounts and the impact of macro-economic policies.

The expected results related to **objective (ii)** are:

- Selected aspects of MSME development policies and regulations are better adapted to small business needs and contribute to a more conducive business environment for MSMEs;
- Administrative simplification and regulatory impact analysis are promoted as a permanent element of SME policy making and the private sector is associated to all phases of policy-making, from elaboration to implementation and monitoring.

- Selected aspects of MSME finance policies and instruments, notably concerning alternative financial mechanisms are better adapted and contribute to a broader and easier access to finance for MSMEs;
- MSMEs representatives and relevant stakeholders know about existing MSME initiatives and available instruments through a regional platform.

4.2 Main activities

Component 1 – Support to economic reforms and macroeconomic management through METAC

Activities under this component, at regional and sub-regional level, will encompass the organisation of workshops, annual conferences, short term technical assistance, training of policy makers, information and results dissemination activities, assessment of economic policy frameworks and institutions, design of economic policies and its implementation, including institutional and legal set-ups, studies and preparation of guidelines conducive to policy reforms inclusive of sustainability and socially inclusive impact aspects.

Component 2 – Support to an enabling business environment for MSME development and financial inclusion

For the enabling business environment the main activities are (i) conduction and production of relevant studies, in particular in relation to the work programme of the Working Party on industrial co-operation; (ii) delivery of training and TA for SBA co-ordinators to build up their capacities in improving the business climate, co-ordinate with relevant ministries, and advocate for MSMEs; (iii) development of good practice databases and relevant associated tools (e.g. web portal) and instruments in support to MSMEs (in terms of training, advisory services, financing schemes, etc.); and (iv) creation of a regional co-ordination platform, as a one stop-shop for MSME initiatives, including relevant EU programmes, to the benefit of stakeholders (SBA co-ordinator, ministries, representatives of central banks, local financial institutions, EFIs and project managers of EU funded projects related to private sector). Activities will also aim at spurring entrepreneurship including women entrepreneurship.

For financial inclusion, main activities will include assessment of existing policies and regulations related to mechanisms and instruments supporting financial inclusion for MSMEs in order to identify constraints (e.g. regulatory, institutional) for the use of alternative financial mechanisms and instruments (e.g. micro-finance, leasing, factoring) targeted at MSMEs. Activities will furthermore support formulation of more efficient policies and regulations as well as recommendations which will feed into the sector policy dialogue at regional level.

Other activities will be collection of more detailed information from European Financial Institutions (EFIs) in the context of the EU Initiative for Financial Inclusion, (e.g. amounts and conditions of credit lines, sectors and types/profiles of MSMEs, objectives and activities of loans to MSMEs) to ensure a good articulation of the initiative with local market conditions. This can also provide useful information to local stakeholders about available instruments and help the Commission and EFIs in identifying needs for future support to MSMEs finance.

Communication and visibility activities will focus on rolling out of the visibility of the EU Initiative for Financial Inclusion by establishing a joint EU brand.

4.3 Intervention logic

Component 1 – Support to economic reforms and macroeconomic management through METAC

This component, following a comparable Commission contribution to a previous phase, will be implemented through a direct grant to IMF to contribute jointly with other donors to the financing of the METAC IV programme. It is based on past experience but with an enlarged geographic scope (extension of METAC coverage to the Maghreb).

Component 2 – Support to an enabling business environment for MSME development and financial inclusion

This component proposes an approach that will focus on MSME development and access to finance at the policy and regulatory level. Work and studies already carried out in the context of the Enhancement of the Business Environment in the Southern Mediterranean (EBESM) project will be taken into account and be further deepened, especially on financial inclusion.

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, 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 sections 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months.

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 *Grant: direct award (direct management) - Component 1 – Support to economic reforms and macroeconomic management through METAC*

(a) Objectives of the grant, fields of intervention, priorities and expected results

The objective of the grant to METAC (Phase IV) is to assist Southern Neighbourhood countries, jointly with other donors, to strengthen their institutional and human capacity to design and implement macroeconomic and financial policies that promote growth in a sustainable and inclusive manner.

The fields of intervention and expected results are the following:

(1) Public Finance Management

Establish an integrated budget planning and management process that effectively links policies to public resource allocation, and further develop treasury systems, including government banking arrangements, commitment controls and financial management information systems.

(2) Revenue Administration

Achieve real improvements in revenue performance through enhancing strategic focus and optimising the allocation and development of resources and systems, and increase taxpayer compliance through enhanced transparency and governance procedures.

(3) Banking Supervision

Achieve a more risk-oriented banking supervisory and a regulatory framework that enhances financial stability; and support long-term capacity building to efficiently supervise, monitor and assess the soundness of the banking system and reduce financial sector vulnerabilities.

(4) Macroeconomic statistics

Improving compliance with international standards for the compilation of external statistics and government reporting on national accounts and the impact of macro-economic policies.

(b) Justification of a direct grant

The METAC programme is a multi-donor platform managed by the IMF which has strong competences in the areas of intervention pursued by this component of the action programme, e.g. public finance management, fiscal/ revenue administration, macro-economic management, central banking supervision, macroeconomic statistics. Moreover, the EU participation in METAC will promote donor coordination and scaling-up of resources to mobilise adequate expertise in highly specialised areas.

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the IMF – which is responsible of the management of the METAC activities.

Under the responsibility of the Commission's authorising officer responsible and in accordance with Art 190 (c) of the rules of application of Regulation (EU, Euratom) No 966/2012, the recourse to an award of a grant without a call for proposals is justified because the beneficiary is contributing and implementing a comprehensive co-operation platform in which beneficiary countries and other donors also participate, leveraging resources to mobilise and mutualise adequate internal and external expertise, and therefore is in a legal or factual monopoly situation in relation to the objective pursued by the EU grant or is identified as beneficiary in the basic act on which this Decision is based.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives set up for this component; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 50% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

Fourth quarter of 2017.

5.3.2 Procurement (direct management)

	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Component 2: public reform, policy dialogue, capacity building and communication as well as visibility	Services	1-2	4 th quarter of 2017

The number of service contracts (1-2) under component 2 will be decided when drafting the terms of reference, notably concerning the need for specialised expertise on financial inclusion.

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.

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, in currency identified
5.3.1. – Component 1 – Direct grant to METAC (direct management)	2,000,000	25,000,000
5.3.2. – Component 2 – Procurement (direct management)	6,000,000	
Totals	8,000,000	25,000,000

5.6 Organisational set-up and responsibilities

This action will be managed by Commission services (Directorate General for Neighbourhood and Enlargement Negotiations) and, where relevant in close co-operation with other Commission services and other relevant stakeholders. For each component, in cases where a Steering Committee is created, the participation of relevant Commission services is foreseen.

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 partners' responsibilities. 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, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). 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 importance of the action, an ex-post 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 these are innovative approaches.

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 and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries, 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.

6 APPENDIX - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and will be updated during the implementation of the action, no amendment being required to the financing Decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective	To promote economic governance and reforms that are conducive to sustainable economic growth, enhanced public and private sector investments, MSME development, job creation and inclusiveness in the Southern Mediterranean partner countries.	See indicators per component	See baseline per component			Restoration of political stability and security in a number of countries to a level which allows focus on reforms and long-term policy measures. Ownership of reform measures by the country authorities and commitment to their implementation
Specific objectives Outcomes	<u>Component 1</u> To strengthen the institutional capacity of partner authorities to design and implement macroeconomic and financial policies, in the fields of (i) public finance management; (ii) revenue administration; (iii) central banking supervision; and (iv) macroeconomic statistics. Regional action with IMF/METAC aims at improved access to IMF specialised expertise in these fields and enhanced co-ordination between METAC technical expertise and relevant EU support programmes.	PFM indicators (IMF, WB) International macroeconomic statistics (IMF) Indicators of the METAC work programme	IMF/METAC reports (2016). WB / EU / PFM country assessment reports (2016)	Recommendations included in IMF/METAC reports; WB / EU / PFM country assessment reports	Progress reports IMF/METAC and WB / EU / PFM country assessment reports	METAC partner countries and donors make sufficient human, financial or material resources available that allow delivery of TA in a effective and timely manner. Co-ordination and complementarity with TA from IMF/HQ and other donors is ensured

Outputs	<p>(i) Public Finance Management An integrated budget planning and management process that effectively links policies to public resource allocation, and further develop treasury systems, including government banking arrangements, commitment controls and financial management information systems.</p> <p>(ii) Revenue Administration Real improvements in revenue performance through enhancing strategic focus and optimising the allocation and development of resources and systems, and increase taxpayer compliance through enhanced transparency and governance procedures.</p> <p>(iii) Central Banking Supervision A more risk-oriented banking supervisory and a regulatory framework is in place that enhances financial stability; and support long-term capacity building to efficiently supervise, monitor and assess the soundness of conventional and Islamic banks and reduce financial sector vulnerabilities.</p> <p>(iv) Macroeconomic statistics Member countries demonstrate closer compliance with international standards for the compilation of external statistics, national budget accounts and price statistics.</p> <p><i>A detailed Indicative Log Frame by the IMF is also available for METAC Phase IV (with expected results agreed by partner countries by 2021)</i></p>	<p>PFM indicators METAC IV work-programme</p> <p>PFM indicators METAC IV work-programme</p> <p>PFM indicators METAC IV work-programme</p> <p>IMF Statistics indicators and methodologies</p>	METAC IV programme indicators (2016)	METAC IV programme targets (2021)	METAC IV annual reports	
<p>Specific objectives</p> <p>Outcomes</p>	<p>Component 2 To support partner authorities in establishing an enabling business environment in Mediterranean partner countries for MSME development and their financial inclusion,</p>		OECD/EC/ETF (2014) Policy index (OECD assessment: Implementation of	To be defined during inception	OECD/EC/ETF reports and policy index assessments	<p>Interest and political will of partner countries to work on MSME policies</p> <p>Partner countries</p>

	<p>through regional action.</p> <p>Selected aspects of MSME policies and regulations are better adapted to small business needs and contribute to a more conducive business environment for MSMEs.</p> <p>Administrative simplification and regulatory impact analysis are promoted as a permanent feature of SME policy and the private sector is associated to all phases of policy-making.</p> <p>Selected aspects of MSME finance policies and tools, notably concerning alternative financial mechanisms and instruments contribute to a broader and easier access to finance for MSMEs;</p> <p>MSMEs representatives and relevant stakeholders know about existing MSME initiatives and available instruments through a regional platform.</p>	<p>Surveys/studies measuring enhanced policies and regulations;</p> <p>Participation of European Financial Institutions, MSME representatives and relevant stakeholders in regional and national seminars or in meetings related to the EU Initiative for Financial Inclusion</p>	<p>the SBA in the Neighbourhood South).</p> <p>The update of the OECD assessment (available by end 2017) will also be used as a baseline.</p>			<p>subscribe to the guiding principles of the SBA and its indicators</p> <p>Partner countries make available human, financial or material sources</p>
Outputs	<p><u>Component 2</u></p> <p>Regional action aims at shared understanding and practise of relevant MSME reforms and coherent implementation across all countries. It also contributes to the external dimension of internal EU policies by promoting the implementation of the Small Business Act (SBA) in partner countries. It aims in particular to support:</p>	<p>High-level participation in meetings/seminars</p>			<p>Progress report by services providers; ROM reports and evaluations</p>	

	<p>(i) the sector policy dialogue of the Working party for industrial co-operation on MSME development and related reforms.</p> <p>(ii) the capacity of SBA co-ordinators and related stakeholders for preparing and implementing reforms and instruments in support to MSME development; advocate for a focus on small businesses as generators of growth and employment.</p> <p>(iii) the implementation of the Small Business Act (SBA) in partner countries.</p> <p>(iv) the sharing of experiences, exchange of views and best practise related to policies on alternative financial mechanisms and instruments supporting MSME finance.</p> <p>(v) visibility and close co-operation with the "EU Initiative for Financial Inclusion" platform as regards available MSME finance instruments.</p>	<p>where SME strategies and recommendations are discussed.</p> <p>Quality of policy dialogue; relevance of contributions and inputs from partner countries.</p> <p>Number of workshops involving SBA co-ordinators.</p> <p>Number of best practices on regulatory/legislative reforms shared across all countries.</p> <p>Number of actionable recommendations and follow-up actions (organised with the support of the project at regional/national levels).</p> <p>In country progress in implementing selected SBA principles, e.g. institutional/regulatory framework for SME policy making; business creation; internationalisation of SMEs.</p> <p>Tools and mechanisms for dissemination of information (e.g. platform, website).</p>				
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This action is funded by the European Union

ANNEX II

of the Commission Implementing Decision on the Annual Action Programme 2017 – Part 1 in favour of ENI South countries

Action Document for 2017 Security Package

1. Title/basic act/CRIS number	2017 Security Package CRIS number: ENI/2017/040-259 (South) and ENI/2017/040-494 (East) financed under the European Neighbourhood Instrument	
2. Zone benefiting from the action/location	The action shall be carried out at the following location: Neighbourhood South countries for all components Neighbourhood East and South countries for components 2 and 3. In duly justified cases, countries outside the Neighbourhood (countries of the Sahel and Enlargement countries) may be added. ¹	
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Regional South and East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)	
4. Sector of concentration/thematic area	Building a partnership for liberty, democracy and security	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 9 million Total amount of EU budget contribution: EUR 9 million Budget line: multi Neighbourhood South Regional: 22.04.01.03 (EUR 7 million) Neighbourhood East Regional: 22.04.02.03 (EUR 2 million)	

¹ The inclusion of third countries not being part of the Neighbourhood is based on Article 16 of the ENI regulation 232/2014 specifying: "Participation by a third country not covered by Article 1 : 1/In duly justified circumstances and in order to ensure the coherence and effectiveness of Union financing or to foster regional or trans-regional co-operation, the Commission may decide, on a case-by-case basis, to extend the eligibility of specific actions in accordance with Article 2 of Regulation (EU) No 236/2014 to countries, territories and areas which would not otherwise be eligible for financing."

6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and the European Border and Coast Guard Agency (EBCGA). Indirect management with North Atlantic Treaty Organization (NATO).			
7 a) DAC code(s)	15210 - Security system management and reform			
b) Main Delivery Channel	52000 – Other			
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	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	X	<input type="checkbox"/>	<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	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 flags	Not applicable			
	Primarily The Sustainable Development Goals (SDGs) Target 16 " <i>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</i> ", and SDG 10, target 7 " <i>Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies</i> ". Subsidiary, it also targets SDG 3 " <i>Ensure healthy lives and promote well-being for all at all ages</i> ".			

SUMMARY

The action comprises 3 components with a common objective of building trust and increasing co-operation between security actors of the region.

(i) EU4Border Security: The action seeks to enhance border security in the Southern Neighbourhood, by fostering bilateral and regional co-operation.

The project will familiarise Southern Neighbourhood countries with the mandate and work of the European Border and Coast Guard Agency (EBCGA), commonly referred to as FRONTEX, and increase their capacity to undertake risk, strategic and operational analysis with a view to strengthening border security. It will also support regional information sharing, making use of EBCGA tools and contribute to the fight against security threats, in particular organised crime and terrorism. The project will enhance operational capacities by providing

operational and country specific capacity building support based on needs identified by the partner countries. The proposed allocation is EUR 4 million. Direct award of a pillar assessed grant to the EBCGA.

(ii) EU4Monitoring Drugs: The objective is to enhance the capacity of European Neighbourhood Policy (ENP) East and South countries to monitor drug markets. The European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) will build on a previous European Neighbourhood Instrument (ENI)-funded pilot project with several European Neighbourhood Policy (ENP) South and East countries over 2014-2016, which raised a real interest for working closer with this agency. It is proposed to scale up this co-operation with an ENP-wide project, mirroring the work of the agency at EU level, i.e. combining support for a better monitoring of drug markets, making the information public and identifying practical recommendations to combat the phenomenon. The EMCDDA has been providing an evidence-based analysis of the drug markets (supply and demand) in the EU for 20 years, and making recommendations for action. The proposed allocation is EUR 3 million (EUR 2 million from ENP South and EUR 1 million from East regional allocations). Direct award of a pillar assessed grant to the EMCDDA.

(iii) Building Integrity programme: The EU will contribute to NATO's Building Integrity (BI) Programme. This support will build on the security sector reform (SSR) Communication and the July 2016 joint EU-NATO declaration² that calls for a closer mutual co-operation, with a particular focus on EU's neighbours. It is also an opportunity to test a new approach for our co-operation with military actors, with a focus on improving their governance. The NATO's BI Programme provides practical tools to help participating countries strengthen integrity, transparency and accountability and reduce the risk of corruption in the defence and security sector. Participation of ENP countries will be on a voluntary basis. This project will be implemented through a delegation agreement with NATO (direct award) of a maximum amount of EUR 2 million (EUR 1 million from ENP South and EUR 1 million from ENP East regional allocations).

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 EU Policy Framework

EU4Border Security: The review of the ENP³ states that "proactive engagement with partners in the Neighbourhood is necessary to address the root causes of cross-border threats and to contribute to securing common borders".

The European Border and Coast Guard Agency extended mandate now includes addressing "future threats at those (external) borders, thereby addressing serious crime with a cross-border dimension" (Art 1).⁴ The agency has a mandate to "facilitate and encourage technical and operational co-operation between Member

² Joint declaration by the President of the European Council, Donald Tusk, the President of the European Commission, Jean-Claude Juncker, and the Secretary General of NATO, Jens Stoltenberg. 8 July 2016.

³ Joint Communication JOIN(2015)500 final "Review of the European Neighbourhood Policy".

⁴ REGULATION (EU) 2016/1624 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 September 2016.

States and third countries" (Art 54.1). It can also benefit from Union funding (eg ENI, Instrument for Pre-Accession Assistance (IPA)) for "technical assistance projects in third countries" (Art 54.9). The EBCGA currently manages Instrument for Pre-accession Assistance (IPA) and ENI funds for such (regional) projects in the Eastern Neighbourhood and in the Western Balkans (also in Sub-Saharan Africa with funding from the Instrument contributing to Stability and Peace, IcSP).

EU4Monitoring Drugs: The revised ENP reads that "the EU will continue to work with partner countries on (...) drug co-operation and support them on the implementation of integrated and balanced national drug policies."⁵

The EU Drug Strategy 2013-2020⁶ recognises the need to build demand and supply reduction capacity, support policy development, and strengthen co-operation; including sharing best practices and where appropriate participation in the work of relevant EU agencies. Building on the findings of the evaluation of the EU Drugs Strategy for 2013-2020 and the Action Plan for 2013-2016⁷, the new action plan on drugs 2017-2020⁸ reconfirms the importance of the international co-operation with third countries.

Building Integrity: With its focus on enhancing the governance of the defence and security sector, the Building Integrity programme supports the core objective of the EU Communication on Security Sector Reform⁹. The Building Integrity programme targets the defence sector, for which NATO has a demonstrated expertise. The BI programme is in line with the revised Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC) guidelines on peace and security (2016)¹⁰. Last, this EU contribution to a NATO programme will be a deliverable of the EU-NATO ministerial declaration of July 2016, and more specifically of the measure 7.3 of the Council Conclusions for the implementation of the joint declaration: "Identify possibilities for EU and NATO to participate in their respective projects and practical partnership programmes."¹¹

1.1.2 Stakeholder analysis

EU4Border Security:

The target groups are the national authorities of the Neighbourhood South Countries which are responsible for border management. More than the management of migratory flows, too often perceived as driven by EU interests, there are indications

⁵ Joint Communication JOIN(2015)500 final "Review of the European Neighbourhood Policy".

⁶ OJ C 402, 29.12.2012.

⁷ OJ C 351, 30.11.2013

⁸ Communication COM(2017) 195 final "Evaluation of the implementation of the EU Drugs Strategy 2013-2020 and of the EU Action Plan on Drugs 2013-2016: a continuous need for an EU Action Plan on Drugs 2017-2020".

⁹ Joint Communication JOIN(2016) 31 final "Elements for an EU-wide strategic framework to support security sector reform".

¹⁰ Revised reporting directives on ODA in the field of peace and security – OECD DAC High Level Meeting – Communiqué – 19 February 2016.

¹¹ Council Conclusions on the Implementation of the Joint Declaration by the President of the European Council, the President of the European Commission and the Secretary General of the North Atlantic Treaty Organisation, Brussels, 6 December 2016, 15283/16.

that those countries would be more inclined to co-operate with the EBCGA on border security.

As per its revised mandate, the EBCGA is entrusted with applying and promoting the concept of Integrated Border Management. It has the necessary technical competence for implementing EU common standards and practices. The EBCGA is already involved in technical assistance projects targeting the competent authorities of identified third countries/regions.

The EBCGA has concluded working arrangements with 18 countries (none in the Neighbourhood) and, as mandated by its Management Board, is in various stages of negotiations with Libya, Morocco, Egypt and Tunisia.

The EBCGA has established co-operation with a number of African countries in the framework of the Africa Frontex Intelligence Community (AFIC) which includes Morocco. Algeria, Egypt, Libya and Tunisia expressed their interest to join AFIC.

EU4Monitoring Drugs:

The EU Strategy on drugs (2013-2020) explicitly identifies ENP countries as a priority for international co-operation. Relying on existing EMCDDA experts and partners such as the European Police Office (Europol), EMCDDA will deliver capacity building support to ENP East and South countries, whose government authorities will be the direct beneficiaries. The final beneficiaries are citizens both in those countries and the EU.

Building Integrity (BI):

The BI Programme provides practical tools to help participating countries strengthen integrity, transparency and accountability and reduce the risk of corruption in the defence and security sector. It promotes good practice, processes and methodologies, and provides countries with tailored support to make defence and security institutions more effective.

The direct beneficiaries are the ministries of defence, related security structures and institutions that play a direct role in the governance of the security sector. The final beneficiaries are the citizens in general.

The BI Programme is tailored to meet national needs and requirements. It is demand-driven and participation is on a voluntary basis. It is open to all NATO Allies and partners (members of the Euro-Atlantic Partnership Council, the Mediterranean Dialogue, Istanbul Co-operation Initiative and partners across the globe). Requests from other countries are reviewed by NATO on a case-by-case basis. More than 19 countries are currently engaged in the Self-Assessment Questionnaire and Peer Review Process, among which the following Neighbourhood countries: Armenia, Georgia, the Republic of Moldova, Ukraine and Tunisia.

1.1.3 Priority areas for support/problem analysis

EU4Border Security:

In the Southern Neighbourhood, there is an identified need to improve the collection, sharing and analysis of data with the aim of enhancing situational awareness. Furthermore, these countries do not follow a common methodology when it comes to sharing of information and there is no secure platform in place for this purpose. The

analytical, preventive and operational reaction capabilities and capacities of third countries' authorities in the fight against criminal networks responsible for migrant smuggling and trafficking in human beings remain insufficient to tackle these and other cross-border crimes, including terrorism, systematically. A further challenge is building meaningful trust and networking among key countries and sub-regions that would enable them to enhance co-operation and share information regionally.

Several ongoing EU projects in the Southern Neighbourhood concentrate on the management of migratory flows, with the risk of this being perceived as driven by the sole interest of the EU. The EBCGA new mandate offers new entry points, such as border security, an area where partner countries would be more willing to engage with the EU as they would draw direct benefits for themselves.

Strengthening operational and technical co-operation on border management with non-EU countries around the Mediterranean is a high priority. The priority focus is on providing training and improving national training capacities, tailored to the specific needs of each partner country. The objective is to enhance the ability of agencies involved in border management to improve security, protect vulnerable individuals (e.g. asylum seekers, victims of human trafficking), prevent cross-border crime, fight corruption, and enhance respect for rule of law and human rights.

EU4Monitoring Drugs:

In the Southern Neighbourhood, Morocco is the main source of cannabis resin for Europe and one of the world's largest producer and exporter countries. Cannabis resin is also produced in and exported from Lebanon, though to a lesser extent. Routes established to traffic cannabis in Morocco and Algeria are increasingly being used for the trafficking of cocaine to the EU, alongside other illicit goods and human beings. A number of countries of the Eastern Neighbourhood emerge as heroin and opiates 'trafficking routes'. For instance, opiates produced in the Golden Crescent are trafficked from Iran to Ukraine or Moldova via Armenia, Azerbaijan and Georgia; heroin is also trafficked from Afghanistan's northern borders – destined for the consumer markets in Ukraine, Belarus and Russia, which have been expanding over the last 10 years.

The situation in the Neighbourhood countries is diverse concerning their national drug strategies: some have one, like Lebanon that adopted one recently, some don't, and the content and quality vary a lot. Several of these countries are eager to enrich their knowledge of the EU drug policy and of the national strategies in EU countries, and also to be assisted in reviewing their national drug strategies, action plans and drug legislation, or drafting new ones.

The following priority areas for support have been identified in the field of drug supply: supply reduction activities in drug-market related hotspots and trafficking routes to and from the EU; illicit drug production in neighbouring countries and role of EU actors; precursor flows; financial impacts of drug markets and role of corruption; links between terrorism and drugs; links to trafficking of other illicit goods and smuggling of people; and, rule of law and implications for the EU. This will be implemented in close co-operation with Europol. On the demand side, work will focus on: epidemiological assessments including prevalence of use by country, age and sex on drug-related harms, including blood-borne diseases, mortality; responses and policies focussing on drug treatment systems including the role of

harm-reduction and rehabilitation, reaching out to young people and other user sub-groups; and, drug prevention and accessible and affordable treatment for migrants, refugees and displaced people.

Building Integrity:

Corruption and poor governance undermine the development of societies and the institutions responsible for defending national sovereignty and protection of people. Combined they destabilise nations/regions and increase the complexity of every security challenge that governments face, obstructing any sustainable solution (or the way towards a sustainable peace). In this context, NATO and the European Union are bordered to the East and to the South by regions decimated by year of conflict, political instability, poor governance and high levels of corruption. The United Nations Office on Drugs and Crime (UNODC) and OECD surveys/studies confirm that corruption is one of the major challenges facing national authorities as they attempt to lay the foundations of new democratic, accountable and transparent systems. Corruption, poor governance and lack of trust are part of the drivers pushing migrants from Europe's Southern and Eastern Neighbourhood regions to EU borders. Whilst some progress has been made, in terms of reforms in Middle East and North Africa (MENA) and Eastern Neighbourhood countries, NATO's experience on the ground in the Balkans, Georgia and Ukraine confirms that corruption and poor governance in the defence and security sector represent security challenges that undermine democracy, rule of law and economic development, erode public trust in defence institutions. The defence sector is often overlooked or excluded by international organisations who have limited defence sector expertise. NATO's BI programme complements efforts led by EU and others providing a whole of government approach tailored to the needs of individual nations

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Risk of political tensions between partner countries.	M	Balancing bilateral support and regional activities Communication and visibility to take this risk into account Close steer by the EC
Political instability within some of the partner countries.	H	Non-inclusion of countries in crisis will not hamper project implementation, as this is a regional project that can be flexible in the countries it targets.
Lack of commitment to project implementation.	M	Partner countries can choose between different levels of partnerships and participation is on a voluntary basis.
Lack of synergies between this action and other EU-funded programmes at national and regional level and the work of international organisations.	M	Constant interactions and dialogue between the project implementer and EU HQ services, EU Delegations and other relevant partners

Lack of willingness from the beneficiary countries to commit to the rule of law and human rights aspects.	M	Compliance with rule of law and human rights will be monitored and closer engagement will be pursued with those partners demonstrating clear political will and determination for change management.
Lack of gender awareness, gender sensitivity, gender understanding increase existing gender inequality.	M	Include gender analysis and gender disaggregated data. Make sure there is gender balance among beneficiaries of the action.
Assumptions		
Partner countries are willing to reach a higher degree of co-operation within the region and with the EU. Partner countries will demonstrate national ownership, which is requisite for sustainability of the project deliverables.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

EU4Border Security:

Not all partner countries have the same needs and are facing the same challenges. Furthermore, not all countries are willing to reach the same level of co-operation with EU.

It should be avoided that the project is seen by partner countries solely as a tool for the EU to pursue its own interests in border management and security.

The grant contract¹² promoting the participation of ENP countries in the work of EU agencies, awarded to the European Asylum Support Office (EASO), in partnership with the EBCGA, resulted in positive dynamics for the relationship between the EBCGA and Morocco (with the preparation of working arrangements). This pilot project showed that familiarising partner countries with what the EBCGA can offer them can be instrumental to build trust and pave the way for a more ambitious co-operation. Partner countries must be given the opportunity to understand what direct benefits they can draw from EU support, which must be tailored to each country's needs, so that the approach is differentiated and demand-driven.

EU4Monitoring Drugs:

The lessons learnt from the EMCDDA-ENP pilot project¹³ have informed the drafting of this proposal, mainly adopting a flexible and dynamic approach to project implementation with the capacity to refocus activities if justified by the circumstances.

¹² ENPI/2013/325-501: "Promoting the participation of Jordan in the work of EASO as well as the participation of Morocco and Tunisia in the work of EASO and the EBCGA."

¹³ ENPI/2013/325-486: "EMCDDA-ENPI first technical co-operation project: towards a gradual improvement of ENP partner countries capacity to monitor and to meet drug-related challenges."

The action also draws on the EMCDDA considerable expertise of establishing ongoing multidisciplinary networks as a basis for data collection, analysis and dissemination in drug related issues. The EMCDDA approach to data collection is holistic and incorporates both the supply and demand sides, which reflects the EU balanced policy approach to the drug problem. Engagement in data collection in this framework can therefore have a normative impact and support the development in non-EU countries of more balanced, effective and evidence informed drug policies and actions.

Building Integrity:

The BI programme was launched in 2007 adopting a step by step approach. It will complete its third phase by the end of 2017. The programme is demand driven and adjusted to reflect the needs of participating countries. Phase I, II and III were conducted without interruption; ensuring continuity of expertise, information sharing and developing a community of practice. These efforts have laid the foundation for a scalable programme covering the present action. In 2014, 11 countries engaged in the BI programme were invited to provide feedback on their experiences. The results are very encouraging and highlight a wide range of positive changes supported by the BI Programme and most importantly, a commitment to the implementation of the agreed BI Education and Training Plan.¹⁴

BI support is tailored to individual nations and is focused on enhancing transparency and providing peer to peer contacts to build capacity. BI is supporting a generational programme of change and learning aimed at developing national capacity to conduct analysis, identify gaps and work on solutions. For example BI is supporting the development of a Defence institution Building Centre in Georgia and has already developed a BI Reference Curriculum.

Efforts should be self-sustaining and in this regards NATO has some examples of neighbours helping neighbours. The Peace Support Operation Centre in Sarajevo provides a residential course as well mobile training teams to support individual nations (Montenegro, Georgia, the former Yugoslav Republic of Macedonia and Ukraine). Serbian experts contributed to peer to peer contacts focused on promoting good practices in procurement in Armenia and Ministry of Defence Georgia supported activities in Ukraine aimed at enhancing management of financial resources.

A review will be under taken at the end of this year. A further review is foreseen in 2020.

The following lessons were learnt from the previous phases: i) need to take into account cultural specificities and differences; ii) developing new capacity in any institution requires a strategic vision and patience; iii) the programme must remain flexible and respond quickly when new opportunities present; iv) including non-governmental organisations (NGOs) is a key component to embedding transparency, accountability and integrity in the public sector.

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"BUILDING INTEGRITY REPORT ON NATIONS ASSESSMENT OF IMPACT OF BUILDING INTEGRITY AND CONTRIBUTION TO CAPACITY BUILDING", PPC-N(2014)0087, May 2014.

3.2 Complementarity, synergy and donor co-ordination

EU4Border Security:

This component will complement and build on on-going EU support in the Neighbourhood South at bilateral (Lebanon, Tunisia and Jordan) or regional level.

Frontex Risk Analysis Network (FRAN) connects the EBCGA with Member States' risk analysis and intelligence experts. The FRAN provides the framework for sharing knowledge, carrying out joint analytical work and producing analytical and strategic reports on the current state of play at the external borders. The EBCGA currently manages four regional intelligence-sharing communities similar to FRAN with non-EU countries and they include: the Western Balkans Risk Analysis Network (WB-RAN), Eastern European Borders Risk Analysis Network (EB-RAN), Turkey-EBCGA Risk Analysis Network (TU-RAN) and Africa-Frontex Intelligence Community (AFIC). The AFIC network is financially supported by the EU¹⁵ and is set to progressively expand from West Africa and Morocco to North Africa in general.

Eurosur (European Border Surveillance System), managed by the EBCGA, is the information-exchange framework designed to improve the management of Europe's external borders. The EU launched the Seahorse initiative to improve the capability of the relevant authorities of the target countries to monitor irregular migration by sea, to prevent and combat smuggling of migrants and trafficking of human beings and to prevent the loss of human lives at sea. Seahorse started with the Atlantic network and now the Mediterranean Seahorse project is to set up a Mediterranean network covering Algeria, Tunisia, Libya and Egypt, that is to be connected with Eurosur. Implementation is severely delayed due to the situation in Libya and the fact that Tunisia, Egypt and Algeria have been repeatedly invited to join Seahorse Med, but so far without success.

As part of the Eurosur Fusion Centre (EFS), the EBCGA provides a tailored map application for situation monitoring purposes to EU Border Assistance Mission (EUBAM) in Libya. In the framework of EFS, the EBCGA provides metrological services to the Libyan coast guards via the SMART platform, which belongs to European Union Naval Force (EUNAVFOR) Med. The EBCGA also provided training on law enforcement issues to 50 coast guards in December 2016.

Finally the EBCGA implements two other projects with ENI and IPA II funding:

- Eastern Partnership Integrated Border Management Capacity Building Project (EaP)
- Regional Support to Protection-Sensitive Migration Management in the Western Balkans and Turkey.

Since the EBCGA is implementing partner in most of the actions, the possible overlap with other ongoing or planned activities has not been mentioned as a risk.

The project will build on and create synergies with other EU-funded bilateral border management projects, mainly in Tunisia and Lebanon.

¹⁵ By the Instrument contributing to Stability and Peace.

EU4Monitoring Drugs:

Developing synergies with those already working in the Neighbourhood, such as the Council of Europe's Pompidou Group will be central to this work. The South Programme II "Towards a Strengthened Democratic Governance in the Southern Mediterranean" implemented by the Council of Europe (with ENI funding) also contains some limited support to the Pompidou Group.

The action also complements ongoing projects financed by the Instrument contributing to Stability and Peace along the Heroin route and the Cocaine route by providing strategic analyses and threat assessments.

Engagement with other EU institutions in the Justice and Home Affairs (JHA) field such as Europol, The European Union Agency for Law Enforcement Training (Cepol) and the EBCGA as well as relevant international organisations will also be a priority. A mapping exercise, with regular review, will identify appropriate national partners.

Overall the action has been developed to building on existing national and regional approaches, promote the comprehensive and balanced EU approach on drugs as well as facilitating synergies with the EU policy cycle for organised and serious international crime and the European Multidisciplinary Platform against Criminal Threats (EMPACT).

Building Integrity:

EU funding will be complementary to resources contributed to the Building Integrity Trust Fund and in kind resources provided by NATO. The programme will seek to create synergies with EU-funded projects on good governance conducted at bilateral level. NATO will maintain its ongoing structured dialogue with key institutions promoting good governance such as United Nations Office on Drugs and Crime (UNODC), the Centre for Integrity in the Defence Sector (CIDS) and Democratic Control of Armed Forces (DCAF), as well as NATO education and training systems. Also NATO will ensure that the Building Integrity Programme is complementing the NATO "Defence and Related Security Capacity Building (DCB) Initiative" for those partner countries that would be eligible for both NATO support activities.

3.3 Cross-cutting issues

EU4Border Security:

Human rights and the respect of rule of law are amongst the fundamentals of border management. By increasing the number of detections and interdictions at the border, this component indirectly contributes to a better protection of potential victims, mostly vulnerable groups, and victims from trafficking of human beings and the smuggling of migrants.

Due respect will be paid to gender-specific needs and vulnerabilities. Recognising that women and children are among the most vulnerable, and understanding that both men and women may be vulnerable, exploited and be potential victims of trafficking and other forms of cross border crime, the training sessions will equip participants with tools to address their needs in a gender-sensitive way. Furthermore, through the familiarisation with the EBCGA's work and the capacity building exercises, the beneficiary countries will be better aware of EU practices in the field of protection of vulnerable migrants, especially women and children. The project will also encourage

gender-balanced representation of trainers and will pay particular attention to the participation of women in its activities.

EU4Monitoring Drugs:

By providing more strategic analytical and intelligence-led responses to the drug problem, this component contributes to the protection of vulnerable groups involved in the drug supply or as consumers.

Building Integrity:

The aim is to increase national capacity to meet the security needs of the people, to counter transnational threats, including terrorism and contribute to regional and international security and stability, in full compliance with democratic governance and oversight, rule of law, and respect for human rights.

The Building Integrity Programme supports the implementation of the United Nations Security Council Resolution 1325 on Women, Peace and Security and related resolutions, and has integrated a gender perspective into its methodology and practical tools.

4 DESCRIPTION OF THE ACTION

4.1 Objectives

This programme is relevant for the United Nations Agenda 2030 for Sustainable Development. It contributes primarily to the progressive achievement of Sustainable Development Goals (SDGs) target 16 "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels", but also promotes progress towards Goal 3 "Ensure healthy lives and promote well-being for all at all ages".

The 3 components have a common objective of building trust and increasing co-operation between security actors of the region.

EU4Border Security:

Overall objective: To contribute to enhancing border security in the Southern Neighbourhood, through bilateral and regional co-operation, while facilitating bona fide travel.

Specific objective:

- To increase the capacity of Southern Neighbourhood countries for integrated border management.

EU4Monitoring Drugs:

Overall objective: To contribute to improving national and regional responses of Neighbourhood countries to security and health threats posed by contemporary drug markets and related issues.

Specific objectives:

- To identify, analyse and report effectively to ongoing, emerging and future trends of the drug markets in the Neighbourhood;

- To enhance regional co-operation in the area of drug monitoring amongst Neighbourhood countries and with EU Member States.

Building Integrity:

Overall objective: To contribute to improving national, regional and international security and stability by reducing the risk of corruption in the defence and security sector.

Specific objectives:

- To improve the knowledge on good governance in the defence and security sector and recognition of corruption as a security risk;
- To strengthen engagement with local democratic institutions by providing improved access to BI information and opportunities to take part in related events.

4.2 Expected results and main activities

EU4Border Security:

Expected results:

- ENP South countries' border authorities are aware of the co-operation they can engage in with the EBCGA, and the foundation has been laid for further discussion on Working Arrangements;
- ENP South countries' border authorities have increased capacity to undertake risk and intelligence analysis and are aware of the benefits that joint analytical work and participation in a risk analysis network may bring;
- Enhanced capacity of the partner countries' border authorities to detect both cross-border criminality at the borders and the movement of travellers potentially involved in terrorism activities (FTFs) is enhanced;
- The operational situational awareness of the participating countries is improved and the information sharing, utilising tools provided by the EBCGA, among them, as well as with the EBCGA is increased.

Main activities:

- Prepare a plan of action for the familiarisation of the ENP South countries' border authorities. The countries are at different stages with regard to their bilateral co-operation with the EBCGA. This requires the development of plans based on the current level of co-operation, and with due consideration for the political and security implications of the action.
- Organise study visits to the EBCGA HQ, other EU agencies, and/or operational sites within EU Member States;
- Organise study visits to EBCGA-associated EU Member States partnership academies to get acquainted with the co-operation platform developed at EU level;
- Provide comprehensive capacity building support for selected target groups (national authorities responsible for border management). With a view to developing sustainable capacity building activities, a priority will be to map out the existing training capacity and needs of training institutes/academies and similar bodies in partner countries in the field of law enforcement and border management, identify

the gaps in the training currently provided on border security and more broadly border management, and facilitate regional co-operation between national centres, as well as co-operation with the training centres of EU Member States. Conduct training sessions for relevant stakeholders, in line with international norms and standards. Develop a network of national training institutes at the regional level inspired by the EBCGA and utilising the EBCGA tools and Member States partnership academies.

- Develop enhanced co-operation via the participation at the EBCGA's National Training Co-ordinators and Partnership Academies networks.
- Organise staff exchanges for the staff of national and regional training academies (trainers, including for multipliers), both in the region and with EU Member States;
- Organise visits to Border Control Posts in the region (could be in the framework of one of the workshops);
- Develop further, inspired by and in synergy with AFIC and other regional networks, the capacity to collect and analyse information aimed, among other purposes, at enhancing the capacity of border guards to detect cross-border criminality and contributing to preventing terrorism.
- Develop proper referral mechanisms at the national level to ensure adequate follow-up to the actions carried out by border guards.

In accordance with the EU treaties and the revised reporting directives for Official Development Assistance (ODA) on peace and security, the capacity building activities foreseen in this action, in support of partner countries' border authorities, should pursue a civilian objective and cannot directly reinforce the capacity of the military branch.

EU4Monitoring Drugs:

Expected results:

- Capabilities and needs in each of the beneficiary countries to respond to the drug problem are initially assessed;
- Strategic analyses of the drug situation in the ENI countries are conducted;
- Beneficiary countries are trained on EMCDDA data collection tools and methods;
- Threat assessments on key drug-related issues are made available;

Main activities:

- Management and methods: This activity area will develop and document the project tools necessary for the successful implementation of the action, such as the stakeholder engagement strategy, the audit of and management of the co-operation arrangements with key partners etc. It will also provide a topic identification, risk management and planning capacity to permit the responsive and flexible approach to implementation and project development;
- Networks: An expert network will be built to improve capacities and capabilities. It will involve: the establishment of regional information hubs; identifying appropriate experts from a wide variety of disciplines; and their effective engagement;

- Expertise: Technical expertise will be strengthened using existing EMCDDA methods e.g. early warning, signal detection and threat assessment, web survey, trendspotting; and standard tools e.g. EMCDDA data collection instruments;
- Co-ordination, communication and foresight analysis: the project will rely on rapid and open communication, mediation and consensus, bringing together the network as well as relevant stakeholders and experts from the EU and ENP countries. Data and information will be used to improve the assessment of the current and future threats stemming from drug market-related activities in the Neighbourhood. The methodology will integrate various elements, including projecting trends, acknowledging different scenarios, analysing risks and incorporating uncertainty;
- Response preparedness: Key players will be trained and supported to define and undertake rapid responses in the areas of tackling both drug supply and drug demand. They will be supported through review meetings seeking high level advice from key EU experts and decision-makers and result in briefings (restricted if necessary) for Commission services and EU Member States.

Building Integrity:

Expected results:

- Community of practice is further enhanced and maintained, effectively linking nations and institutions committed to strengthening transparency, accountability and integrity in the defence and related security sector.
- BI Action Plans for each of the participating countries;

Main activities:

Training and Education:

The programme will offer a range of residential courses and seminars as well as mobile training teams and e-learning. These are focused on the risk of corruption, the impact on the defence sector and on operational effectiveness. Topics covered include:

- Democratic control and engagement including role of parliament and civil society;
- National anti-corruption laws and policy including links with UN, OECD & Council of Europe;
- Anti-corruption policy in the defence and security sector and identifying risks;
- Personnel- behaviour, policy, training and discipline including codes of conduct;
- Planning and budgeting including acquisition and disposal of assets;
- Planning and executing of operations including military doctrine;
- Procurement – legislation and oversight mechanism;
- Engaging with defence companies and other suppliers; and
- Impact of corruption on gender in the context of defence and security.

The BI programme has also developed a reference curriculum. It is aimed at educators and trainers of civilian and military staff working in the defence and related security sector, including the armed forces. It is a guide for nations who are

engaged in revising their own national curricula to incorporate BI themes, or developing new courses to meet national BI requirements.

Exercises:

The BI programme will conduct a Joint Simulation Exercise focused on impact of corruption on humanitarian and stabilisation operations. This includes understanding the causes of corruption, corruption as a driver of conflict and consequence of conflict.

Peer to Peer contacts:

Peer to Peer contacts to share information and promote best practices through workshops, study tours and expert team visits.

Tailored Support:

Tailored support is provided to nations completing the BI Self-Assessment Questionnaire (SAQ) and taking part in a Peer Review: The SAQ is a diagnostic tool; it is a snapshot of existing procedures and business practices within the Ministry of Defence. The Peer Review constitutes a confidential platform to validate the SAQ findings, identify good practices and gaps. Peer Reviews are composed of subject matter experts drawn from NATO and nations. The report and recommendations provide the basis for developing a tailored programme of support.

4.3 Intervention logic

EU4Border Security:

Due to the heterogeneity of the region, it is not expected that all countries participate in all project activities: a tailored and differentiated approach will be adopted. Each beneficiary country will choose which activities to be involved in, depending on its priorities and interest in engaging, as well as on the level of previous and ongoing co-operation with the EBCGA. The European Commission will also keep a permanent dialogue with the EBCGA to identify which countries should be given priority, taking into account the magnitude of security threat for the EU. While recognising that previous co-operation between the EBCGA and some countries in the Southern Neighbourhood has proven challenging, it is important to capitalize on previous efforts, placing the emphasis on support activities that can deliver direct benefits for the beneficiary countries, with the objective of building trust and raising their interest for a regular co-operation with the EBCGA.

EU4Monitoring Drugs:

EU4Monitoring Drugs will provide a flexible and dynamic analytical platform to identify and report on drug related threats. It will also deliver capacity building support to ENP East and South countries. It builds on the positive achievements from a previous pilot project and on the EMCDDA proven track record of providing timely strategic and situational analysis on drug related threats.

There will be an initial assessment of capabilities and needs in each of the beneficiary countries in order to prepare a bespoke programme for capacity building and delivery plan.

Using the EMCDDA's tested methodologies, in addition to capacity building activities within the region, experts from Neighbourhood countries will be invited to

attend EMCDDA expert meetings and conferences. Project deliverables will include reports on the drug situation in the region, threat assessments on key drug-related issues and if possible within the scope of the project, a set of tailored drug policy recommendations for each beneficiary country.

The project will contribute to the fight against security threats, in particular organised crime and terrorism.

Reflecting the EMCDDA's experience of successful partnership, a central element of EU4Monitoring Drugs will be its stakeholder and network engagement strategy. Engagement from the policy to the operational level is envisaged with the EU4Monitoring Drugs network including appropriate representatives from the following areas: security, police, customs & border control, forensic science, research and civil society.

Building Integrity:

The participation of any country in the BI Programme is strictly on a voluntary basis. As an initial step, the participating country has to complete a Self-Assessment Questionnaire (SAQ), a diagnostic tool that helps to examine existing tools and procedures aimed at reducing the risk of corruption, as well as to identify gaps and areas of improvement. It is followed by a peer review and in-country consultations: the Self-Assessment Questionnaire (SAQ) is reviewed in-country with representatives of the Government, Parliament, civil society, media and academics. A Peer Review Report identifies good practice as well as recommendations for actions. Next, many countries proceed with the development of a national action plan. The BI programme also includes training and education support.

The NATO Building Integrity programme has developed a strong relationship with a range of civilian stakeholders who support the development and implementation of BI. This includes international organisations, NGOs, think tanks and the private sector. Wherever possible, the BI programme aims to strengthen engagement with local democratic security sector governance institutions, providing them with access to BI material and events and encouraging Ministries of Defence to engage with these stakeholders.

Given the political importance, during implementation, the selection of countries to be supported with EU funding and what activities to perform will be vetted by the European Commission, in close coordination with other relevant EU services.

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, 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 36 months.

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 *Pillar Assessed Grant: direct award "EU4Border Security" (direct management)*

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

See section 4.2.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the European Border and Coast Guard Agency (EBCGA).

Under the responsibility of the Commission's authorising officer responsible and in accordance with Article 190(f) of the rules of application of Regulation (EU, Euratom) No 966/2012, the recourse to an award of a grant without a call for proposals is justified for the following reason: the Agency, specialized in European border management in line with the EU fundamental rights charter, is entrusted with applying and promoting the concept of Integrated Border Management and has the unique knowledge, technical competence, and high degree of specialisation for implementing EU common standards and practices in the field of border management.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives set up for this component; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 100% of the eligible costs of the action.

(f) Indicative trimester to conclude the grant agreement

Second quarter of 2018.

5.3.2 *Pillar Assessed Grant: direct award "EU4Monitoring Drugs"(direct management)*

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

See section 4.2.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the European Centre for Drugs and Drug Addiction (EMCDDA).

Under the responsibility of the Commission's authorising officer responsible and in accordance with Article 190(f) of the rules of application of Regulation (EU, Euratom) No 966/2012, the recourse to an award of a grant without a call for proposals is justified for the following reason: the Agency has the unique knowledge, technical competence, and high degree of specialisation in the monitoring of illicit drug use and trafficking. Promoting scientific excellence, the Agency has developed the appropriate infrastructure and tools to collect country data in a harmonised way, primarily in Europe.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives set up for this component; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 100% of the eligible costs of the action.

(e) Indicative trimester to conclude the grant agreement

Fourth quarter of 2017.

5.3.3 Indirect management with an international organisation "Building Integrity"

A part ("Building Integrity") of this action may be implemented in indirect management with the North Atlantic Treaty Organisation (NATO) International Staff, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails providing practical tools to help participating countries strengthen integrity, transparency and accountability and reduce the risk of corruption in the defence and security sector.

This implementation modality is justified by the fact that the Building Integrity (BI) programme is run through a trust fund managed by NATO International Staff. The programme will be completing its 3rd phase by the end of 2017, with a 4th phase due to start in 2018.

The entrusted entity would carry out budget-implementation tasks necessary to achieve the results outlined in section 4.2.

The entrusted international organisation is to notify the European Commission of its intention to undergo an ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 and to successfully complete this assessment before a delegation agreement is signed.

In case NATO's pillar assessment is not satisfactory nor concluded on time, the following measures will be taken;

- EUR 1 million from ENI regional South budget line will be reallocated to EU4MonitoringDrugs and to EU4BorderSecurity;
- EUR 1 million from ENI regional East budget line will be decommitted from this Financing 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 provisions.

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 (amounts in EUR)	
	ENI regional East	ENI regional South
5.3.1. – "EU4Border Security" – Direct grant to EBCGA (direct management)	0	4,000,000
5.3.2. – "EU4Monitoring Drugs" – Direct grant to EMCDDA (direct management)	1,000,000	2,000,000
5.3.3. – "Building Integrity" – Indirect management with NATO	1,000,000	1,000,000
Totals	2,000,000	7,000,000

5.6 Organisational set-up and responsibilities

EU4Border Security: This programme will be directly implemented by the EBCGA. The European Commission will supervise the grant in close liaison with the EU Delegations in the ENP South Partner Countries. A Steering Committee will be established with the participation of the relevant Commission Services, especially those to which EU Agencies report.

EU4Monitoring Drugs: This programme will be directly implemented by EMCDDA. The European Commission will supervise the grant in close liaison with the EU Delegations in the ENP East and South Partner Countries. A Steering Committee will be established with the participation of the relevant Commission Services, especially those to which EU Agencies report.

Building Integrity: This programme is managed by NATO International Staff. NATO is responsible for the overall management of the programme in close relation with the lead contributors to the trust fund. EU with its contribution will be part of the lead nations in the dedicated Trust Fund and as such will be part of the Management

Board. Given the political importance, during implementation, the selection of countries to be supported with EU funding and what activities to perform will be vetted by the European Commission, in close consultation with other relevant EU services.

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 partners' responsibilities. 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, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). 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 importance of the action, an ex-post 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 these are innovative approaches.

The Commission shall inform the implementing partners at least 3 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 and supported with the budget indicated in section 5.5 above.

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

More specifically:

- Building Integrity programme: Communication and EU visibility will be handled on a case-by-case basis, to take due account of the political sensitivities,
- Both the EBCGA and the EMCDDA will be using their regular communication channels and tools. The mere fact that they are EU bodies will guarantee that EU visibility is ensured at all times.

6 PRE-CONDITIONS

"Building Integrity":

The Building Integrity (BI) Programme is operated through a trust fund managed by NATO International Staff. An EU contribution to this dedicated trust fund will be possible only after NATO has passed the EU's pillar assessment, which is a pre-requisite for a delegation agreement.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing Decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: EURImpact	<p>To build trust and increase co-operation between security actors of the region</p> <p>EU4Border Security: To contribute to enhancing border security in the Southern Neighbourhood, by fostering bilateral and regional co-operation.</p> <p>EU4Monitoring Drugs: To contribute to improving national and regional responses of Neighbourhood countries to security and health threats posed by contemporary drug markets and related issues</p> <p>Building Integrity (BI): To contribute to improving national, regional and international security and stability by reducing the risk of corruption in the defence and security sector</p>	<p>EU4Border Security: - % of number of incidents reported originating from the region to the network and the EBCGA.</p> <p>EU4Monitoring Drugs: - degree of integration of recommendations of strategic threat reports into national policies</p> <p>Building Integrity: - number of countries having translated the action plans into policy guidance and reform</p>	<p>EU4Border Security: - data subject to confidentiality at this stage - to be defined by the EBCGA in the preparatory phase</p> <p>EU4Monitoring Drugs: 0</p> <p>Building Integrity: 0</p>	<p>EU4Border Security: To be defined during inception period</p> <p>EU4Monitoring Drugs: To be defined during inception period</p> <p>Building Integrity: - 5 countries</p>	<p>EU4Border Security: The EBCGA statistics</p> <p>EU4Monitoring Drugs: Policy documents of the partner countries Questionnaires to beneficiary countries</p> <p>Building Integrity: Minutes of NATO Committee meetings Self-assessment questionnaires</p>	

Specific objective(s): Outcome(s)	<p>EU4Border Security: To increase the capacity of Neighbourhood South countries authorities for integrated border management;</p> <p>EU4Monitoring Drugs: - To identify, analyse and report effectively to ongoing, emerging and future trends of the drug situation; - To enhance regional co-operation in the area of drug monitoring amongst Neighbourhood countries and with EU Member States</p> <p>Building Integrity: - To improve the knowledge on good governance in the defence and security sector and recognition of corruption as a security risk; - To strengthen engagement with local democratic institutions by providing improved access to Building Integrity information and opportunities to take part in related events;</p>	<p>EU4Border Security: - number of requests for capacity building, study visits, staff exchanges - number of countries involved in the network activities</p> <p>EU4Monitoring Drugs: - number of joint strategic threat reports developed by the countries with support from the project - number of regional activities bringing together beneficiary ENI countries</p> <p>Building Integrity: - number of requests on a voluntary basis to perform Self-Assessment Questionnaire and Peer Reviews</p>	<p>EU4Border Security: 0</p> <p>EU4Monitoring Drugs: 0</p> <p>Building Integrity: 0</p>	<p>EU4Border Security: To be defined during inception period</p> <p>EU4Monitoring Drugs: To be defined during inception period</p> <p>Building Integrity: - 5 countries</p>	<p>EU4Border Security: Project progress reports</p> <p>EU4Monitoring Drugs: Project progress reports Reports from individual regional events Project progress reports</p> <p>Building Integrity: Minutes of the Lead Nations Meetings Meetings with NGOs and civil society Report on NATO Implementation on UNSCR 1325 Project progress reports</p>	<p>Partner countries are willing to reach a higher degree of co-operation within the region and with EU.</p> <p>Partner countries will ensure sustainability and durability to the respective projects by making available the necessary human, financial and material resources.</p>
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Outputs	<p>EU4Border Security:</p> <ul style="list-style-type: none"> - The countries are aware of the co-operation they can engage with the EBCGA, and the foundations for further discussion on Working Arrangements; - The countries have increased capacity to undertake risk analysis and are aware of the benefits that a participation in a risk analysis network may bring; - Enhanced capacity of partner countries to detect both cross-border criminality at the borders and the movement of travellers potentially FTFs; - The situational awareness is improved and the information sharing, utilising tools provided by the EBCGA is increased; <p>EU4Monitoring Drugs:</p> <ul style="list-style-type: none"> - Capabilities and needs in each of the beneficiary countries assessed; - Strategic analyses of the drug situation in the ENI countries conducted; - Training on EMCDDA data collection tools and methods delivered; - Threat assessments prepared on key drug-related issues. <p>Building Integrity:</p> <ul style="list-style-type: none"> - Enhanced community of practice linking nations and institutions committed to strengthening transparency, accountability and integrity; - BI Action Plans for each of the participating countries; 	<p>EU4Border Security:</p> <ul style="list-style-type: none"> - # of regular EBCGA's activities / events with the participation of at least one beneficiary country - Average # of beneficiary countries participating in the EBCGA activities / events when invited - number of staff trained and number of training courses in aspects related to border management - number of network meetings <p>EU4Monitoring Drugs:</p> <ul style="list-style-type: none"> - number of people trained and number of trainings per topic - number of network meetings <p>Building Integrity:</p> <ul style="list-style-type: none"> - Number of Self-Assessment Questionnaire and Peer Reviews completed - number of people trained and number of trainings per topic - number of BI action plans developed with the support of this action 	<p>EU4Border Security:</p> <p>0</p> <p>EU4Monitoring Drugs:</p> <p>0</p> <p>Building Integrity:</p> <p>0</p>	<p>EU4Border Security:</p> <p>To be defined during inception period</p> <p>EU4Monitoring Drugs:</p> <p>To be defined during inception period</p> <p>Building Integrity:</p> <p>To be defined during inception period</p>	<p>EU4Border Security:</p> <p>Project progress reports</p> <p>EU4Monitoring Drugs:</p> <p>Project progress reports; Fact findings mission reports; Reports from key events; Evaluation of training activities; Agendas and minutes of meetings.</p> <p>Building Integrity:</p> <p>BI Peer Review Reports and national BI Action Plans.</p>	
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This action is funded by the European Union

ANNEX III

of the Commission Implementing Decision on the Annual Action Programme 2017– Part 1 in favour of ENI South countries

Support for Institution-building and International Co-operation in the Southern Neighbourhood

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 grants awarded directly without a call for proposals: 5.3.1 and 5.3.2.

1. Title/basic act/ CRIS number	South Programme III –Support for Institution-building and International Co-operation in the Southern Neighbourhood. CRIS number: ENI/2017/040-456 financed under the European Neighbourhood Instrument
2. Zone benefiting from the action/location	The action shall be carried out at the following locations and/or involve citizens from the following countries: <ul style="list-style-type: none">- Neighbourhood South countries (Algeria, Egypt, Israel¹, Jordan, Lebanon, Libya, Morocco, Palestine², Tunisia and Syria³).- Countries which are members of the Union for the Mediterranean (others than Neighbourhood South countries): EU Member States, Albania, Bosnia and Herzegovina, Monaco, Montenegro, Turkey.- Countries which are members of the League of Arab States (others than Neighbourhood South countries): Bahrain, Comoros, Djibouti, Iraq, Kuwait, Mauritania, Oman, Qatar, Saudi Arabia, Somalia, Sudan, United Arab Emirates and Yemen.- Countries which are members of the Organisation of the Islamic Co-operation (which are not part of the previous categories):

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 suspended since 2011.

	Afghanistan, Azerbaijan, Bangladesh, Benin, Brunei, Burkina Faso, Cameroon, Chad, Gabon, Gambia, Guinea-Bissau, Guinea, Guyana, Indonesia, Iran, Ivory Coast, Kazakhstan, Kyrgyzstan, Malaysia, Maldives, Mali, Mozambique, Niger, Nigeria, Pakistan, Senegal, Sierra Leone, Surinam, Tajikistan, Togo, Turkmenistan, Uganda and Uzbekistan.			
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Regional South Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)			
4. Sector of concentration/ thematic area	Partnership with People - Support regional institutional co-operation	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost: EUR 24.52 million Total amount of EU budget contribution: EUR 15.71 million This action is co-financed by Union for the Mediterranean (UfM) members for an indicative amount of EUR 4.21 million and by Anna Lindh Foundation (ALF) Member States (funding to the ALF) for an indicative amount of EUR 4 million. This action co-financed in joint co-financing by the Council of Europe for an amount of EUR 0.6 million. Budget line: 22.04.01.03			
6. Aid modality(ies) and implementation modality(ies)	Project Modality - Direct management: o Grants – direct award o Procurement of services - Indirect management with the Council of Europe			
7 a) DAC code(s)	15150 Democratic participation and civil society			
b) Main Delivery Channel	21000 International Non-governmental organisation (NGO) 47000 Other multilateral institutions 50000 Other			
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	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<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	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 flags	Not applicable			
10. SDGs	<p>Sustainable Development Goal (SDG) 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <p>SDG 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>			

SUMMARY

The **overall objective** of this action is to promote institution building and institutional co-operation, as well as democratic governance, intercultural dialogue and inclusion of civil society in policy-making, through four interventions:

Component 1: Support the Union for the Mediterranean (UfM) Secretariat. This component is designed to support the work programme of the secretariat of the UfM for the year 2018

Component 2: Support to the Anna Lindh Foundation for Intercultural Dialogue (ALF) – Phase V. This component is designed to help the ALF to implement the fifth phase of its action programme since its inception.

Component 3: Support to the Council of Europe to implement the South Programme III - Institutional support. This component is designed to allow the Council of Europe to continue delivering its actions in favour of democratic governance, rule of law, reinforcement of the constitutional processes, justice, anti-corruption and human rights in the Neighbourhood South region.

Component 4: Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States. This component is designed to contribute to reinforcing the political dialogue and the technical co-operation with regional organisations, such as the League of Arab States. Dialogue with civil society will also be promoted.

1 CONTEXT

1.1 Regional context

The situation in the region remains very complex with increased fragmentation. Despite the unquestioned democratic gains in some countries (elections, in some countries more vocal civil society and more space for young people), the heated debates about new social contract and public affairs are strongly polarising Arab societies.

The economic situation remains challenging and social demands still focus on political dignity (freedom, human rights) the recognition of economic and social rights and improvement of economic situation, including job creation. The continued Israeli/Palestinian conflict and the ongoing conflict in Syria with its international repercussions overshadow the whole situation.

Since the Arab upheavals in 2011, the EU has intensified dialogue and co-operation with key regional actors. The EU as co-president of the Union for the Mediterranean (UfM) together with Jordan, along with the fruitful co-operation with the UfM Secretariat and its Secretary General, gave a new impetus to the organisation, a unique forum for dialogue among 43⁴ Euromed partners that shares and builds upon the goals of the Barcelona Declaration and complements bilateral relations between the EU and its southern neighbours.

According to the revised European Neighbourhood Policy (ENP)⁵, the UfM should play an enhanced role in supporting co-operation between southern neighbours. In recent years, the UfM has seen its role as a regional political platform reinforced.

The new European Neighbourhood Policy (ENP) is seeing to involve other regional actors, beyond the neighbourhood, where appropriate, in addressing regional challenges. There has been also renewed impetus for co-operation with the League of Arab States (LAS) which is a key forum for finding political and security solutions to conflicts affecting the region. The EU is also developing contacts with the Organisation of Islamic Co-operation (OIC).

1.1.1 EU Policy Framework

The policy of the European Union towards the Neighbourhood South countries seeks to encourage political and economic reform and **regional co-operation** among the countries of the region themselves and with the EU.

End of 2015, the EU completed its **review of its Neighbourhood Policy (ENP)**, with a series of new orientations for future co-operation with the region. Regional stability and security received greater emphasis than before and the regional institutions

⁴. Austria, Albania, Algeria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, The Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Israel, Jordan, Latvia, Lebanon, Lithuania, Luxemburg, Malta, Mauritania, Monaco, Montenegro, Morocco, The Netherlands, Palestine, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Syria, Sweden, Tunisia, Turkey, The United Kingdom and Libya as an observer. The participation of Syria is currently suspended.

⁵ JOIN(2015) 50 final, 18.11.2015.

supported through this proposal have a vital role to play in this respect. The importance of regional co-operation is strongly endorsed in this document as well as in the **Council conclusions on the Review of the ENP** (14 December 2015)⁶ that acknowledges: "*The **Union for the Mediterranean** should be considered as a key regional framework for political dialogue and regional co-operation efforts, including through regular ministerial meetings*". A Meeting of UfM Foreign Ministers was held in January 2017 in Barcelona, followed by a Forum entitled "Mediterranean in Action: Youth for Stability and Development". A roadmap of proposed areas of work to deepen regional co-operation and integration was endorsed on this occasion.

The EU Global Strategy foresees also that, in its efforts to contribute to a peaceful and prosperous Mediterranean, Middle East and Africa, the EU will intensify its support for and co-operation with regional and sub-regional organisations, as well as functional co-operative formats in the region.

The **Regional Indicative Programme 2014-2017**⁷ recognises the importance of building partnerships between the people and in particular of inter-cultural dialogue this pursuit. This is done in particular through support to the work of the **Anna Lindh Foundation (ALF)**, consistent with its role as the "EU's main interlocutor in matters of intercultural dialogue" as referenced in the 'Joint report of the Implementation of the ENP Review.' This central role of ALF is also recognised in the EU Global Strategy. The activities of the ALF are a joint endeavour combining the efforts of its 42 national networks, its Secretariat/Headquarters in Alexandria, the EU Delegations in the MENA region and also the EU Headquarters where ALF is a member of the EU Task Force South in its work on 'Communication to the Arab World.'.

The **EU – Council of Europe (CoE)** relations are governed by the Memorandum of Understanding of 2007, which particularly mentions the Neighbourhood and Enlargement with a view to develop democratic stability. The Statement of Intent signed on 1 April 2014 by the CoE and the Commission formalised the political commitment to foster a more strategic and long term co-operation between the two institutions that should translate into concrete and tangible results of our joint programmes in the Southern Neighbourhood.

The ENP Review sets out stabilisation as one of the main priorities of the EU in the Neighbourhood. The **League of Arab States (LAS)** is a central partner in the stabilisation of the region and the main institutional interlocutor with the Arab world. In this perspective, the revised ENP foresees that the dialogue with the LAS should be further developed. The Global Strategy for the EU's Foreign and Security Strategy (Global Strategy) foresees that, in its efforts to contribute to a peaceful and

⁶ Council Conclusions on the Review of the European Neighbourhood Policy, Foreign Affairs Council, 14 December 2015, 15169/15.

⁷ Programming of the European Neighbourhood Instrument (ENI) - 2014-2020 - Regional South Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)

prosperous Mediterranean, Middle East and Africa, the EU will intensify its support for and co-operation with regional and sub-regional organisations, as well as functional co-operative formats in the region.

1.1.2 Stakeholder analysis

The Euro-Mediterranean Partnership, formerly known as the Barcelona Process, was re-launched at the Paris Summit in 2008 as the **Union for the Mediterranean**. The Paris Summit conveyed the importance of this Euro-Mediterranean Partnership in regards to the recognition it plays in establishing peace, security and shared prosperity in the Mediterranean.

The UfM Northern Co-Presidency was transferred to the EU in March 2012, allowing for more dynamic and co-ordinated political exchanges and better articulation of UfM activities with EU sector policies and programmes.

The Secretariat of the Union for the Mediterranean (UfMS) was established by a Decision of Heads of State and Government of the UfM and its Statutes were adopted on the 3 March 2010 by virtue of a Decision by the Senior Officials of the members of the UfM in Barcelona.

The mandate of the Secretariat focuses on:

- 1) promoting regional dialogue among UfM member countries and with various partners active in the region following a multi-stakeholders approach; the UfMS offers platforms for dialogue in the priority areas and sectors of interventions to promote regional agendas and identification of common priorities. These platforms follow up on the implementation of the Decisions, commitments and tasks derived from the various Ministerial declarations;
- 2) identifying, promoting and co-ordinating projects in line with the regional dialogue identified priorities, which enhance and strengthen regional co-operation and impact directly on the livelihoods of the citizens in order to improve socio-economic development, regional integration, sustainable development and the exchange of knowledge among and within the members of the UfM.

The UfM Secretariat aims to act as a catalyst to bring Countries, National, Regional and International Financial Institutions and the private sector and civil society together around concrete projects of strategic importance and generating jobs, innovation and growth throughout the region. Partners' participation in these projects could follow the principle of variable geometry depending on their needs and interests.

In light of the above, the EU has been providing support to the UfM Secretariat in the form of an operating grant since 2010 in co-funding with the members of the UfM.

The successful **UfM ministerial meetings** of the past years have consolidated the importance of the UfM as a political platform, reconfirmed the importance of regional integration and co-operation, and laid down the UfM work programme for the coming years. They have agreed to move forward on issues of common concern in the areas of transport, energy, gender, industrial co-operation, environment and climate change, digital economy, blue economy and urban development.

In addition to establishing the UfM, the Paris Summit also communicated that “*the [Anna Lindh Foundation] ALF would contribute to the cultural dimension of the*

Union for the Mediterranean; the ALF has to take into account the dialogue between cultures and ensure complementarities and synergies with the activities of other programmes in this field of action”.

The **Anna Lindh Foundation** has indeed played a fundamental role since 2005 in forming a bridge between the Euro-Mediterranean region by promoting understanding and intercultural dialogue between cultures, religions and people. Promoting Intercultural Dialogue in the region is more imperative than ever, as a response to some regressive cultural and social trends which are fuelling the rise of xenophobia and new forms of exclusion. This task should be implemented promoting democratic values, reinforcing the participation of civil society, and investing in youth leadership across the ALF programmes. Young people in the Southern Neighbourhood often feel excluded from participation in political and economic decision-making. The support to the ALF initiatives is intended to contribute to remedying this perception. The ALF suffers from under-funding by its Member States as well as the isolation and the difficult security and political situation caused by its location in Alexandria. A pro-active approach on the part of the EU vis-à-vis the Egyptian authorities and the Foundation itself will be important in trying to overcome this situation.

The **Council of Europe** (CoE) reacted to changes in countries of its Southern Neighbourhood by adopting in May 2011 the CoE policy towards the region following three main objectives: to facilitate political transition to democracy; to help promote good governance on the basis of relevant CoE standards and mechanisms; and to reinforce and broaden the regional work of the CoE in combating trans-frontier and global threats. Beyond a political dialogue dimension, the policy towards neighbouring regions comprises a co-operation dimension, which has since 2011 been translated in the adoption of framework co-operation documents with Morocco, Tunisia and Jordan.

It is in this context that the EU and the CoE resolved to establish a partnership, thus joining efforts to accompany the democratic reforms initiated in the Southern Mediterranean region. The Joint EU/CoE Programme “Strengthening democratic reform in the Southern Neighbourhood” (South Programme) was launched in 2012 (Phase I: 2012 – 2014; Phase II: 2015 – 2017), with as main objective to support the political and democratic reform processes in Southern Neighbourhood countries based on a demand-driven and targeted approach.

The political trend chosen by the EU is to strengthen its relation with the **League of Arab States** as key actor of the region. The EU-LAS Foreign Affairs Ministerial Meetings (2008, 2012 and 2014) and other contacts between the two organisations paved the way for EU-LAS co-operation. In January 2015, an EU-LAS Memorandum of Understanding was signed by the High Representative/Vice President (HR/VP) with the League and a Strategic Dialogue on Security between both organisations was inaugurated in November 2015.

The last **EU-LAS Ministerial meeting** (December 2016, Cairo) reaffirmed the importance of engaging together to address common political, economic, social and security challenges, in particular, the fight against terrorism and the prevention of

radicalization and their root causes, as well as migration. The present proposal is based on a Joint Work Programme⁸ agreed at that time. The Ministerial meeting also reaffirmed the importance of engaging together and highlighted the common interest to develop preventive diplomacy tools and confidence building measures.

1.1.3 Priority areas for support/problem analysis

Component 1: Support the Union for the Mediterranean (UfM) Secretariat.

The priority areas identified in the 2008 Paris Declaration remain up to date, but the UfM Roadmap, approved in January 2017, by the Ministers of Foreign Affairs, might extend this field of action: Transport and Urban Development, Energy, Environment including Climate Change and Water, Higher Education and Research, Social and Civil Affairs, Business Development.

The UfM resumed holding of several Ministerial meetings since 2013 on the role of Women (2013), and on Transport (November 2013), Energy (December 2013), Industry (February 2014), Environment/Climate Change (May 2014) Digital Economy (September 2014), Blue economy (November 2015), Regional Co-operation and planning (June 2016), Employment and Labour (September 2016), Energy (December 2016), Water Issues (April 2017) and Sustainable Urban Development (May 2017). This is a positive signal expressing a shared objective in establishing deeper regional co-operation both between EU and Southern countries and South–South co-operation. A Ministerial-level meeting is planned on the subject of Women's Empowerment (November, tbc), in the course of 2017, and others in the field of Industrial Cooperation, Trade, Transport, and Blue Economy might follow.

Component 2: Support to the Anna Lindh Foundation for Intercultural Dialogue (ALF) – Phase V.

The Anna Lindh Foundation works to spread a culture of dialogue and solidarity among Euro-Med citizens, decision-makers and opinion-makers, and enhance people-to-people exchanges to create a shared understanding on how to address issues of common concern in the region.

In line with the approved ALF strategy⁹, Investment in youth is a central overarching aim that has been reaffirmed through MED FORUM and the Anna Lindh Report on Intercultural Trends. To fulfil this vision, the ALF defines its programmes around four main objectives:

1. Advocacy and Research. Develop a pro-active policy to embed Intercultural dialogue policies at the local, national level based on the gathering of empirical data and enlarged network of contacts;
2. Empower young voices. Enhance a culture of dialogue, shape public affairs and media discourses, and create a shared understanding with peers across the Mediterranean on how to address issues of common concern to their communities;

⁸ EU-LAS Joint Work Programme (2016-2018).

⁹ Anna Lindh Foundation strategy “Working Together Towards 2025”, adopted by the Foundation’s Board of Governors on 11th June 2015

3. Intercultural learning and Capacity-building. Enhance Euro-Med citizens' intercultural skills, networking and mutual knowledge, and reaffirm the ALF as a reference point and to facilitate capacity-building;
4. Networking and co-operation. Facilitate the creation of Euro-Med collaborations, map priority areas of intervention and synergies among dialogue actors, and support collective visible actions.

Component 3: Support to the Council of Europe to implement the South Programme III - Institutional support.

As under South Programme I and II, priority area will remain democratic governance. But South Programme III will focus particularly on:

- Pursuing the creation of a common legal space between Southern Mediterranean and Europe;
- Constitutional processes including continued institutional support to democratic governance instances;
- Supporting regional training on human rights for legal professionals.

Component 4: Reinforcing dialogue and co-operation with regional organisations, namely the League of Arab States and the Union for Mediterranean.

Priority area under this component is a strengthened dialogue, co-operation and collaboration with key regional actors: main partner will be the League of Arab States. Officials from the LAS itself and its Member States will participate in targeted dialogue sessions with EU officials (EU institutions and Member States).

Participants from the Organisation of Islamic Co-operation and the Union for Mediterranean will also be eligible for inclusion, when relevant, in the activities developed under this action.

The aim is also to contribute developing/reinforcing a culture of dialogue with civil society and those regional organisations.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Component 1: UfM The main risks and possible constraints derive from the fact that the global budget of the UfM Secretariat relies upon contributions from the European Union (around 50%) and the 43 UfM members. Any delay in the delivery of UfM governments' contributions or in the fulfilment of	H	UfM Secretariat, as well as the two co-Presidencies, leads constant actions towards UfM members and other potential donors in order to secure regular funding. As a result, for instance, Sweden has signed a Memorandum of Understanding contributing EUR6.5 million over period 2017-2020.

<p>the corresponding commitments might lead to a disruption of the implementation of the approved work plan of the Secretariat.</p>		
<p>Component 2 : ALF Main risk weakening the ALF is the Member States not living up to their financial commitments. Present action is designed with the assumption that ALF Member States will contribute to the amount of EUR 4M. Uncertain, decreased or cancelled Member States contributions might put at risk the sound implementation of the action.</p>	H	<p>EU institutions and ALF use every occasion to remind ALF Member States to respect their financial commitments. A joint letter from the EU High Representative and Vice-President and the Commissioner for Neighbourhood and Enlargement Negotiations will be sent to all capitals to restate the importance of sufficient and sustainable funding. There will be renewed efforts towards reinforcing ALF capacity for its new communication policy and partner-led strategic fundraising, as backed by the ALF Board of Governors. This will further strengthen the Secretariat's capacity to seek and secure complementary sources of financing from the public and private sector.</p>
<p>Component 3: CoE Sector focus of South Programme III covers priority topics for EU co-operation (democratic governance, rule of law, etc.) which could also be covered, from different angles, by bilateral actions. Risk of duplication exists.</p> <p>Any activities in this field in the Southern Neighbourhood risk encountering the problems caused by the difficult geo-political environment, acute and chronic conflicts and lack of regional integration.</p>	H	<p>South Programme III should have a strong regional focus to avoid duplication with bilateral action. Strong mechanisms of co-ordination and information sharing between CoE, EU Delegations and EU headquarters should be put in place. The programme will be structured by theme rather than by national pillars.</p> <p>The programme will present a strong regional approach, avoiding a multi-country approach and will be based on those thematic areas proposed by CoE where there is an interest in participation from representatives of institutions from southern partner countries. Actions to be undertaken in individual countries will be financed as much as possible from bilateral allocations.</p>
<p>Component 4: Co-operation with regional actors Objective should be to establish a sustainable dialogue with officials</p>	M	<p>Activities should target recently recruited officials or officials expected to stay in their position in order to build sustainable networks.</p>

from the LAS. Officials turn-over could weaken the work done in establishing a strong network and sustainable relations.		
Assumptions		
<p>The UfM Secretariat will revise and adapt its work plan for 2018 if UfM governments' contributions do not reach the 50% of the budget foreseen.</p> <p>The ALF will revise and adapt the work programme related to phase V if Member States contributions do not amount EUR4M as expected.</p>		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Component 1: Support the Union for the Mediterranean (UfM) Secretariat.

The overall co-ordination and interaction between EU staff and the UfMS has dramatically increased since 2011 with regular exchanges and meetings on transport, energy, environment, private sector development, urban development, gender, climate change, blue economy employment, energy and more recently on regional co-operation and planning. The Secretariat's efforts to streamline and rationalise its internal procedures are also bearing fruit.

An evaluation of EU support over the past four years will be carried out and the recommendations will be taken into account in future programming.

Component 2: Support to the Anna Lindh Foundation for Intercultural Dialogue (ALF) – Phase V.

The European Commission has commissioned an external evaluation whose preliminary results state that the Anna Lindh Foundation's mandate remains relevant to the overall political, social and cultural context of the Mediterranean region (and also to "non-Mediterranean" European Union countries). Its mandate and activities are highly relevant to European Union strategies, priorities and objectives. They are more than necessary today, given the major challenges both our regions face (trends for extremism and radicalization, xenophobia, etc.).

However, the priority setting of the Foundation moved in several directions since its beginning. This shows flexibility but has led to a dilution of its longer-term strategy and impact, with the themes covered overly broad. A better definition and tightening of the mandate and the priorities of the Foundation, around important and current common challenges, are therefore necessary.

At policy level, the evaluation notes that ALF faces considerable challenge in balancing civil society needs and government policies, especially in relation to Civil Society space in some Member States.

The EU funding has been qualified as essential to the ALF's survival, especially in the light of the current financial crisis the Foundation is going through.

The Foundation should enhance its role as an actor of proximity. In this perspective, the current setting, functioning and role of the national networks in the

Mediterranean region and in Europe should be reviewed and rationalised. This would allow them to play a stronger role in the implementation of ALF's action.

Component 3: Support to the Council of Europe to implement the South Programme III - Institutional support

The regional EU-CoE joint South Programme constitutes one of the three pillars of the Statement of Intent signed in 2014 between the EU and the CoE to enhance co-operation at the political and operational levels in key areas of common interest.

The Programme has brought considerable progress and engagement of authorities on reforms related to human rights, democracy and the rule of law, including on issues of a politically sensitive nature (support in setting up National Prevention Mechanisms against torture, harmonisation of legislation in the field of trafficking in human beings, advanced training in the field of human rights, rule of law and democracy, parliamentary co-operation, etc.).

The Programme has proved relevant and sustainable in providing institutional support to the region, as it is based on the CoE's unique added value of standard-setting, monitoring, expertise and tools that cover a range of key topics in the CoE's areas of expertise. These topics are also identified as priorities in strategic EU documents concerning the region.

Through the Programme, beneficiary partners have also been able to participate regularly on an equal footing in CoE's mechanisms, conventional and expert committees, together with European peers from 47 member states.

The Programme has now reached a crucial phase, with increasing and more targeted demands from partner countries and a need to consolidate the CoE's achievements in some areas.

Preliminary results of an external evaluation commissioned by the European Commission shows that the results of the South Programme I and the achievements that can be already noticed under the South Programme II certainly confirm the value of this specific form of EU/CoE joint co-operation, and its importance within the overall machinery of actions aimed at promoting democratic governance and the rule of law in the Southern Mediterranean.

Continued support through CoE is appropriate, particularly due to the evidence of the capacity of CoE bodies to effectively interact with the institutional and legal reform processes ongoing at national level, to which contributes the level of the expertise mobilized and CoE being widely recognised as neutral and independent.

The added value of the South Programme, compared to other interventions in the democratic governance and rule of law fields, could be significantly improved by a better balance between the countries to reach a real regional scope (currently, the bulk of activities target Morocco, Tunisia where further bilateral actions are foreseen and, to a lesser extent, Jordan and Palestine).

Component 4: Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States

The EU co-operation with LAS is embedded in a Joint Work Programme (JWP) which is regularly discussed during EU-LAS Senior Official Meetings. A two-pronged approach is adopted:

- A dedicated project to improve the flow of information and to promote dialogue among officials working in the EU Institutions and in the Arab League (Secretariat and Member States). The idea is to reach a better understanding by Arab officials of the functioning and priorities of the EU as well as a deeper knowledge by EU officials of how does the LAS work will pave the way for productive co-operation among them. The project “El-Hiwar” (“the dialogue” – 2013 - 2017) implemented by the College of Europe includes trainings on EU and LAS functioning; thematic workshops on commonly identified priorities: civil society, media, mediation, human rights, gender; and support to participation of LAS representatives to EU events. The project is appreciated by the EU and LAS which is participating actively in the different events.

- Integration of representatives from LAS secretariat and Member States into existing EU regional programmes: LAS representatives are involved into activities organised by already existing EU regional programmes. The themes where this co-operation is organised are the ones identified through the successive EU – LAS Ministerial Declarations (2012, 2014, 2016). Main programmes open to LAS participation include for instance: gender (LAS representatives have been active and supportive of the setting up of a network of Arab politician women and a network of women active as entrepreneur); migration; electoral observation; civil society; etc.

Throughout the co-operation, ownership within LAS increased, with the organisation taking greater interest and willingness enhanced visibility and association to the actions.

Within El Hiwar, “content-wise”, LAS took greater part in the definition of the activities and identification of participants; “process-wise”, LAS increased participation in the implementation of the activities and the logistical support. A well-established “routine” to co-operate has been established by now.

Also, a greater number of departments were involved from the LAS side.

Within the EU institutions, we note that, work still needs to be done to increase EU representation during the different activities.

The aim of this action is to develop a new dedicated programme to support EU dialogue and co-operation with LAS, as a follow-up and broadening of the project El-Hiwar. The main areas of co-operation for the thematic workshops will be similar to the ones dealt with under the current projects, complemented by new issues identified by both partners. The human rights approach will be a prominent feature in all activities.

The next programme should build on the “institutional” trend. Synergies could be further explored with other regional projects funded by the EU on a case by case basis and in case the thematic scope is broaden (trade/investment/SME, youth for instance). Co-ordination would then be further reinforced with other Commission services.

3.2 Complementarity, synergy and donor co-ordination

Component 1: Support the Union for the Mediterranean (UfM) Secretariat

The regular exchange of information between the UfM Secretariat, Commission services and EEAS staff and other donors and international financing institutions

permits the Secretariat to fully account for all on-going actions in the design of projects to be given the UfM endorsement (so called labelling).

The Heads of State and Government of the UfM members have established a co-presidency to ensure shared ownership of their co-operation. Senior officials convene regularly in order to prepare the ministerial meetings, endorse projects, take stock of and evaluate the progress of all components of the Union for the Mediterranean and review the annual work plan and budget. The UfM members co-finance it by making voluntary financial contributions and seconding officials to the Secretariat.

Close co-ordination between the Commission services is constant in order to ensure complementarities and synergies and avoid overlaps of specific activities or double funding.

Component 2: Support to the Anna Lindh Foundation for Intercultural Dialogue (ALF) – Phase V

During the 2015-16 period, the Anna Lindh Foundation's strategic programming has been firmly aligned with the revised ENI policy. This has included the central role of the Foundation in the revised European Neighbourhood Policy¹⁰. It has also led to a close programming alignment with existing regional programmes of the European Union (e.g. MedMedia, MedCulture).

In addition to the ENP, the ALF is referenced in the EU joint communication in international cultural relations (2016)¹¹ and has been referenced by EU high officials in relation to the new Global Strategy for the EU's Foreign and Security Strategy (Global Strategy). The ALF flag-ship programme Young Mediterranean Voices has also been referenced in a series of institutional declarations, among them the 5+5 Ministerial meeting of October 2016, the 5+5 Ministerial on Culture of February 2017, UfM ministerial meetings on development and co-operation, and the Fourth League of Arab States - European Union Ministerial Meeting (December 2016).

The Anna Lindh Foundation has also aligned its programming with international co-operation frameworks including its appointment in 2016 to the inter-institutional steering group of the Progress Study for UN Security Council Resolution on Youth, Peace and Security.

ALF action will therefore complement and collaborate with relevant Euro-Med programmes as well as those carried out by other regional or international institutions, especially programmes aiming at empowering and supporting, young men and women, civil society, inter-cultural dialogue, culture and media.

NET-MED Youth and the Erasmus+ Programmes promote mobility, youth exchanges, informal learning, mutual understanding, training and youth networking projects and support of youth organisations from both the EU and Mediterranean Partner Countries which all enhance Euro-Mediterranean co-operation in the youth field.

The ALF will complement the thematic programme 'Global Public Goods and Challenges' for the period 2014-2020 which targets intercultural governance in

¹⁰ "Review of the European Neighbourhood Policy", JOIN(2015) 50 final, 18.11.2015.

¹¹ "Towards an EU strategy for international cultural relations", JOIN(2016) 29 final, 8.6.2016.

cooperation with multi-stakeholder partnerships, including where relevant local authorities.

Some of the ALF's main actions, for instance, the Forum and the Report are suitable fields for the already established partnership strengthening with the United Nations Educational, Scientific and Cultural Organisation (UNESCO), the Alliance of Civilisations, the Council of Europe, the League of Arab States, the Islamic Education, Science, Cultural Organisation (ISECO), the Organisation of the Islamic Co-operation (OIC), the EuroMed Parliamentary Assembly (EMPA), the Permanent Conference of the Mediterranean Audio-visual Operators (COPEAM) and the Euro-Mediterranean Assembly of Local and Regional Authorities (EMRLA).

At a regional level, the Anna Lindh Foundation will develop its strategy within the context of the Euro-Mediterranean Partnership and the Union for the Mediterranean.

In the field of Media, ALF will continue to promote complementary actions developed with Med-Media and the Open Media Hub.

In the field of culture, ALF will also keep the co-operation with Med-Culture and seek complementarities with the MedFilm programme supporting the role of women in the audio-visual sector.

Finally ALF work will complement and reinforce synergies with mechanisms supporting civil society such as the Neighbourhood South Civil Society Facility and the Dialogue Fellows programme.

Component 3: Support to the Council of Europe to implement the South Programme III - Institutional support.

The South Programme has complemented the efforts of the European Union to create a space of shared commitments to human rights, democracy and the rule of law with the Southern Mediterranean. In this context, the South Programme has applied most of the principles laid in the 2015 Joint communication « Review of the European Neighbourhood Policy »¹², to create a self-reinforcing circle whereby a stronger bilateral co-operation leads to a better regional co-operation and vice-versa”.

To avoid duplication and fulfil aid effectiveness requirements, the programme will closely co-ordinate with bilateral actions and programmes implemented by the EU and other donors in the fields of rule of law, support to constitutional processes and institutions, justice, human rights, fight against corruption.

It will also reinforce synergies with regional programmes dealing with similar topics such as EuroMed Justice, or other regional actors active in the region such as the European Endowment for Democracy as well as actions undertaken under EU thematic instruments, especially the European Instrument for Democracy and Human Rights (EIDHR). The programme also needs to be complementary to other EU actions supporting national electoral bodies and bilateral programmes in support of reform of the justice system.

Component 4: Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States

¹²

"Review of the European Neighbourhood Policy", JOIN(2015) 50 final, 18.11.2015.

Within the current El-Hiwar project, increased synergies have been established with other EU funded projects/bodies (i.e. EODS, MedMedia). Those synergies will be reinforced and broadened. Other Commission services will keep on being involved depending on the thematic in focus.

3.3 Cross-cutting issues

Following the adoption by the EU Council of Ministers of the tool-box "A Rights-Based Approach, encompassing all human rights, for EU Development Co-operation" in Council Conclusions in May 2014¹³, the European Commission committed to move towards a Rights-Based approach for development co-operation. Therefore grant contracts under this should follow as much as possible the working principles of the Rights-Based Approach, clearly identify the national and international legal basis of the rights addressed in the action and use relevant quantitative and qualitative indicators.

Component 1: Support the Union for the Mediterranean (UfM) Secretariat

The 2008 Paris Summit declared that the UfM could play an important role in addressing common challenges facing the Euro-Mediterranean region, such as regional security, sustainable economic and social development; food security crisis; degradation of the environment, including desertification, as well as addressing climate change in relation to promoting sustainable development; energy; migration; the fight against terrorism and extremism; and promoting dialogue between cultures. Emphasis will be placed on streamlining gender issues into relevant activities.

Component 2: Support to the ALF – Phase V

The Project integrates culture of peace, good governance, citizen's participation and human rights in its activities, which are at the basis of respect and preservation of cultural diversity.

The ALF is a hybrid organisation, governed by the UfM Member States but relying, for its activities, on national networks of civil society organisations. Civil society empowerment and support is therefore a major dimension of the ALF action.

Youth as well is a major component of ALF mandate. With programmes such as the Young Mediterranean Voices, ALF supports empowerment and capacity building of young men and women to interact with authorities and make their concerns heard.

Given the importance of women empowerment policies in the region, the Foundation will also encourage and support projects addressing women affairs. Gender equality will be streamlined throughout all the ALF programmes. Also, ALF will ensure that gender equality is reflected among the activities' participants.

Component 3: Support to the Council of Europe to implement the South Programme III

¹³ Council conclusions on a rights-based approach to development cooperation, encompassing all human rights, Foreign Affairs (Development) Council meeting, Brussels, 19 May 2014.

The programme will help facilitate the involvement of civil society in reform processes where CoE provides advice by ensuring that experience and knowledge of CoE are shared with key civil society organisation in a given field. Therefore, to the extent feasible, the advice provided by CoE on constitutional issues and European conventions ought to be subject to public awareness involving civil society, parliaments and other relevant stakeholders.

The Programme will elaborate guidelines and training courses for programme staff that ensures, that gender equality, youth, a human right based approach and civil society involvement are appropriately taken into consideration both in the planning and in the implementation of the activities of the programme.

The programme will prioritise gender equality, equal opportunities and the participation of women and youth in its activities. Women will be encouraged to participate in the networks and act on the potentially different needs and aspirations of young men and women.

Finally, the implementation of this programme will ensure that a rights based approach is being applied when designing and programming new activities.

Component 4: Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States

The action will facilitate trilateral dialogue sessions and activities between the League of Arab States, the EU and civil society; the aim being to build/reinforce a culture of dialogue with and involvement of civil society by the partners (regional institutions).

Genders, as well as human rights issues stand high in the agenda of the dialogue between the EU and the League of Arab States. It will remain of the priority focus of activities.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective is to bring support to the action of regional organisations partners of the EU in the Neighbourhood South: Union for the Mediterranean (component 1); Anna Lindh Foundation (component 2); Council of Europe (component 3). As well as reinforce dialogue and collaboration with key regional partners, mainly the League of Arab States (component 4).

Component 1: Support the Union for the Mediterranean (UfM) Secretariat

The objective of the component is to support the UfM Secretariat in carrying out its mandate through an operating grant with co-funding from the members of the UfM.

It will help the Secretariat to perform the following tasks:

- a) To work with all structures of the process, particularly with the co-presidencies, e.g. drafting working documents for the senior officials and through them for the other decision making bodies, to ensure the operational follow up of the decisions of the Ministerial Conferences, and to act as an unique platform for dialogue and co-operation between stakeholders on thematic priorities for the region;

- b) To give an impetus to this process in terms of follow-up, promotion of new projects and wider sector initiatives and search for funding and for implementation partners;
- c) To be the focal point for multi-source funding of UfM projects;
- d) Increasingly interact with other sub-regional frameworks, while building on synergies.

Component 2: Support to the ALF – Phase V

Objective 1: Develop a pro-active policy to embed Intercultural dialogue policies at the local, national based on the gathering of empirical data and enlarged network of contacts.

Inter-cultural Trends Analysis and Media Dialogue. In order to set an objective basis for the identification of priority programming areas in the domain of intercultural policies and encourage a more informed public opinion debate, the ALF will continue its research and analysis work through the Anna Lindh Report on Intercultural Trends and establish a dialogue platform bringing together journalists, opinion-leaders, academics and civil society representatives to exchange perspectives on research results and analyse good practices in the region.

Output 1.1: Main challenges and opportunities on Intercultural Trends are identified and published in a report.

Objective 2: Enhance Euro-Med citizens intercultural skills, networking and mutual knowledge and reaffirm the ALF as a reference point to facilitate capacity-building

Learning for Intercultural Cities. The ALF sets to invest in a programme for Intercultural learning and practices to spread a culture of dialogue for the respect of diversity, the nurturing shared-values and the enhancement of intercultural exchanges among young people.

Output 2.1: Support to the constitution of an ALF Academy for intercultural skills and promotion of intercultural dialogue practices

Output 2.2: Intercultural practices are embedded in local and national policies and innovative practices are promoted

Output 2.3: A platform for co-operation and exchange and advocacy for the promotion of translation flows cross the Mediterranean is created.

Objective 3: Facilitate the creation of Euro-Med collaborations, map priority areas of intervention and synergies among dialogue actors, and support collective visible actions.

Connect Plus. In order to strengthen co-operation and knowledge among civil society across the Mediterranean the ALF will provide exchange opportunities for associations, grants, platforms and regional fora for consultation, partnership-building and showcasing of practices among civil society representatives and leaders, journalists, stakeholders in the translation chain and cultural operators.

Output 3.1: The "Mediterranean Forum" as the region's primary platform for intercultural dialogue

Output 3.2: Strong co-operation among civil society organisations (CSOs) and youth associations among the ALF Networks

Output 3.3: Raising the visibility of existing intercultural dialogue practice

Component 3: Support to the Council of Europe to implement the South Programme III - Institutional support

The objective of the component is to assist Southern Mediterranean countries in reinforcing their institutions, their reform processes, the rule of law, human rights, fight against corruption. Specific objectives will be to:

- Pursue increased harmonisation of legal norms and standards on both sides of the Mediterranean;
- Reinforce constitutional processes including continued institutional support to democratic governance instances;
- Support regional training on human rights for legal professionals.

Component 4: Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States

The objective of this component is to help reinforce and structure the dialogue between the EU and key regional actors, mainly the League of Arab States, around common regional priorities. The goal is to support a reinforced dialogue leading to closer links between both institutions, and a stronger co-operation on regional files.

In the effort of deepening our partnership with the League, we will aim at fostering a culture of dialogue and joint collaboration with civil society. The idea is to gather partners (EU, LAS and Civil Society representatives) to debate around regional priorities in order to find inclusive solutions to regional challenges, with the aim for LAS to become a game-changer in the relation between governments and civil society.

4.2 Main activities

Component 1: Support the Union for the Mediterranean (UfM) Secretariat

The action will make an essential contribution to the attainment of the following results.

Result 1: The role of the Secretariat as a regional dialogue platform is reinforced.

Result 2: High quality regional projects and initiatives in the six priority areas (Transport and Urban Development, Energy, Environment including Climate Change and Water, Higher Education and Research, Social and Civil Affairs, Business Development) are given the UfM label and constitute an implementation of the political mandate provided by the Ministerial declarations.

Result 3: Relations and co-operation with international and bilateral financial institutions and the private sector are strengthened, notable to increase financing for projects.

Result 4: The internal functioning of the Secretariat is improved, in particular as evidenced by the supportive relations with Commission line DGs.

The activities focus on the steps to be taken by the Secretariat to develop and appraise project proposals with the objective of submitting new high quality proposals to UfM partners and then to get the projects started.

While consolidating the current strategic partnerships achieved with institutions such as European Commission, European Investment Bank, European Bank for Reconstruction and Development Norwegian Aid, the UfMS aims to scale up ongoing co-operation with key institutions such as the African Development Bank, the Islamic Development Bank and other specialised institutions such as UN agencies. It will also continue to reach out to potential partners and network with other bilateral institutions such as the Kreditanstalt für Wiederaufbau, Swedish International Development Co-operation Agency, the Swiss Development Co-operation Agency and others in the Gulf region. A co-ordination meeting with IFIs will be held on an annual basis. Building strong private - public partnerships will catalyse conditions for solid development of the Mediterranean area.

Activities will focus on the continuous upgrade of the procedures for project monitoring of labelled projects, for processing proposals and projects submitted for 'labelling'. The manual of internal procedures includes all the policies and regulations needed for the smooth running of the organisation, and the workflows and internal control mechanisms introduced to increase efficiency and transparency in line with Commission rules. The on-line Project Monitoring System will be consolidated as the unique tool of projects information internally and externally and will allow for a closer scrutiny of processes and follow up of implementation of projects. The projects submitted should take account of EU policies and priorities, particularly the revised European Neighbourhood Policy and the external dimension of EU policies on topics such as the environment, energy, transport, civil protection, small and medium-sized enterprises, higher education, research and food safety. Ideally, labelling should be extended into "softer" areas rather than predominantly infrastructure. It is noted that the Commission will continue to contribute to a joint reflection on how to improve the relevance of UfM labelling.

Apart from the projects activities, the UfMS, as an operational platform for co-operation between Northern and Southern rims of the Mediterranean, will continue encouraging consensus building, promoting the development of regional agendas, developing regional and sub-regional networks, and foster dialogue and exchange among all stakeholders from the Mediterranean region. This will be implemented through the organisation of specific dialogue meetings, high level conferences and experts fora/working groups or round tables in the areas of activity of the Secretariat's mandate.

Component 2: Support to the ALF – Phase V

Objective 1: Develop a pro-active policy to embed Intercultural dialogue policies at the local, national levels, based on the gathering of empirical data and enlarged network of contacts. Intercultural Trends Analysis and Media Dialogue.

Output 1.1: Main challenges and opportunities on Intercultural Trends are identified and published in a report. *Key Activities:*

1.1.1 Triennial opinion-polling and benchmarking

1.1.2 Anna Lindh Report (analysis, publication and dissemination)

1.1.3 Mapping and promoting Innovative Practices

Output 1.2: A permanent media observatory associated to the ALF: *Key Activities*

1.2.1 Media mapping and research

1.2.2 Engagement of Journalism Schools on cross-cultural reporting

1.2.3 Facilitating rapid-media response mechanisms with the engagement of an intercultural experts network

1.2.4 Facilitating Media/CSO/Academia opportunities for high-level policy dialogues

Objective 2: Enhance Euro-Med citizens intercultural skills, networking and mutual knowledge and reaffirm the ALF as a reference point to facilitate capacity-building Learning for Intercultural Cities.

Output 2.1: Support to the constitution of an ALF Academy for intercultural skills and promotion of intercultural dialogue practices. *Key Activities:*

2.1.1 Roll-out of the Regional Trainings for Trainers programme

2.1.2 Educational Initiatives fund

2.1.3 Resource centre for pedagogy tools and practices

Output 2.2: Intercultural practices are embedded in local and national policies and innovative practices are promoted

2.2.1 Mechanism for local dialogue

2.2.2 Network and mentorship scheme for social entrepreneurs

2.2.3 Embedding intercultural learning with education institutions

Output 2.3: A platform for co-operation and exchange and advocacy for the promotion of translation flows cross the Mediterranean is created.

2.3.1 Translation Programme Conference

2.3.2 Translation Intercultural Platform

2.3.2 Continuous Development of the Translation Intercultural Platform

Objective 3: Facilitate the creation of Euro-Med collaborations, map priority areas of intervention and synergies among dialogue actors, and support collective visible actions.

Connect Plus. Output 3.1: The "Mediterranean Forum" as the region's primary platform for intercultural dialogue.

Key activities:

3.1.1 Preparation process, permanent networking platform for the Med Forum community

3.1.2 Organisation and delivery of the flag-ship intercultural dialogue event

3.1.3 New partnerships and co-operation between civil society organisations facilitated through the Forum process

Output 3.2: Strong co-operation among CSOs and youth associations among ALF Networks

3.2.1 Large-scale cross-network actions among members of the ALF networks

3.2.2 Annual Networks forum (focus on networking, good practice exchange and advocacy)

3.2.3 Knowledge exchange mechanism to support immersion activities with CSO leaders

Output 3.3: Raising the visibility of existing intercultural dialogue practice

3.3.1 Awards and recognition with young journalists and dialogue leaders

3.3.2 Large-scale communication initiatives involving networks and institutional partners

3.3.3 Development of a first "Capital of Dialogue" Initiative for the Euro-Med region

Component 3: Support to the Council of Europe to implement the South Programme III - Institutional support

The Programme is expected to provide support and advice to Southern Mediterranean countries in reinforcing human rights, rule of law and democracy. The Programme will be built on the experience and achievements of the previous phases of EU/CoE Joint Programme “Strengthening democratic reform in the Southern Neighbourhood” (South Programmes I and II) and should also aim to consolidate its achievements.

The CoE and the European Commission will jointly identify a limited number of core areas within the following themes:

- **Pursuing increased harmonisation of legal norms and standards on both sides of the Mediterranean:** this is a continuing process that requires authorities, as they prepare/revise legislative frameworks, to ensure implementation once the national laws are adopted and/or once a country has become a Contracting Party to a CoE convention. Accession to conventions will progressively lead to the application of CoE monitoring mechanisms in the region. Accession to international treaties contributes strongly to the sustainability of CoE intervention beyond the implementation of specific assistance projects.
- **Constitutional processes including continued institutional support to democratic governance instances:** the expertise of several CoE bodies (including the Venice Commission) should continue to support constitutional reform processes in countries in the region through the drafting of organic laws and other legislative frameworks. This also covers the implementation of constitutional provisions, including setting-up and operating democratic human rights/governance instances (e.g. independent electoral bodies). This dimension of the programme also contributes to the sustainability of results.
- **Supporting regional training on human rights for legal professionals:** this will aim to a harmonised application of human rights standards and the European

system of human rights protection. Education for trainers would use the existing CoE mechanisms and networks and on-line tools to ensure a wide reach.

A variety of CoE tools will be employed to ensure successful co-operation, in particular:

- CoE Conventions open to non-member States and more generally CoE standards in priority areas;
- The long-standing expertise of several CoE instances such as the Venice Commission, or Council of Europe Parliamentary Assembly (PACE);
- The methodologies developed within the CoE to regularly assess and respond to “shared” challenges (such as Council of Europe Group of States against Corruption (GRECO));
- Specific tools such as the Partner for Democracy Status granted by PACE to certain Parliaments of the region.

Among the activities to be carried out are:

- Support to assessing the existing legal and institutional framework in selected areas and to identify needs and follow-up action; drawing-up of new legislative texts, the revision of existing legislation, the strengthening and/or setting-up of human rights institutions and governance structures, networks of CoE’s experts in key priority areas, CoE standards and reference documents;
- Transferring knowledge and skills on specific subjects with a view to enhancing national capacities;
- Facilitating the sharing of experiences and the exchange of best practice between Europe and countries benefiting from CoE co-operation projects as well as within the region itself;
- Participation of beneficiary partner countries in relevant CoE intergovernmental structures and networks, as appropriate.

Whenever appropriate, national experts from the region will be closely involved in particular in the preparation of assessments and expertise, including through peer reviews. Beyond enhancing ownership, this will also ensure that the projects proposed are adapted to the needs of the partner country.

Finally, whenever relevant, a series of horizontal exchanges with other relevant Euromed programmes will be carried out so as to maximise results and increase

Component 4: Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States

Activities would take place in Brussels, Cairo and Malta and be organised around the following lines:

(1) Thematic workshops/dialogue sessions where the LAS, the EU and civil society would debate and exchange on priorities for the region: exchange around their respective policies on the issue, try to find synergies and common solutions to challenges. The themes dealt with by the thematic workshops are among the ones covered by the EU-LAS Joint Work Programme: mediation, role of civil society, women empowerment, migration, education, etc.;

(2) Financial envelope to support participation of LAS representatives to activities organised by the EU, including under the EU-LAS Strategic Dialogue on security (working groups).

4.3 Intervention logic

Component 1: Support the Union for the Mediterranean (UfM) Secretariat

With a view at reaching the objectives and implementing the activities as described in sections 4.1 and 4.2, the present contribution will be delivered through an operating grant awarded to the UfM Secretariat and covering the period running from January 2018 until December 2018.

The purpose of the operating grant is to strengthen the Secretariat's internal capacities to deliver its action in terms of projects labelling, organisation of regional dialogues, implementation of ministerial mandates, preparation of senior officials meetings, etc.

Component 2: Support to the ALF – Phase V

With a view to reaching the objectives and implementing the activities as described in sections 4.1 and 4.2, the present contribution will be delivered through an action grant awarded to the Anna Lindh Foundation to cover the fifth phase of its work programme (36 or 48 months starting in January 2018, depending on level of Member States contributions).

The purpose of the action grant is to support the Foundation in

- developing a pro-active policy to embed Intercultural dialogue policies at the local, national, regional levels and enlarged network of contacts;
- enhancing Euro-Med citizens' intercultural skills, networking and mutual knowledge and reaffirming the ALF as a reference point to facilitate capacity-building in the field of inter-cultural dialogue;
- facilitating the creation of Euro-Med collaborations, mapping priority areas of intervention and synergies among dialogue actors, and supporting collective visible actions.

Component 3: Support to the Council of Europe to implement the South Programme III - Institutional support

With a view to reaching the objectives and implementing the activities as described in sections 4.1 and 4.2, the present contribution will be delivered through a Pillar Assessed Grant or Delegation Agreement (PAGoDA) signed with the Council of Europe and covering the period running from January 2018 until December 2020.

The support to the CoE will allow the institution to assist Southern Mediterranean countries in reinforcing their institutions, their reform processes, rule of law, human rights, and fight against corruption.

Component 4: Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States

With a view to reaching the objectives and implementing the activities as described in sections 4.1 and 4.2, the present contribution will be delivered through a service

contract awarded to the College of Europe Bruges and covering the period running from January 2018 until December 2020 (indicative timing).

The service contract will aim at reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States mainly through the organisation of thematic dialogue sessions and the support to the participation of LAS officials to EU activities and events.

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, 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 60 months from adoption by the Commission of this Action Document.

Component 1: Support the Union for the Mediterranean (UfM) Secretariat

Within this implementation period, one operating grant will be awarded, covering the following implementation duration: 12 months, from January to December 2018.

Component 2: Support to the ALF – Phase V

Within this implementation period, one action grant will be awarded, covering the following implementation duration: 36 to 48 months.

Component 3: Support to the Council of Europe to implement the South Programme III - Institutional support

Within this implementation period, one delegation agreement will be signed, covering the following implementation duration: 36 months.

Component 4: Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States

Within this implementation period, one service contract will be awarded, covering the following implementation duration: 36 months.

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 Budget 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 Grant: direct award (direct management)

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

The objective of the grant is to support the Secretariat of the UfM in executing its mandate, in particular the work programme for 2018, through a financial contribution to the functioning of the organisation.

The field of intervention, priorities and expected results are those mentioned under sections 4.1 and 4.2.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible and in accordance with Article 190(f) of the rules of application of Regulation (EU, Euratom) No 966/2012, the recourse to an award of a grant without a call for proposals is justified because the UfM is the sole forum for dialogue among 43 Euromed partners (EU Member States, ENP South countries, BiH, Montenegro, Albania, Turkey and Mauritania) and complements bilateral relations between the EU and its southern neighbours. **The Secretariat of the Union for the Mediterranean (UfMS)** focuses on identifying and promoting **projects** which enhance and strengthen regional co-operation and impact directly on the livelihoods of the citizens in order to improve socio-economic development, regional integration, sustainable development and the exchange of knowledge among and within the members of the UfM. Lately, there has been increasing support of the Secretariat to policy dialogue (climate, energy, water, environment...) and the Commission supports the idea of transferring some of the responsibility for organising various EuroMed meetings (industry, transport) to the secretariat.

The Union for the Mediterranean (UfM) was launched in July 2008 at the Paris Summit for the Mediterranean. It builds on the Euro-Mediterranean Partnership (Euro-Med), established at the Barcelona Conference in 1995.

As per the Joint Declaration of the Paris Summit for the Mediterranean of 13 July 2008, the Secretariat is mandated to work specifically on a number of key initiatives in the following areas: De-pollution of the Mediterranean, Maritime and Land Highways, Civil Protection, Alternative Energies: Mediterranean Solar Plan, Higher Education and Research, Euro-Mediterranean University; the Mediterranean Business Development Initiative. Until now, the UfM has endorsed 47 projects; some are under implementation (including, for some, with EU funding notably through the NIF).

The EU has invested substantially and increasingly in the success of the Union for the Mediterranean – politically, financially and technically. The UfM Northern **Co-Presidency** was transferred permanently to the EU in March 2012. There is therefore a direct political interest for the EU in the efficient operating of the UfM Secretariat.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the UfM Secretariat.

The essential award criteria are relevance of the proposed work programme to the Secretariat's mandate; design, effectiveness, feasibility, sustainability and cost-effectiveness of the work programme.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 50%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

Fourth quarter of 2017.

5.3.2 Grant: direct award (direct management)

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

The objective of the grant is to fund the fifth phase of the programmes of the Anna Lindh Foundation. The field of intervention, priorities and expected results are those mentioned under sections 4.1 and 4.2.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible and in accordance with Article 190(f) of the rules of application of Regulation (EU, Euratom) No 966/2012, the recourse to an award of a grant without a call for proposals is justified because such modality is allowed for actions having specific characteristics that require a particular type of body on account of its technical competence or its high degree of specialisation. This is the case of the ALF which was created in 2004, following an initiative by President Prodi, and has the mandate of promoting inter-cultural dialogue in the Euro-Mediterranean region. Based in Alexandria, it is managed by a president and executive director with an international and domestic staff of about 50 people. To help fulfil its mandate it manages a network of almost 4,000 civil society organisations throughout the region. Since its beginning, the ALF has launched and supported action across fields impacting on mutual perceptions among people of different cultures and beliefs, as well as developing a region-wide Network of over 3,500 civil society organisations based on the 43 national networks of the 43 countries members of the Union for the Mediterranean. The Anna Lindh Foundation **has an added value steaming from its unique nature as intergovernmental organisation and as a network of networks**. As such, the ALF is a platform for both governments and civil society organisations. In this sense, their management structure makes possible to the ALF to play a key role as an intermediate structure between governments and CSOs. Some bridging activities between these two levels take place to ensure dialogue and reinforce the role of CSOs as interlocutors to government institutions. ALF organises actions in the fields of Peace and Co-existence; Culture and Arts, Education and Youth; Values, Religion and Spirituality; Cities and Migration; Empowerment of women; role of Media.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the ALF.

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

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 80%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

Fourth quarter of 2017.

5.3.3 Procurement (direct management)

	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Support to the dialogue with regional key partners – League of Arab States	Services	1	Fourth quarter of 2017

5.3.4 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the Council of Europe in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails support to the implementation of the South Programme III – Institutional support.

The project to be implemented by the CoE will concentrate specifically on the areas of creating a common legal space between Europe and the Southern Mediterranean, based on the accession of southern partner countries to relevant CoE conventions, in particular the Istanbul Convention dealing with violence against women. It will seek to favour regional application of human rights and rule of law standards referring specifically to CoE Conventions and Institutions where these have been agreed with partner countries, building capacity in national institutions. The CoE is therefore the natural implementing body, having in many cases, agreements with the countries concerned.

This implementation is justified because there is a need to ensure continuity in the actions initiated by the South programmes I and II in key areas to achieve sustainable results in the medium- and long-term.

The entrusted entity would carry out budget-implementation tasks necessary to achieve the results outlined in section 4.2.

The CoE fulfils the requirements set up under indirect management. The results of the assessment are positive for all pillars.

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.

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, in currency identified
5.3.1 – Component 1 – Direct grant to UfM (direct management)	4,210,000	4,210,000
5.3.2 – Component 2 – Direct grant to ALF (direct management)	7,000,000	4,000,000
5.3.3 – Component 4 – Procurement (direct management)	1,500,000	0
5.3.4 – Component 3 – Indirect management with the Council of Europe	3,000,000	600,000
Totals	15,710,000	8,810,000

5.6 Organisational set-up and responsibilities

This action will be managed by Commission Services (Directorate-General for Neighbourhood and Enlargement Negotiations) and, where relevant, in close collaboration with other relevant EU institutional stakeholders (EEAS, European Parliament, EU Member States).

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 partners' responsibilities. 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, using as reference the logframe matrix (for project modality) or the list of result indicators

(for budget support). 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 importance of the action, mid-term and ex-post evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

Evaluations will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partners at least two weeks in advance of the dates foreseen for the evaluation missions. The implementing partners shall co-operate 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 and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries, 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.

6 PRE-CONDITIONS

Not applicable.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing Decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	The overall objective of this action is to promote institution building and institutional co-operation, as well as democratic governance, intercultural dialogue and inclusion of civil society in policy-making.	Co-operation frameworks, agreements, partnerships, programmes built and implemented in the Mediterranean region. Stronger institutional partnership between the EU and key regional actors (LAS). Level of civil society involvement by key regional partners	NA	NA		Sufficient political commitment by UFM, LAS Members and partner countries to reinforce democratic governance Stable political situation in the partner countries from the region

Specific objective(s): Component 1 Outcome(s)	The strengthening of the activities of the Secretariat is accompanied by a strengthening of its internal capacity.	Outcome indicators (such as number of beneficiaries of UFMS labelled projects in the region in various sectors) will depend on the specific projects to be labelled and launched in 2018 (see output indicators below)				
Specific objective(s): Component 2 Outcomes	Objective 1: Develop a pro-active policy to embed Intercultural dialogue policies at the local, national, regional levels and enlarged network of contacts.	<p>Improved intercultural attitudes and policies.</p> <p>The results of the ALF Reports show an increase of mutual interest, improvement of the perception of diversity and a growing value of respect for other cultures among the people of the EuroMed region.</p>				

	Objective 2: Enhance Euro-Med citizens intercultural skills, networking and mutual knowledge and reaffirm the ALF as a reference point to facilitate capacity-building in the field of inter-cultural dialogue	<p>Number of persons involved in ALF activities whose intercultural awareness is enhanced through intercultural interactions</p> <p>Number of trainings/people trained related to intercultural citizenship.</p> <p>Level of use and knowledge by ALF collaborators of methodologies on intercultural dialogue in the EuroMed.</p>				
	Objective 3: Facilitate the creation of Euro-Med collaborations, map priority areas of intervention and synergies among dialogue actors, and support collective visible actions	<p>Number of new collaborations for intercultural dialogue established by ALF.</p> <p>Number of priority areas identified</p> <p>Importance of synergies established by ALF with key stakeholders</p> <p>Number of collective actions undertaken</p>				

Specific objective(s): Component 3 Outcomes	Assist Southern Mediterranean countries in reinforcing their institutions, their reform processes, rule of law, human rights, and fight against corruption.	Increased level of commitment to democratic governance reforms from the southern Mediterranean partner countries through adoption and effective implementation of legislation according to European and other International standards in the field of human rights, democracy and rule of law			Regular assessment reports established by the CoE instances/partial agreements ENP and relevant EU annual reports Steering committee reports Relevant UN/other international organisations reports covering the programme's intervention areas	Continued commitment of partner countries to implementation of democratic governance reforms, in particular the relevant ministries and democratically elected bodies
Specific objective(s): Component 4 Outcomes	Reinforcing dialogue and co-operation with regional organisations, mainly with the League of Arab States	Number of thematic areas where co-operation with LAS is extended. Level of commitment of LAS high-level representatives Level of commitment of EU high-level representatives Importance of topics debated			Reports of dialogue sessions Reporting related to joint actions	Continued commitment of League of Arab States secretariat and Member States to engage with the EU

Outputs Component 1 UfM	Activities in terms of projects labelling, regional dialogues, implementation of ministerial mandates, preparation of senior officials meeting.	<p>Regularity of Senior Officials meetings</p> <p>Occurrence of Ministerial Meetings in priority areas of the UFM</p> <p>Follow up in operational terms by the Secretariat of decisions made in the Ministerial declarations</p> <p>Number of regional platform dialogue events organised and number of regional participants</p> <p>Number of projects Labelled</p> <p>Number of projects launched/implemented</p> <p>Number of partnership agreements signed by the UFMS and external partners, and fund raised.</p>	See the approved annual activity report of previous year (2017)	See the approved annual work programme and budget for indication of the number of foreseen activities for 2017- On average, those figures should be maintained or increased in 2018.	Sources of verification are the official communication and reports from the UFM and its Secretariat	Financial contributions are effective in complement to this operating grant
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Outputs Component 2 ALF	Output 1.1: Main challenges and opportunities on Intercultural Trends are identified and published in a report.	Publication of the Trend Report Level of openness, inclusiveness and visibility of the process leading to the drafting of the report			Annual intercultural Trend Report	
	Output 1.2: A permanent media observatory associated to the ALF	Partnerships are established between ALF and media. Media observatory with clear target group and mandate				
	Output 2.1: Support to the constitution of an academy for intercultural skills and promotion of intercultural dialogue practices. (TBC)	Input and support provided for the constitution of the academy for intercultural skills if evaluated as pertinent during the inception researches and evaluations				
	Output 2.2: Intercultural practices are embedded in local and national policies and innovative practices are promoted	Number of legislations and national policies dealing on intercultural dialogue Number of innovative practices on intercultural dialogue put in place by the partner countries and the ALF networks organisations				
	Output 2.3: A platform for co-operation and exchange and advocacy for the promotion of translation flows cross the Mediterranean is created.	Setting up of translation platform Number of users and participants to this platform				

	Output 3.1: The "Mediterranean Forum" as the region's primary platform for intercultural dialogue.	<p>Organisation of 1 – 2 Med Forum/fora</p> <p>Level and diversification of the participation</p>				
	Output 3.2: Strong co-operation among CSOs and youth associations among ALF Networks	<p>Level of reinforcement of ALF networks</p> <p>Level of co-operation established within the networks</p> <p>Number of concrete achievements through the co-operation networks</p>				
	Output 3.3: Raising the visibility of existing intercultural dialogue practice	<p>Level of awareness on intercultural dialogue issues</p> <p>Number of visibility and awareness campaigns on intercultural dialogue issues</p>				

Outputs Component 3 CoE	Output 1. Pursuing increased harmonisation of legal norms and standards on both sides of the Mediterranean	<p>Level of compliance with the European and other international standards based on progressive accession to CoE conventions</p> <p>Level of awareness across the target groups of the CoE standards, practices and co-operation in the field of human rights, rule of law and democracy</p>				
	Output 2: Constitutional processes including continued institutional support to democratic governance instances	<p>Number of improved legal frameworks in the partner countries from the Southern Mediterranean</p> <p>Number of new legislation supported and effectively implemented coupled with the set up and effective functioning of new democratic governance structures</p> <p>Increased professional capacities of relevant ministries and democratically elected structures to understand and implement human rights, democracy and rule of standards established by the programme</p>				

	Output 3: Supporting regional training on human rights for legal professionals	<p>Number of training sessions on human rights organised</p> <p>Number of legal professionals from the partner countries attending the training sessions</p>				
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Outputs Component 4 LAS	Output 1: Thematic workshops/dialogue sessions	<p>Number of dialogue sessions organised</p> <p>Number of themes debated</p> <p>Number of joint EU-LAS actions / Number of EU programmes open to participation of LAS</p>				
	Output 2: Financial envelope	<p>Number of EU events to which LAS representatives could participate</p> <p>Number of LAS representatives supported to participate to events organised by the EU</p>				



This action is funded by the European Union

ANNEX IV

of the Commission Implementing Decision on the Annual Action Programme 2017 – Part 1 in favour of the ENI South countries

Action Document for Middle East Peace Process (MEPP) – EU Peacebuilding Initiative (EUPI) 2017

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 section concerning calls for proposals: 5.3.1.

1. Title/basic act/ CRIS number	Middle East Peace Process (MEPP) – EU Peacebuilding Initiative 2017 CRIS number: ENI/2017/040-341 financed under European Neighbourhood Instrument
2. Zone benefiting from the action/location	Middle East The action shall be carried out at the following location: Israel and Palestine ¹ and tentatively EU Member States and Jordan.
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Regional South Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)
4. Sector of concentration/ thematic area	Building a partnership with people
5. Amounts concerned	Total estimated cost: EUR 6,125,000 Total amount of EU budget contribution: EUR 5,000,000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 1,125,000 Budget line: 22.04.01.03

¹ 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.

6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management: – grants – call for proposals – procurement of services			
7. DAC code(s)	15220 - Dispositifs civils de construction de la paix, et de prévention et de règlement des conflits			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	Civil Society and Local Authorities Thematic Programme			
10. SDGs	Main Sustainable Development Goal (SDG): Goal 16 - Promote peaceful and inclusive societies			

SUMMARY

In alignment with the EU Council Conclusions on the Middle East Peace Process (MEPP)², the overall objective of the programme is to support and promote the conditions for a sustainable resolution of the Israeli-Palestinian conflict through civil society and citizens' positive engagement.

The programme will be implemented through a Call for Proposals which will finance civil society initiatives in Israel, Palestine, and tentatively EU Member States and Jordan aiming: 1) to promote conditions for a negotiated settlement of the conflict via participatory civil and political engagement; 2) to build mutual understanding, confidence and trust; 3) to contribute to peacebuilding through cross-border work in strategic areas; 4) to promote the creation and strengthening of cross border networks of civil society organisation active in peacebuilding

² ~~FAC Council Conclusions can be accessed at <http://www.consilium.europa.eu/en/documents-publications/public-register/>~~

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

The resolution of the Arab-Israeli conflict is a fundamental interest of the EU. The Middle East Peace Process has been stalled for long time now. The latest attempt to revive peace negotiations between Israeli and Palestinians was conducted between 2013 and 2014 by the US Secretary of State, without success. The situation on ground continues to deteriorate in Gaza, West Bank and Jerusalem, with a wave of violence which started in October 2015 and is still continuing on both sides with fluctuating intensity. As mentioned in Foreign Affairs Council conclusions of 18 January 2016 'only the reestablishment of a political horizon and the resumption of dialogue can stop the violence' and 'the underlying causes of the conflict need to be addressed.' The EU seeks to contribute to addressing the underlying causes and to re-build the conditions for a dialogue between Israeli and Palestinians also through this specific programme.

Since 1998, following the recommendations of the Luxembourg European Council in 1997 the EU has been actively supporting civil society initiatives in the Middle East as an essential means of reinforcing dialogue and restoring mutual confidence. Initially such support was provided through the European Union's People to People (P2P) Programme (1998 - 2001) and subsequently from 2002 to the present, through its successor, the EU Partnership for Peace Programme (PfP). Based on the findings of an external consultation conducted in 2014 on the PfP Programme 2007-14, and in order to clarify and enhance the programme's relevance to the current regional political context, it has been decided to rename the programme as "EU Peacebuilding Initiative" (EUPI).

1.1.1 Public Policy Assessment and EU Policy Framework

The central objective of the EU in the Middle East Peace Process (MEPP) is a just and comprehensive resolution of the Israeli-Palestinian conflict, based on the two-state solution, with the State of Israel and an independent, democratic, contiguous, sovereign and viable State of Palestine, living side by side in peace and security and mutual recognition. This includes a negotiated solution to all final status issues, including borders, Jerusalem, security, water and refugees. The EU has reiterated its readiness to contribute substantially to post-conflict arrangements for ensuring the sustainability of a peace agreement.

The positions of the EU on the MEPP are communicated on a regular basis through conclusions of the EU Foreign Affairs Council. The FAC conclusions provide a solid basis for implementing EU policy on MEPP through direct support for actions on the ground by civil society and other actors. The EU's Special Representative to the MEPP, was appointed in April 2015 to support the work of the High Representative of the Union for Foreign Affairs and Security Policy (HR). The Quartet on the Middle East, comprising the EU, Russia, UN and USA, is a framework for the international community to provide policy co-ordination in the peace process.

At the regional level, the Arab Peace Initiative (API) remains the principal option for a comprehensive settlement of the conflict and normalisation of relations between Israel and the Arab countries. However, though the Initiative has been welcomed anew by the international community including the EU and the United States, Israel has not yet formally responded to the API. The regional approach to the resolution of the Arab-Israeli conflict will have to take into account the fundamental changes across the Arab world. The EU recently reiterated that it will work, including through the action of its Special Representative, with all relevant stakeholders towards a renewed multilateral approach to the peace process³.

The EU has urged both sides to demonstrate, through policies and actions, a genuine commitment to a two-state solution in order to rebuild trust and create a path back to meaningful negotiations, and to avoid any action that could undermine peace efforts and the viability of a two-state solution. The EU is remaining engaged politically in the MEPP via policies which aim to maintain the viability of the two state solution and encourage the parties to return to negotiations. The EU has called for significant transformative steps to be taken by the parties to the conflict, consistent with the transition envisaged by prior agreements, in order to restore confidence and rebuild trust. It has urged both sides to implement such measures, particularly in Area C, where a fundamental change of policy would significantly increase economic opportunities, empower Palestinian institutions and enhance stability and security for both Israelis and Palestinians.

In 2013, the European Commission published 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 onwards⁴, clarifying EU policy with regard to the territorial applicability of EU legislation and bilateral EU-Israel agreements. The Guidelines make a specific exception (section 15) for activities which are carried out by Israeli entities over the Green Line which aim at promoting the Middle East peace process in line with EU policy.

The EU and its Member States have reiterated their commitment to ensure continued, full and effective implementation of existing EU legislation and bilateral arrangements applicable to settlements products, whilst noting that this does not constitute a boycott of Israel which the EU strongly opposes. The European Commission, at the request of Member States, has issued an interpretative notice to clarify certain elements linked to the interpretation and implementation of existing EU legislation on the indication of origin of products from territories occupied by Israel since June 1967⁵.

The Council Conclusions of 20 June 2016⁶ reiterated the need of both parties to demonstrate, through policies and actions, a genuine commitment to a peaceful solution in order to rebuild mutual trust and create conditions for direct and meaningful negotiations aiming at ending the occupation. The Council also

³ FAC Council Conclusions, 18 January 2016.

⁴ Official Journal of the European Union C205/9 19 July 2013 at https://eeas.europa.eu/sites/eeas/files/20130719_guidelines_on_eligibility_of_israeli_entities_en.pdf

⁵ Interpretative Notice on indication of origin of goods from the territories occupied by Israel since June 1967, 11.11.2015 C(2015) 7834 final.

⁶ http://www.consilium.europa.eu/press-releases-pdf/2016/6/47244642934_en.pdf

reaffirmed the European proposal, as endorsed in the Council Conclusions of December 2013⁷, of an unprecedented package of political, economic and security support to be offered to and developed with both parties in the context of a final status agreement.

On 23 September 2016⁸ the Quartet reiterated its call on the parties to implement the recommendations of the Quartet Report of 1 July 2016⁹, and create the conditions for the resumption of meaningful negotiations that will end the occupation that began in 1967 and resolve all final status issues. It expressed concern about recent actions on the ground that run counter to its recommendations. In particular it emphasized its strong opposition to ongoing settlement activity, including the retroactive “legalization” of existing units, and the continued high rate of demolitions of Palestinian structures, expressed concern for the dire humanitarian situation and illicit arms build-up in Gaza and called on all sides to de-escalate tensions and prevent incitement.

This was followed by the UN Resolution 2334 of December 2016, that reaffirm that Israel’s establishment of settlements in Palestinian territory occupied since 1967, including East Jerusalem, has no legal validity, constitutes a flagrant violation under international law and a major obstacle to the vision of two States living side-by-side in peace and security, within internationally recognized borders.

The situation in Gaza remains critical, and the EU has urged all parties to take swift steps to produce a fundamental change to the political, security and economic situation in the Gaza Strip, including the end of all rocket fire, the end of the closure and a full opening of the crossing points, the lifting of import and export restrictions, while addressing Israel’s legitimate security concerns.

The EU has urged all Palestinian factions to engage in good faith in the reconciliation process, based on non-violence, as an important element for reaching the two state solution. Strong, inclusive and democratic institutions, based on respect of the rule of law and human rights, and working together to address the needs of the Palestinian population, including through the return of the Palestinian Authority (PA) to Gaza, are crucial in view of the establishment of a viable and sovereign Palestinian State.

In addition, the added value and effectiveness of an increased participation of women should be highlighted. According to its Resolution 1325, adopted in 2000 the UN Security Council stated the necessity to include more women representatives in all efforts to maintain and promote peace and security. Since its adoption, women’s position and role in peace processes has positively evolved offering them more empowerment and involvement. However, despite the approval of Resolution 1325 by both Palestinian Authority and Israeli government, the inclusion of women in the political aspects of MEPP remains minimal.

⁷ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/140097.pdf

⁸ <http://www.un.org/press/en/2016/sg2232.doc.htm>

⁹ https://eeas.europa.eu/headquarters/headquarters-homepage/7022_en

1.1.2 Stakeholder analysis

The main stakeholders of the programme are civil society organisations (CSO), including Community Based Organisations (CBOs) and not necessarily working on conflict-resolution, local authorities, leaders and opinion-formers in Palestine, Israel and in the region as well as their European partners and international organisations. Women and youth organisation are particularly targeted.

CSOs, through their capacity to reach down to the grass-roots level, can also be effective in ensuring that national or more macro-level initiatives reflect real needs and perspectives on the ground.

The final beneficiaries are the people of the Middle East and the Mediterranean Partner Countries.

An external evaluation and consultation of the EU Partnership for Peace programme (PfP) was conducted from December 2013 until January 2015. During the consultation phase, interviews, meetings and focus groups were held with a range of Israeli and Palestinian stakeholders, including journalists, politicians, youth, women and religious groups. European Non-Governmental Organisations (NGOs) and EU staff in HQ and Delegations were also consulted.

In the past years support for the two state solution decreased among Palestinians and Israelis, with each side continuing to view the intentions of the other as posing an existential threat.

In such a context, engagement in MEPP and peacebuilding in general, is often understood differently by Israelis and Palestinians. As the political situation has deteriorated further on the ground over recent years, despite attempts to revive peace talks, anti-normalisation movements in Palestine (and Jordan) have been increasingly vocal in advocating for a freeze of all joint activities between Palestinians and Israelis

Despite the negative atmosphere surrounding it, the evaluation of the PfP programme found that *"results at project level were generally positive, often very much so. The **relevance** of the projects to the broader objectives of the programme was found to be high, even though this was not reflected in public perceptions of the programme. This remained true for projects with constituents generally seen as being unsympathetic to peacebuilding."*

Similarly, despite certain disillusionment with the MEPP, the future of Israeli-Palestinian relations remains an important issue for both societies, and is reflected in the overwhelming attention paid to it in the media and political commentary. It is also noted that annual calls for proposals generally attracts over 110 applications from Israeli, Palestinian and European Civil Society Organisations (CSOs), thus indicating a consistently high level of interest in peacebuilding work despite the difficult circumstances.

1.1.3 Priority areas for support/problem analysis

The political environment has a direct impact on the work done by Israeli and Palestinian CSOs which are working towards an end to the conflict. During periods of direct peace talks, activities gain momentum and during the outbreak of conflict, such as the recent rounds of violence in 2014 and 2015, activities tend to be

negatively affected, albeit temporarily. The last years have also witnessed a more restrictive environment for CSOs operating in both Palestine and Israel. Whilst the conflict itself remains long term and intractable, it is also unpredictable at times, requiring flexibility and rapid response to events which can either deteriorate quickly into violence, or alternatively, require encouragement of positive steps.

Taking into account the complex social and political environment in which it operates, the EUPI will be tackling three mutually reinforcing priority areas that aim to enhance the attempts by EU and international actors to move Israelis and Palestinians towards an agreed settlement to the conflict:

1. **Engagement of a wide range of stakeholders** is necessary in order to broaden support and to build mutual confidence. Ensuring broadest levels of engagement in solving the conflict is not only important as a democratic principle, but also to encourage realistic and accepted solutions, while ensuring that all actions are coherent with and support the framework of overall EU policy on the MEPP. This means civil and political engagement of people at large and of communities who are not generally active or visible in conflict resolution but fundamental for conflict transformation. This is particularly necessary regarding grass-roots level initiatives engaging with women and youth (girls and boys). Investing in women's and girls' contributions to conflict resolution is an important move towards the prevention of further violence as well as the sustainability of the attained peace agreement.

2. **The values of equity, sustainable peace, non-violence and tolerance need to be supported on both sides** as well between parties in conflict in order to altering the discourse between Israeli and Palestinians. Understanding of these values, also through learning from successful settlement of conflicts in other countries, is a fundamental factor in reaching a sustainable resolution. In this regard, activities range from combatting incitement and misinformation to encouraging understanding of 'the Other'. Such activities can occur within educational institutional frameworks, in public spaces especially by diffusing positive Israeli-Palestinian partnerships and coexistence experiences through media and social networks, and through joint learning from European experiences.

3. Whilst **cross-border co-operation** between Israelis and Palestinians is subject to anti-normalisation pressure and misinformation, experience shows that this kind of actions can strongly contribute to build confidence between the sides. With the aim of maintaining the conditions for the viability of the two-state solution, joint actions will be promoted by demonstrating the practical potential dividends of peace. Acknowledging the asymmetry between Israeli and Palestinians, actions shall directly empower and benefit the communities affected by the conflict. By working together, violence can be counteracted and hope can be instilled, hence contributing to building peace. This includes strengthening the CSOs who want to increase joint work for a stronger advocacy impact vis-à-vis both the internal and the international arena.

A more inclusive framework with equal involvement and representation of women is recommended along the three priority areas. Women's involvement in conflict prevention activities would contribute to a greater understanding of the common as well as different needs of the male and female populations.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Disruption of activities linked to instability of the political situation	M	Flexibility in implementation, for example using flexible procedures for crisis and emergency situations
Joint activities lack participation due to anti-normalisation pressures in Palestine, or social/political pressures in Israel.	M	Due to sensitivity, whenever confidentiality of beneficiaries has to be granted, the visibility of events/project/participants could be kept low.
Lack of permits for Israelis and Palestinians to enter each other's territories	L	Contacts with relevant authorities issuing permits
Assumptions		
Local civil society organisations continue to seek the support of the programme, as evidenced by consistently high number of applications to calls for proposals.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The external evaluation and consultation undertaken in 2013-2015 made a number of specific recommendations. Firstly, given the low participation of Jordan in the programme, consideration should be given to the involvement of the EU Delegation in Amman in the management of the programme. Whilst Jordan should remain a priority third country under the programme, the focus must nevertheless remain on Israel and Palestine.

The evaluation further assessed that whilst projects funded under the EU Partnership for Peace programme were generally positive, most projects were not found to directly impact on peace negotiations. Given the disillusionment that Israelis and Palestinians have with the peace process, it was recommended that the programme reduce its direct linkage to MEPP. However, overall the EU policy on the MEPP remains a relevant factor in outlining a solution, acceptable to significant parts of both populations, and requires reinforcement to counteract influences which can pull in other directions. EU positions are also sometimes subject to misinformation when reported in the local media. To that end, the political and operational work of the EU in both Delegations is aligned.

The external evaluation and other consultations conducted by the EU, have pointed consistently to a high level of satisfaction of the complementarity of the three areas covered by the programme: 1) promoting political resolution, 2) dialogue and mutual confidence and 3) cross-border co-operation. This was seen as important in outreach to a wide range of stakeholders, rather than being limited to only certain kinds of organisations or population groups.

Given the difficult political situation, peacebuilding projects often require significant support and attention from the EU Delegations. In addition to a high level of involvement by Task Managers, specific service contracts were introduced aimed at enhancing skills of project beneficiaries (e.g. trainings on monitoring and evaluation, outreach and public diplomacy), as well as supporting communication and visibility activities which often require additional efforts in view of the complex context. In addition, with regular contacts between Israelis and Palestinians dwindling, these joint activities provide valuable and safe networking opportunities, adding to the coherence of the programme. All these actions have been well received by project partners and have added value to the programme, and its objectives, as a whole.

3.2 Complementarity, synergy and donor co-ordination

The Programme will take into account, seek complementarities with, and avoid duplication with bilateral and regional actions, in particular under the European Instrument for Democracy and Human Rights¹⁰, the Civil Society Facility and the Civil Society and Local Authorities Thematic Programme, the Instrument contributing to Stability and Peace (IcSP)¹¹, and the East Jerusalem Programme¹² under the EU-PA bilateral co-operation.

In general, donor co-ordination as regards peace-building initiatives has been limited, reflecting diverse strategies, sensitivities and funding mechanisms for this type of activities. Notwithstanding, informal co-ordination efforts amongst donors has stepped up in recent years, with the aim to share information on ongoing actions and partners in a more regular basis. Until now, a number of meetings have taken place in Ramallah and in Tel Aviv with the participation of EU and other donors.

3.3 Cross-cutting issues

The EUPI will seek coherence with the EU Comprehensive Approach to the implementation of the United Nations Security Council Resolutions 1325 and 1820 on Women, Peace and Security by encouraging initiatives directly tackling women and the involvement of women in the actions. Engagement of women has remained a priority under the programme and is in line with the Joint Staff Working Document on Gender Equality and Women's Empowerment: Transforming the Lives of Girls

¹⁰ Regulation (EU) No 235/2014 of the European Parliament and the Council of 11 March 2014 (OJ L 77, Vol. 57 15 March 2014), establishing a financing instrument for democracy and human rights worldwide. Available at: (<http://www.eidhr.eu/files/dmfile/EIDHR.2014-2020.pdf>).

¹¹ Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace (OJ L 77/1, 15.3.2014)

¹² Commission Implementing Decision of 20.7.2016 on the Annual Action Programme 2016 part 2 in favour of Palestine to be financed from the general budget of the European Union, C(2016) 4671

and Women through EU External Relations 2016-2020¹³. The Gender Action Plans and a Right-Based Approach will guide the Call for Proposals.

Cross-cutting issues such as environmental sustainability and disability rights will be given due consideration in the context of the programme by respectively encouraging applicants to adopt a mainstreamed approach and raising their awareness on environmentally friendly and inclusive operations.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

In line with EU Council Conclusions on the MEPP, the **overall objective** of the programme is to support and promote the conditions for a sustainable resolution of the Israeli-Palestinian conflict through civil society and citizens' positive engagement.

The programme will set out four **specific objectives**:

1.1 To support practical and innovative actions that will have an impact in the political sphere with the aim to break the current political impasse and/or reverse current negative trends.

1.2 To support practical and innovative actions that can promote conditions for a negotiated settlement of the conflict through attitudinal change and inclusion of key constituents.

Expected results:

- Citizens support and advocacy for political efforts to the resolution of the conflict is reinforced.
- New and old constituencies have an improved sense of ownership over the political processes which can lead to an agreed settlement.
- Commitment to the values of peace, tolerance and non-violence and understanding of how they have contributed to resolution of conflicts is strengthened within diverse communities.
- Better understanding of barriers to conflict resolution caused by misinformation, incitement and biased narratives amongst Israelis and Palestinians is achieved.

2.1 To support co-operation between Israelis and Palestinians and to create sectors of influence on policy arrangements in key areas of mutual interest, such as trade and business (including tourism), higher education, scientific and technological advancement, health and climate change among others, with the aim of building mutual confidence and helping maintain the conditions for the viability of the two-state solution.

Expected results:

¹³

https://ec.europa.eu/europeaid/sites/devco/files/staff-working-document-gender-2016-2020-20150922_en.pdf. See Objective 17: Equal rights and ability for women to participate in policy and governance processes at all levels.

- Confidence between both sides and better understanding of the benefits of the two-state solution is increased.
- Reduction of fear and mistrust between Israelis and Palestinians working together.
- New policy arrangements are put forward and introduced in strategic areas of mutual interest

2.2 To strengthen the voice, capacity, advocacy and policy shaping efforts of Israeli and Palestinian peace oriented CSOs through the creation or consolidation of wider networks, platforms or fora, at cross border level.

Expected results:

- stronger advocacy is carried out jointly by CSOs in the local and international arena in favour of a peaceful settlement of the conflict.
- Civil society actions are better co-ordinated and more effective.

4.2 Main activities

The activities under the programme include:

- (1) measures to promote conditions for a negotiated resolution of the conflict via participatory civil engagement such as advocacy and awareness-raising of political processes and peace initiatives, including at grass-root level, research for ending the conflict, dissemination of peace-related information, capacity-building support to peace activists and mediators.
- (2) initiatives to build mutual understanding, confidence and trust such as counteracting incitement and misinformation; non-violent culture and peace programmes; dissemination of information and promotion of knowledge on barriers to conflict resolution and peace.
- (3) Cross-border work supporting co-operation between Israelis and Palestinians, and creation of sectors of influence on policy arrangements in key areas of mutual interest, such as trade and business (including tourism), higher education, scientific and technological advancement, health and climate change among others. .
- 4) Wider advocacy campaign and multi-sector actions implemented by platform and cross border networks of Peacebuilding CSOs.

4.3 Intervention logic

As a strategic programme, the EUPI aims to support actions which can lead to an improved atmosphere in which peace negotiations can operate and progress, or at the other end, to prevent escalation of violence. This means to address short terms needs such as immediate engagement of the Israeli/Palestinian societies for peace negotiations, as well as longer term needs to prepare local populations for a sustainable peace agreement and the practicalities of 'the day after'.

The four specific objectives of the programme contribute towards the overall objective by promoting peacebuilding amongst both societies in three different dimensions: political, attitudinal, and relationship-building.

Diverse and mutual reinforcing objectives allow the programme to reach to a wider range of stakeholders and beneficiaries, including women and women's

organisations, rather than being limited to only certain kinds of organisations or population groups, in line with the priorities of the Gender Action Plan.

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, 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 60 months from the date of adoption by the Commission of this Action Document.

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 Grants: call for proposals (direct management)

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

Each action grant has its own objectives and expected results deriving from the specific situation the action intends to address, within the scope of the objectives and results described in section 4.1.

As per the type of actions eligible for financing, they must be in line with the activities described in section 4.2. Actions will cover a range of civil society initiatives, and where relevant may involve governmental, international organisations and private sector stakeholders. Priority will be given to: actions expanding the peace camp outreach by reaching widespread and diverse audiences in a substantial manner through the use of media and social networks; actions involving marginalised groups and/or targeting sceptical groups that are not committed to conflict resolution or to the values and policies which the EUPI supports; actions fostering local leadership and grass-roots initiatives able of producing multilevel and long term relationship-building impact, actions that foster joint work and networks between several organisations active in peacebuilding on both sides of the divide.

Proposals should build on a clear local dimension, take into account past experiences and consider sub-granting mechanism for actions when relevant. The role of international organisations and partners within the partnerships should focus on the transfer of knowledge, mediation and/or innovation, helping the local organisations to strengthen relationships with their constituency.

All actions shall be assessed whether they may directly or indirectly lead to violence, even if they have been established for non-violent purposes. All actions must be

consistent with EU foreign policies, specifically with regard to a negotiated two-state solution.

All actions, regardless of the objective, must be implemented in Palestine and/or Israel, or in Jordan and/or Europe if directly involving Israeli and Palestinians. Specific activities, within the scope of the action and if duly justified, can be implemented in the region and/or abroad.

(b) Eligibility conditions

In order to be eligible for a grant, the applicant must:

- be a legal person and
- be non-profit-making and
- be a specific type of organisation such as: non-governmental organisation, public sector operator, local authority, international (inter-governmental) organisation as defined by Article 43 of the Rules of application of the EU Financial Regulation¹⁴ and
- be established¹⁵ in a Member State of the European Union or one of the ENI South countries¹⁶ or a country that is beneficiary of Pre-Accession Assistance¹⁷ or a Member State of the European Economic Area (EEA)¹⁸ (this obligation does not apply to international organisations) and
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 300,000–750,000 and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (co-ordinator and co-beneficiaries). Where the lead applicant is not established in Israel or Palestine, then partnership with a local organisation co-operation is required.

¹⁴ International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies are also recognised as international organisations.

¹⁵ To be determined on the basis of the organisation's statutes which should demonstrate that it has been established by an instrument governed by the national law of the country concerned. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a "Memorandum of Understanding" has been concluded.

¹⁶ Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia..The eligibility criteria formulated in Commission Notice Nr. 2013/C-205/05 (OJEU C-205 of 19.07.2013) shall apply to this call for proposals. This notice, entitled "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", can be consulted at: http://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=uriserv:OJ.C_.2013.205.01.0009.01.ENG.

¹⁷ Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia, the former Yugoslav Republic of Macedonia, Turkey.

¹⁸ Iceland, Liechtenstein, Norway.

The indicative duration of the grant (its implementation period) is 36- 50months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

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.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

The call, combining funds from the EUPJ Decision 2016 and 2017, was launched in February 2017 with a suspensive clause, in order to be able to respect the D+1 for the funds committed through the 2016 decision.

5.3.2 Procurement (direct management)

	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Support measures (including communication and visibility)	Services	3	3 rd quarter of 2018

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.

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	Indicative third party contribution,
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	EUR)	in currency identified
5.3.1 – Call for proposals (direct management) – EU Peacebuilding Initiative	4,500,000	1,125,000
5.3.2 – Procurement (direct management) – support measures	150,000	N.A.
5.10 – Procurement (direct management) – communication and visibility	350,000	N.A.
Totals	5,000,000	1,125,000

5.6 Organisational set-up and responsibilities

The programme will be co-managed by EU offices in Palestine (EUREP) and Israel (DELTA). The call for proposals will be administered by EUREP as the Contracting Authority.

EUREP and DELTA services will work jointly in managing the call for proposals as well for the organisation of joint events, if any. They will also attend events, meetings and monitoring visits together when relevant and keep each other regularly informed on the projects progress. Where, applications include actions implemented in Jordan or Jordanian applicants, the EU Delegation in Amman will be consulted.

As a general principle, the distribution between the different delegations in terms of contract/project management is made on the grounds of the nationality of the applicant: Palestinian and European applicants are processed by EUREP whereas Israeli ones are processed by DELTA. In case of a grants contract with a Jordanian beneficiary, the management of the action may be delegated to the EU Delegation to Jordan.

The management of the procurement contracts will be divided between EUREP and DELTA on the basis of the location of the activities and nationality of beneficiaries.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of projects resulting from the call for proposals will be a continuous process and part of the beneficiaries' responsibilities. To this aim, the beneficiaries 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 (for project modality) or the list of result indicators (for budget support). 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

An external evaluation of the programme is carried out at regular intervals. The latest one was conducted from December 2013 until January 2015 covering the period 2007/2013. Recommendations were duly taken on board in the design of the Programme and in the definition of the Call for Proposals.

The Commission may, during implementation, decide to undertake an evaluation for duly justified reasons either on its own decision or on the initiative of the beneficiaries.

The evaluation reports shall be shared with the beneficiaries and other key stakeholders. The beneficiaries and the Commission shall analyse the conclusions and recommendations of the evaluation and, where appropriate, 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 and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries, 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.

EU staff will continue to communicate widely on the programme as a whole and on the various individual projects. With regard to the latter, EU press and communication services remain involved in the delivery of training on EU

communication and visibility requirements and assistance on any communication related activities. Finally, EU staff will ensure dissemination of projects' outputs among all E grant beneficiaries.

An estimated number of 2 procurement contracts for the above-mentioned communication and visibility purposes shall be concluded in the form of procurement of services under direct management with an indicative total budget of EUR 350,000.

APPENDIX - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (Reference year 2014-if data available)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	<i>To support and promote the conditions for a sustainable resolution of the Israeli-Palestinian conflict through civil society and citizens' positive engagement.</i>	Number of Palestinian and Israeli CSOs working to enhance public support and positive attitudes towards peace negotiation and conflict resolution.	In 2016, support for the two-state solution was around 60% in Israel and 50% in Palestine. No ongoing peace negotiations.	No further drop in support for two-state solution.	Public surveys. Political pro-peace campaigns. Media and social pro-peace campaigns. Published documents.	Perceptions of peace and two state solution is dependent on a political and social atmosphere.
Specific objective(s): Outcome(s)	<i>1.1 To support practical and innovative actions that will have an impact in the political sphere with the aim to break the current political impasse and/or reverse current negative trends. 1.2 To support practical and innovative actions that can promote conditions for a negotiated settlement of the conflict through attitudinal change and inclusion of key</i>	Number of projects which support political efforts to the resolution of the conflict. Number of projects which work with new constituencies, such as religious communities.	TBD at inception phase TBD at inception phase	8 CSOs 2 CSOs	Annual project evaluation reports. Periodic beneficiary reports. Information, and data provided by beneficiaries. Published documents. Media reports. Public surveys.	Instability of the political situation as well as escalation of violence will not prevent activities from being carried out and reverse positive effects of projects. Anti-normalisation (affecting willingness to participate in joint activities) will be contained and mitigated by low visibility of selected events.

	<p><i>constituents.</i></p> <p><i>2.1 To support co-operation between Israelis and Palestinians and to create sectors of influence on policy arrangements in key areas of mutual interest, such as trade and business (including tourism), higher education, scientific and technological advancement, health and climate change among others, with the aim of building mutual confidence and helping maintain the conditions for the viability of the two-state solution.</i></p> <p><i>2.2 To strengthen the voice, capacity, advocacy and policy shaping efforts of Israeli and Palestinian peace oriented CSOs through the creation or consolidation of wider networks, platforms or fora, at cross border level.</i></p>	<p>Number of projects which support concrete co-operation between Israelis and Palestinians on practical issues.</p> <p>Creation or reinforcement of a peace platform to co-ordinate peace oriented civil society on both sides.</p>	<p>TBD at inception phase</p> <p>Two very weak CSO peace networks</p>	<p>5 CSOs</p> <p>One strengthened network of CSOs</p>		<p>Permits for Israelis and Palestinians to enter each other's territories are issued.</p>
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Outputs	<p><i>Expected outputs from projects:</i></p> <p>Effective lobbying and political advocacy activities implemented</p> <p>Research reports developed</p> <p>Material promoting peace available for public</p> <p>Media and social pro-peace campaigns organised and well attended</p> <p>Training, workshops and conferences organised and well attended</p> <p>Joint activities (cross-border activities) implemented</p>	<p>Number of events, campaigns, trainings, workshops and conferences.</p> <p>Number of participants in events, campaigns trainings, workshops and conferences.</p> <p>Number of reports and publications.</p> <p>Quantifiable media exposure and reach.</p> <p>Number of strategic cross-border partnerships.</p>	<p>TBD on information, and data provided by beneficiaries.</p>	<p>TBD on information, and data provided by beneficiaries.</p>	<p>Annual project evaluation reports.</p> <p>Periodic beneficiary reports.</p> <p>Media reports.</p> <p>Public surveys.</p>	<p>Continued co-operation of Israeli and Palestinian peace organisations</p> <p>Continued commitment of all partner organisations to co-operate under the regional programme in promoting the two-state solution</p> <p>Sustained final beneficiaries interest in the two-state solution</p>
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