

Annex 1

of the Commission Implementing Decision on the ENPI Regional South Annual
Action Programme 2013 –Part I

Action Fiche for Supporting rule-of-law-compliant investigations and prosecutions in the Maghreb region

1. IDENTIFICATION

Title/Number	Supporting rule-of-law-compliant investigations and prosecutions in the Maghreb region CRIS No. ENPI/2013/315-983		
Total cost	EUR 3 million EU contribution: EUR 3 million		
Aid method / Method of implementation	Project approach <i>Joint management</i> with an international organisation, UNODC		
DAC-code	15130	Sector	Legal and judicial development

2. RATIONALE

2.1. Sector context

Terrorism threatens the core values of the European Union and represents an assault on the rule of law, human rights and international peace and security. By violating people's fundamental rights it threatens not only individual civil and political rights but also economic, social and cultural rights. Insecurity is a major drawback for investment and development. Experience has shown that no country is immune to terrorism irrespective of its political structure or level of development.

Even though terrorist acts deny people their freedom and dignity, criminal justice systems must still ensure that the fundamental human rights of persons accused of terrorism are fully respected. There is consequently a need for a competent, independent and impartial judiciary, and law enforcement officials must work within a rule-of-law framework that ensures due process to the accused while, at the same time, protecting his/her civil liberties.

In order to ensure a stable transition to democracy and rule of law in the region, a deep and comprehensive reform of the judicial and security sector, including in the counter-terrorism context, is needed. This need has been promptly identified by the EU in the Joint Communication 'A partnership for

democracy and shared prosperity with the Southern Mediterranean'¹, and in the Joint Communication 'A new response to a changing European Neighbourhood'², which call for the support of a "deep democracy" through, inter alia, the reform of security and law enforcement sector.

As indicated in the recently adopted Joint Communication 'Supporting closer cooperation and regional integration in the Maghreb: Algeria, Libya, Mauritania, Morocco and Tunisia'³, terrorism and international crime issues are of paramount concern in the Maghreb region, in the wider Southern Neighbourhood and in the Sahel.

Moving from a confession-based to a rule-of-law-based approach to counter-terrorism investigations and prosecutions in the Maghreb region requires political will and specific technical knowledge. Initial training, exchanges of best practices and contacts are essential in terms of triggering further medium-to-long-term reforms, including the legal framework, accountability mechanisms, transparency, laws, procedures and skills/training. A solid criminal justice-based approach is key to bringing perpetrators to justice or extraditing them to another country in full compliance with international law and human rights. This will require stronger capacity on the part of national criminal justice systems. Even where all the legal instruments have been ratified and comprehensive national legislation is in place, criminal justice officials often lack substantive knowledge and skills to implement national counter-terrorism legislation in accordance with the rule of law and human rights.

The EU promotes a criminal justice approach to the fight against terrorism, based on full respect for the rule of law, international law and human rights. It is in both the EU's and the Maghreb countries' interests to promote this approach in the region and to support and participate in regional security co-operation.

The proposed action is the first EU-financed project in the Maghreb region to address the issue of how to pursue counter-terrorism investigations and prosecutions while respecting human rights and the rule of law. This initiative is fully in line with the priorities set out in the Maghreb Communication regarding democratic reforms and global threats, such as the modernisation of the justice system, the independence of the judiciary, respect for the rule of law, support for the judiciary, police and military school/training centres and the provision of training programmes. The aim is to provide, as appropriate, technical advice and support for capacity-building measures, technical exchanges and the sharing of best practice with the EU.

The proposed action is likewise fully in line with the priority set out in the Communication 'Increasing the impact of EU Development Policy: an Agenda for Change', which sees human rights, democracy and the rule of law as one of the policy priorities of the regional cooperation programmes it

¹ COM (2011)200 of 8 March 2011.

² COM(2011)303 of 25 May 2011.

³ Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Supporting closer cooperation and regional integration in the Maghreb: Algeria, Libya, Mauritania, Morocco and Tunisia', JOIN (2012) 36 of 17 December 2012.

also accords, with the UN Counter-Terrorism Strategy,⁴ and with the Rabat Memorandum on Good Practices for Effective Counterterrorism practice in the Criminal Justice Sector, adopted by the Global Counter Terrorism Forum (GCTF).

2.2. Lessons learned

Since 2003, the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime (UNODC/TPB) has been providing assistance, under the project ‘Strengthening the Legal Regime against Terrorism’ to the UN Member States in ratifying and implementing the international counter-terrorism legal framework. The main lessons learned from the United Nations⁵ and the EU⁶, along with the good practices included in the GCTF’s Rabat Memorandum, call for the following measures⁷:

- International and regional seminars should be organised to give prosecutors the chance to conduct high-level discussions on good practices and common challenges faced in terrorism cases. Capacity building at the national level is also needed to strengthen the effectiveness of investigations, prosecutions and adjudication of terrorist cases, through the provision of specialised training.
- It is essential for States to cooperate in the fight against terrorism through a modern, fair and efficient criminal justice system. Hence, capacity building is at the core of all effective counter-terrorism programmes.
- The mere existence of legal tools does not ensure that the criminal justice system will function in practice. This will require joint co-operation between investigative agencies, prosecutors and investigating judges, throughout the criminal justice chain.
- Strong and effective counter-terrorism policies are not incompatible with respect for human rights. In fact, counter-terrorism efforts will work best when grounded in human rights obligations and the rule of law.

2.3. Complementary actions

Complementarity and synergies will be established with all existing and future initiatives in this sector conducted by relevant national, regional and international actors, including:

⁴ In 2006, the United Nations General Assembly adopted a Counter-Terrorism Strategy (Resolution 60/288; reaffirmed in Resolution 62/272 and 66/282) in which UN Member States agreed for the first time on a common strategic approach to fighting terrorism. The global strategy sets out a plan of action for the international community based on four pillars: (1) measures to address the conditions conducive to the spread of terrorism; (2) measures to prevent and combat terrorism; (3) measures to build States’ capacity to prevent and combat terrorism and to strengthen the role of the United Nations system in this regard; and (4) measures to ensure respect for human rights for all and the rule of law as the fundamental basis of the fight against terrorism.

⁵ Following the recommendations emanating from seminars organised by the Counter-Terrorism Committee of the Security Council on ‘Bringing terrorists to justice’, a set of regional workshops for police officers, prosecutors and judges was organised by CTED. These enabled participants to share good practices by fostering an informal network of highly experienced counter-terrorism prosecutors.

⁶ The experience of the EU as recorded, for example, in the results of the ‘Strategic Seminar on Judicial Cooperation in Criminal Matters between the EU Member States and Southern neighbours of the EU’ held in Nicosia on 3/5 October 2012.

⁷ The Rabat Memorandum on Good Practices for Effective Counterterrorism Practice in the Criminal Justice sector and Letter dated 5 April 2011 from the Chair of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council.

- Bilateral projects in the judicial and security sector, such as the Justice Programme⁸ in Algeria and in Tunisia⁹, training for lawyers in Tunisia¹⁰, the forthcoming peer-to-peer review of the security sector in Tunisia¹¹, the European Development Fund (EDF) project in Mauritania¹². Synergies will likewise be established with the relevant twinning projects in the Maghreb region, such as the establishment of a Financial Intelligence Unit in Morocco¹³.
- The regional projects ‘Strengthening democratic reform in Southern Mediterranean’¹⁴ implemented by the Council of Europe and covering Morocco and Tunisia, the ongoing regional projects Euromed Justice III¹⁵ and Euromed Police III¹⁶, the Instrument for Stability Sahel project in Mauritania, Mali and Niger¹⁷, and as well as the French regional JUSSEC project for the Sahel region¹⁸.

2.4. Donor coordination

The implementation of the action will be closely coordinated among donors and beneficiary countries with a view to boosting the prospects for sustainability of the planned activities. To avoid duplication and build synergies, close co-ordination will be maintained with EU Member States and other relevant countries to take on board what is currently being achieved.

The action will be implemented in the framework of the ‘UN family activities approach’, striving to optimise co-ordination between various members of the UN family. More particularly, CTED and UNODC are actively working on donor co-ordination within the UN system and through their active participation in donor forums, in particular the GCTF, including its criminal justice and rule of law working group. Coordination with international, sub-regional and regional organisations will be sought so as to avoid duplication and make multiple sources of expertise to countries on terrorism issues.

3. DESCRIPTION

3.1. Objectives

The overall objective of the action is twofold:

8 C(2007)6279 of 17 December 2007 http://eeas.europa.eu/delegations/algeria/projects/list_of_projects/19421_fr.htm.

9 C(2012)6858 of 28 September 2012 http://eeas.europa.eu/delegations/tunisia/documents/more_info/modernisation_du_systeme_judiciaire_fr.pdf.

10 C(2012)8833 of 05 December 2012 http://eeas.europa.eu/delegations/tunisia/documents/more_info/brochure_projetispa_fr.pdf.

11 http://eeas.europa.eu/delegations/tunisia/documents/more_info/rapfinal_ue_justice_dec2011_fr.pdf.

12 EuropeAid/133912/D/SER/MR.

13 MA P3A II MED/2005/17523 MAROC - Programme d'appui à la mise en oeuvre de l'Accord d'Association (PAAA II).

14 C(2011)9544 of 22 December 2011 <http://south-programme-eu.coe.int>.

15 C(2010)5136 of 04 August 2010 <http://www.euromed-justice.eu>.

16 C(2010)5136 of 04 August 2010 <http://www.euromed-police3.eu>.

17 http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/132802.pdf.

18 <http://www.justice.gouv.ne/?q=node/76>.

- to increase the capacity of criminal justice and law enforcement officials to effectively investigate, prosecute and adjudicate terrorism cases in the Maghreb, in line with the relevant international legal instruments and Security Council resolutions;
- to strengthen the capacity of Maghreb countries to apply human rights norms, standards and good practices in counter-terrorism measures, and to assist them achieve human rights compliance in their criminal justice responses to terrorism.

The action's more specific objectives are to:

- 1) strengthen regional capacity and implementation of long-term collaborative counter-terrorism measures in the Maghreb;
- 2) strengthen regional and national-level analysis, formulation of response measures and policy advocacy regarding human rights compliant investigation and prosecution of terrorist cases, to ensure that criminal justice responses to terrorism that fully integrate fully incorporate rule-of-law-standards and are founded on an evidence-based system;
- 3) strengthen the capacity of the Maghreb countries for enhanced participation in regional and global counter-terrorism efforts, by supporting them to strengthen their national counter-terrorism legal framework and capacity for its implementation.

3.2. Expected results and main activities

The main activities for the period 2013-2016 will include regional and national activities and in-country technical assistance, and online training courses. These, together with the training-the-trainers workshops, will ensure effective support, long-term sustainability and impact of the action.

Beneficiary countries: Maghreb region¹⁹.

Under *specific objective 1* the **expected result** is:

- to develop a better understanding among participants of their common challenges in bringing terrorists to justice at the national and regional level, and to develop possible ways of addressing these challenges, together with stronger EU-Maghreb international and regional co-operation on counter-terrorism, achieved by promoting good practices, information exchange and networking among criminal justice officials.

This result will be achieved by way of regional activities, including regional workshops targeting — but not limited to — the following topics: challenges posed by a criminal justice preventative response to terrorism; special

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According to Article 27 of Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument, the Commission may decide, when adopting action programmes of the type referred to in Article 12 or the special measures referred to in Article 13, that countries, territories and regions eligible for assistance under other Community external assistance instruments and the European Development Fund are eligible for measures under this Regulation where the project or programme implemented is of a global, regional or cross-border nature. Therefore this project may be extended to third countries not listed in the Annex of Regulation (EC) No 1638/2006 if needed.

investigative techniques used in the prosecution of complex terrorism-related offences; cross-border co-operation on counter-terrorism; moving from a confession-based to an evidence-based system of counter-terrorism investigations and prosecutions, in line with the rule of law and human rights.

Under *specific objective 2* the **expected result** is:

- Greater capacity and number of relevant criminal justice officials to effectively investigate, prosecute, bring to justice and adjudicate terrorism cases.

This result will be achieved by way of national specialised training and in-country technical assistance, and of specially adapted online training courses aimed at supporting national and regional training institutions to integrate and deliver human rights-specific dimensions of counter-terrorism in their curriculum. The needs identified at the regional meetings will subsequently be addressed at national level through national specialised training events and in-country technical assistance, which will provide first-hand expertise for judicial officers and related authorities. The objective of the national activities will be to ease the transformation from confession-based to evidence-based investigations and prosecutions, fully in line with the rule of law and human rights. This would include reviewing and updating legislation and oversight mechanisms.

The expertise of the UNCTED informal prosecutors network will also be made available for national capacity-building activities. Technical Assistance missions at the request of beneficiary countries can be arranged.

Under *specific objective 3* the **expected result** is:

- dissemination of experiences and information from the training events at national level using the train-the-trainer approach, by working together with judicial training institutions within the participating Member States.

This result will be achieved by way of train-the-trainers workshops for criminal justice officials, based on the online courses and building upon the expertise acquired by the participants, in close conjunction with national magistrates' schools and high judicial councils in the beneficiary countries.

3.3. Risks and assumptions

The main general assumption is the commitment of national authorities in the Maghreb region to work together and with others to achieve the expected results, and to do whatever is needed to implement the proposed activities in a timely manner, and the readiness of regional and international players to participate in the project and provide the required level of collaboration and input.

There are risks linked to political instability in the region and to possible changes of government or regimes, these risks need continuous monitoring. The proposed results are formulated in a way that ensures that the project is flexible; takes account of each country's specific circumstances as well as

the regional dimension; implementation does not depend on a participation of all the countries in all the planned activities.

Any prioritisation difficulties should be tackled by supporting the technical and political levels and strengthening overall coordination with the help of a Joint Steering Committee. If difficult diplomatic relations impedes the smooth running of the project, activities will be carried out at technical level only.

Assumptions encompass the willingness and commitment of the stakeholders in the Maghreb partner countries throughout the life of the project; the synergies and complementarities with other regional activities; good project management; an enabling environment in partner countries for stakeholder participation.

3.4. Cross-cutting issues

The project's specific objectives directly concern good governance issues, with regard to promoting the rule of law and human rights in the beneficiary countries, and consequently areas of immediate social and economic relevance. The project will also help strengthen the protection of fundamental rights in respect of witnesses, victims and other people involved in terrorism trials. Women will be encouraged to play a part, through the active participation of female law enforcement officials and prosecutors and other criminal justice officers in the different sessions, and by placing a specific focus on women accused of terrorism-related activities.

3.5. Stakeholders

The target stakeholders include:

- (junior) magistrates;
- law enforcement officials involved in investigating terrorist offences;
- judges and prosecutors serving in courts and tribunals;
- officials from the Ministry of Justice, Ministry of Interior and Ministry of Foreign Affairs;
- Police forces, Gendarmerie, Special Police Units (e.g. anti-terrorism), members of specialised parliamentary committees;
- Relevant civil society representatives.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

4.2. Indicative operational implementation period

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

4.3. Implementation components and modules

Joint management with an international organisation

This action with the objective of increasing the capacity of criminal justice and law enforcement officials to effectively investigate, prosecute and adjudicate terrorism cases in the Maghreb, and to apply human rights norms, standards and good practices in counter-terrorism measures, will be implemented in joint management with UNODC. This implementation is justified because the terrorism Prevention Branch of the United Nations Office on Drugs and Crime (UNODC/TPB) has vast experience in the sector, being the lead UN provider of legal technical assistance on counter-terrorism issues, and having carried out a number of national-level direct technical assistance activities in all the beneficiary countries, as well as having established field presences in most of the targeted countries. Joint management with this international organisation in accordance with Article 53d of Financial Regulation 1605/2002 is possible because the organisation is bound by a long-term framework agreement (the Financial and Administrative Framework Agreement (FAFA) concluded between the European Union and the United Nations) and the action to be financed has been formulated jointly by the European Commission and UNODC / Counter-Terrorism Committee Executive Directorate (CTED).

Project activities will be implemented by the Counter-Terrorism Committee Executive Directorate (CTED) and the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime (UNODC/TPB). CTED and UNODC have consolidated experience of working closely together to enhance the capacities of Member States to bring terrorists to justice. CTED has successfully run a series of high-level counter-terrorism prosecutors' workshops, which included also countries from the Maghreb. CTED will carry out the regional activities, while UNODC/TPB will implement the national ones and take care of general project management. The expertise of the CTED prosecutors network will be available for the national activities.

A joint steering committee, at national and regional level, with participation of observers and composed of experts from relevant European Commission services, EU Delegations, CTED, UNODC and other relevant stakeholders, such as the EU Counter-Terrorism Coordinator, will provide policy orientations and guidance for the programme smooth implementation, its objectives and content.

The international organisation will, in line with the FAFA, ensure that all contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by UNODC.

The change of method of implementation constitutes a substantial change except where the Commission "re-centralises" or reduces the level of budget-implementation tasks previously entrusted to the international organisation.

4.4. Scope of geographical eligibility

The responsible authorising officer may extend the geographical eligibility in accordance with Article 21(7) of the basic act.

4.5. Indicative budget

The budget allocated for this action is EUR 3 million, to be allocated under joint management with UNODC.

Module	Amount in EUR	Third party contribution (indicative, where known)
– Joint management with UNODC	EUR 3 million	Not known
Totals	EUR 3 million	Not known

4.6. Performance monitoring

The European Union may carry out monitoring missions, using external expertise according to need. UNODC will analyse the conclusions and recommendations of any evaluations and decide jointly on any follow-up action to be taken and any adjustments needed, including reorientation of the action if necessary.

The results-based monitoring framework will include specific performance indicators in direct reference to the project's expected results. These indicators will verify progress made towards achieving the project objectives and prospective long-term impact.

4.7. Evaluation and audit

The Commission is entitled as a donor to conduct its own evaluation or results-oriented monitoring missions (the cost of which is outside the scope of this contribution). Project-related evaluations will be undertaken in accordance with the Financial and Administrative Framework Agreement (FAFA) signed by the European Commission and the United Nations on 23 April 2003.

4.8. Communication and visibility

Communication and visibility will be in line with the standard provisions set out in the FAFA and in the General Conditions and as per the Joint Visibility Guidelines of the EC-UN Actions in the field²⁰.

²⁰

Joint Visibility Guidelines of the EC-UN Actions in the field
http://ec.europa.eu/europeaid/work/procedures/financing/international_organisations/other_documents_related_unit_ed_nations/document/joint_visibility_guidelines.pdf.

Annex 2

of the Commission Implementing Decision on the ENPI Regional South Annual Action
Programme 2013 – Part I

Action Fiche for Support to dialogues, political and economic research and studies of the Euro-Mediterranean Partnership

1. IDENTIFICATION

Title/Number	Support to dialogues, political and economic research and studies of the Euro-Mediterranean Partnership CRIS number: ENPI/2013/024-684		
Total cost	Total estimated cost: EUR 6,000,000 Total amount of EU budget contribution: EUR 5,000,000		
Aid method / Method of implementation	Project approach – Direct centralised management – grants – call for proposal		
DAC-code	43082	Sector	Scientific institutions and Research

2. RATIONALE

2.1. Summary of the action and its objectives

The aim of the action is to reinforce dialogue, political and economic research and studies in priority themes of the Euro-Mediterranean Partnership and to ensure the dissemination of studies and research to civil society and decision-makers that are responsible for political and economic policies.

In particular it will contribute to increase transparency and objectivity on the adoption of public policies and in measuring progress on the economic and social transition of countries in the Southern Mediterranean, as well as in relation to regional integration, South-South cooperation and the impact of the EU Neighbourhood cooperation.

2.2. Sector context

In the context of the implementation of the Euro-Mediterranean Partnership, the European Commission has supported measures with the aim to improve knowledge and dialogue on economic development issues by undertaking research and studies on specific economic issues, notably through previous projects such as the ‘Support

to Studies and Research in economic matters in the Mediterranean'¹ and the 'Support to Prospective Analysis in the Mediterranean Region'².

Having regard of the important recent socio-economic and political changes in the region, it is essential to continue the support to economic research and studies, as well as to deepen the dialogue among the specialised political and research institutions and other relevant stakeholders in the region, to promote the dissemination of the results of studies and research, and to promote dialogue on follow-up recommendations with the aim to make progress on the reform of economic, social and administrative structures of the beneficiary countries, in particular in relation to:

- (a) promoting a more inclusive growth, and in particular find ways and means to increase employment opportunities for the younger;
- (b) advancing in the progressive liberalisation in the agriculture and services sectors, the fight against tax evasion and corruption, to favour consumption and poverty reduction;
- (c) reinforcing regional trade integration initiatives among the beneficiary countries and the realisation of a Euro-Mediterranean free-trade area;
- (d) speeding-up the implementation of industrial reforms and promotion of fair competition, that are linked to the negotiations for a free-trade area with the EU;
- (e) building consensus on the implementation of macro-economic reforms, and the sequencing of appropriate socio-economic policies, that are related to the advancement of the objectives referred previously.

This present action will contribute to undertake new political and economic research and studies on relevant themes of the Euro-Mediterranean Partnership, to be confirmed by the Commission in the annual work-programmes. The themes to be studied will include:

- Setting a coherent policy agenda that supports good governance, inclusive development and political stability;
- the role of the State in a modern economy and the reform of economic institutions;
- economic transition, reforms and competitiveness, including policies aiming to improve economic governance, diversification of economic activities, incorporation of the notion of growth and inclusiveness, liberalisation and

¹ The programme is coordinated jointly by the 'Forum Euro-Méditerranéen des Instituts de Sciences Economiques (FEMISE)' and the 'Economic Research Forum' (ERF) and the 'Institut de la Méditerranée' (IM) (www.femise.org).

² The Mediterranean Prospects (MEDPRO) programme is coordinated by the Centre for European Policy Studies (CEPS) and 17 research institutions collaborate (www.medpro-foresight.eu).

promotion of foreign direct investments, reduction of the informal economy and development of new economic activities;

- liberalisation of the agriculture and services sectors, and the promotion of fair competition to avoid the inefficient allocation of resources and high-margins from economic operators, thus increasing competitiveness and the purchasing power of consumers;
- sustainable development policies and fight against poverty, in particular in the less developed regions;
- development of social policies, in particular regarding public health, employment, equitable repartition of sources of growth and human capital development. Specific attention will be paid to education and vocational training, the promotion of innovation and entrepreneurship, enhancement of women in jobs and entrepreneurship, and to new sources of growth enabled by the knowledge economy;
- the Euro-Mediterranean regional integration, including South-South and South-East Mediterranean cooperation;
- the development of micro, small and medium enterprises, notably by policies aiming to the promotion of innovation and SMEs internationalisation;
- the development of public-private cooperation, fostering dialogue and partnerships between public authorities and the private sector.

2.3. Lessons learnt

The recent Joint Communication outlining policy initiatives in the region insists on the need to promote a more inclusive development in the region to consolidate democracy and future prosperity³. In this overall context, it is considered that researchers and economists can play a major role in facilitating dialogues and analysis of socio-economic trends and changes, as well as in providing recommendations on policy changes to be introduced at short, medium and long-term. Lessons learnt from independent monitoring notably through the FEMISE network recommended that the results of research could have better impact if addressed to policy makers through an appropriate format ('policy briefs') and by increasing public debates among concerned stakeholders. These lessons have been taken into the new action.

2.4. Complementary actions

The studies and activities supported under this action will complement relevant actions undertaken at bilateral and regional level in respect of economic dialogues undertaken under the Neighbourhood Policy and the Euro-Mediterranean Partnership.

³ COM(2011)200 of 8 March 2011: "A partnership for Democracy and Shared Prosperity in Southern Mediterranean".

2.5. Donor coordination

The economic dialogue that takes place in the context of the Neighbourhood Policy and the Euro-Mediterranean Partnership associates the International Financial Institutions, in particular the EIB, the EBRD, the World Bank and the IMF. These institutions also contribute to provide updates on the economic situation in the southern Mediterranean countries in collaboration with economic research institutions from the beneficiary countries and the European Commission. The activities developed under this action will take account of research undertaken by other institutions.

3. DETAILED DESCRIPTION

3.1. Objectives

The **general objective** of the project is to reinforce dialogue, political and economic research and studies in priority themes of the Euro-Mediterranean Partnership and to ensure the dissemination of studies and research to civil society and decision-makers that are responsible for political and economic policies.

The **specific objectives** of the project are:

- to support political research and studies having as nexus good governance, security, inclusive development and political stability;
- to increase the capacity of political research institutions and think-tanks in analysing trends and challenges in the region;
- to promote dialogue on trade and economic issues among relevant stakeholders, in particular through the organisation of conferences, studies and research;
- to increase research capacity and expand the links among economic research institutions in the Euro-Mediterranean region to measure the progress undertaken by the different countries in the region in relation to economic transition and reforms, the degree of liberalisation of its economy, the inclusive character of its growth, openness to trade and investment, regional cooperation South-South and South-East as well as in the framework of the EU Neighbourhood policy;
- to intensify economic research on priority policy themes under Euro-Mediterranean Partnership such as the creation of sustainable and inclusive growth;
- to improve knowledge regarding the economic and social impact of regional cooperation under the Union for the Mediterranean, the association agreements with the EU and the Neighbourhood policy;
- to provide an in-depth analysis of major obstacles to regional economic integration and carry out relevant sectoral studies with a view to strengthen the effectiveness of the support to deeper regional integration;

- to disseminate the results of studies and research to target groups using the most appropriate tools and formats (web-site, news-letters, etc);
- to provide policy briefs and recommendations on key issues for the attention of policy makers and socio-economic agents in the region.

3.2. Expected results and main activities

The **results expected** are the following:

- increased capacity, links and partnerships of political research institutions and think-tanks in the region to help policy-makers to understand and address the challenges of the Euro-Mediterranean Partnership;
- strengthening the research capacity, links and partnerships among the economic research institutions in the Mediterranean region;
- increase of contacts and enhancement of the political, economic and development dialogues in the region through an increase in the number of studies undertaken, the organisation of conferences and exchanges of information via the Internet;
- public availability of relevant political and economic information through the dissemination of results of research and studies, and presentations in public workshops and conferences;
- transparency and objectivity in measuring progress on the economic and social transition of countries in southern Mediterranean, regional integration, South-South cooperation, as well as in relation to the impact of the EU Neighbourhood cooperation;
- raising awareness of policy makers through recommendations concerning key economic and governance reform issues.

The **main activities** that will be implemented by the action are the following:

- support to research and studies on the priority themes / issues included in the Euro-Mediterranean Partnership to be undertaken by collaborative research teams, in agreement with the Commission. This includes the financing of a minimum of 40 studies during the implementation of the project; 20 new research theses will be supported through small grants to encourage innovative works and first publication. The Commission may also propose in the work-programme to undertake complementary studies on specific issues related to the objectives of the action;
- organisation of annual conferences gathering a wide-constituency of stakeholders to debate key political and socio-economic issues of general interest for the region. In addition specific seminars and workshops will be organised at regional or sub-regional level to discuss in depth on specific themes;
- preparation and dissemination of 'policy briefs' on key issues to the attention of policymakers and relevant socio-economic stakeholders in the region;

- dissemination of research and studies free of charge in the internet (web-site) that would facilitate the exchange of information on economic research in the region and the dissemination of studies and research results (publications, newsletters). A list of contacts will be kept in the web-site, for individuals and organisation to be registered and receive newsletters and notification on new studies. Links will be provided among relevant web-sites.

3.3. Risks and assumptions

Risks	Level	Assumptions / mitigation measures
Volatile socio-economic situation and fragile political context in the region	Medium	Researchers to take account of the political and macroeconomic context, based on reports from the EU and international organisations
Relevance of the studies undertaken	Low	The themes for the studies will be approved by the Commission, based on proposals from the grant beneficiary. Some themes may also be proposed by the Commission.
Low quality of the research and studies undertaken	Low	Recruitment of best researchers. The evaluation of the results from research will be validated before publication by an independent committee (peer review)
Weak impact of the studies and recommendations formulated, being considered as a foreign interference	Medium	Inclusion of local economic institutions in the consortium. Large consultation when undertaking a study and formulating recommendations.

3.4. Cross-cutting issues

The themes and issues to be studied will cover the priority areas included in the Euro-Mediterranean Partnership and the Action Plans under the Neighbourhood Policy. Gender equality will be subject to particular attention. The efficiency and sustainability of resources will also be taken into account when elaborating the work-programme for studies and other activities. Good governance: the project will contribute to improved policy analysis leading to relevant legislative and institutional reform, improving economic governance in areas relevant to trade and economic development.

3.5. Stakeholders

The beneficiaries of the project will be the relevant regional organisations, the governments and institutions of the beneficiary countries the research centres, the economic operators and civil society that will have analytical information, updated analysis and recommendations in economic matters.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

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4.2. Indicative operational implementation period

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4.3. Implementation components and modules

4.3.1. Grants: call for proposal ‘Support to dialogues, political and economic research and studies of the Euro-Mediterranean Partnership’ (direct centralised management)

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

The objective of the grant is to reinforce dialogues, political and economic research and studies in priority themes of the Euro-Mediterranean Partnership and to ensure the dissemination of studies and research to civil society and decision-makers in charge of political and economic policies.

The type of activities will encompass the following: support to research and studies; preparation and dissemination of 'policy briefs' on key issues to the attention of policymakers and relevant socio-economic stakeholders in the region, organisation of workshops and annual conferences; and creation of a web-site that would facilitate the exchange of information on economic research in the region and the dissemination of studies and research results (publications, newsletters).

The results expected are the following: strengthening the capacity, links and partnerships among the think-tanks and research institutions in the Mediterranean region; increase of contacts and enhancement of the political, economic and development dialogues in the region through an increase in the number of studies undertaken, the organisation of conferences and exchanges of information via the Internet; public availability of relevant information through the dissemination of results of research and studies, and presentations in public workshops and conferences; transparency and objectivity in measuring progress on the political,

economic and social transition of countries in Southern Mediterranean, regional integration, South-South cooperation, as well as in relation to the impact of the EU Neighbourhood cooperation; raising awareness of policy makers through recommendations concerning key economic and governance reform issues.

b) Eligibility conditions

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

- be legal persons **and**
- be non-profit-making **and**
- be specific types of organisations such as public institutions, universities, research institutions, think-tank organisations, or a network of these organisations, **and**
- be established in a Member State of the European Union or in Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine and Tunisia **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.

(2) The potential applicant may not participate in calls for proposals or be awarded grants if it is in any of the situations listed in Section 2.3.3 of the Practical Guide to contract procedures for EU external actions (available from the following Internet address:

http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm);

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%.

The maximum possible rate of co-financing may be up to 100 % in accordance with Articles 192 of the Financial Regulation and 109 of the Financial Regulation of the 10th EDF if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

e) Indicative trimester to launch the call

Fourth trimester of 2013

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

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

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

4.5. Indicative budget

Module	Amount in EUR	Third party contribution (indicative, where known)
4.3.1. – Call for proposals ‘Support to dialogues, political, economic research and studies of the Euro-Mediterranean Partnership’	5,000,000	1,000,000
Total	5,000,000	1,000,000

4.6. Performance monitoring

The performance indicators will be refined in each annual work programme. Indicators will measure: number of studies and research theses supported by the action; number of research teams working together on key themes; number of 'policy briefs' drafted; number of publications in journals and outreach of the studies; number of conferences/seminars organised, participants and press-coverage; number of visitors to the web-site.

A project advisory committee involving relevant stakeholders, the implementing partner and the Commission will be constituted to provide guidance, endorse annual work-plans and review progress. The implementation of the programme will also be the subject of a regular follow-up by the Commission services based on results monitoring mission (ROM).

4.7. Evaluation and audit

The programme may be subject to external audits by the Commission services on a yearly basis, following the adoption of each annual working plan. A final evaluation and audit may also be performed before the end of the closure phase.

4.8. Communication and visibility

Communication and visibility activities will be carried out in accordance with provision of the Visibility Guidelines published by EuropeAid⁴.

The action will develop a specific visibility and communication plan with the objective of raising awareness and informing different stakeholders on the development of activities under the project. This should include:

- The organisation of annual conferences with the participation of relevant stakeholders;
- The organisation of thematic events (workshops, public debate conferences, etc) in relation to the objectives pursued by the project, at local, national and regional level;
- The creation of a web-site for the dissemination of studies, presentations and results of research;
- The production of information material to support the previous activities (brochures, news-letters, information panels, videos, press-releases, etc).

⁴ <http://ec.europa.eu/europeaid/work/visibility/index-en.htm>.

Annex 3

of the Commission Implementing Decision on the ENPI Regional South Annual Action Programme 2013 – Part I

Action Fiche for Sustainable Electricity for the Mediterranean

1. IDENTIFICATION

Title/Number	Sustainable Electricity for the Mediterranean CRIS number: ENPI/2013/024-682		
Total cost	Total estimated cost: EUR 6 million Total amount of EU budget contribution: EUR 6 million.		
Aid method / Method of implementation	Project approach – Direct centralised management procurement of services		
DAC-code	23010	Sector	Energy policy and administrative management

2. RATIONALE

2.1. Summary of the action and its objectives

In the context of the Euro-med objective of promoting sustainable energy, the project aims at providing support to the process of integrating the electricity markets (including the grids) in the Mediterranean and in particular in the Maghreb, with specific focus on renewable energy and energy efficiency. The project will contribute to enhancing sustainable development, the security of energy supply and the mitigation of climate change in the Mediterranean region.

The project, which will be implemented through the following 3 components, will provide technical assistance to the European Neighbourhood and Partnership Instrument (ENPI) South's beneficiary countries to

1. strengthen institutional co-operation between the Euro-Mediterranean Energy Regulators;
2. support processes preparing for the integration of Maghreb electricity markets and their gradual integration into the EU market, following the objectives set out in the 2010 Algiers Ministerial, and in the EU's December 2012 Communication on Maghreb;
3. facilitate the implementation of the Mediterranean Solar Plan developed by the Union for the Mediterranean (UfM).

2.2. Sector context

Co-operation in the energy sector is a major element of the Euro-Mediterranean partnership. Secure, sustainable and competitive energy is a key element in achieving stability and prosperity in the region. In this context the EU and its Southern

neighbours have a shared goal and are crucial partners in developing the high potential of renewable energy in the Mediterranean, with the aim of enhancing energy security and energy efficiency by replacing finite and less environmentally friendly energy sources.

The development of sustainable energy in the region is also a flagship initiative of the UfM. One of the key priorities of the UfM identified in the 2008 Paris Declaration is the Mediterranean Solar Plan (MSP). The plan involves not only renewable energy policy, production and transmission, but also the promotion of energy efficiency supporting *inter alia* industrial development and job creation. It also aims to attain 20 GW of new energy generation capacity fuelled by renewable energy sources by 2020.

The Regional Indicative Programme (2011-2013) for the Euro-Mediterranean Partnership under the European Neighbourhood and Partnership Instrument recognises sustainable development as a global challenge and highlights the region's need to face the threats of climate change and environmental degradation. It identifies the 20% energy efficiency objective as one of the relevant priorities (priority 3 B) for Euro-Med energy co-operation. The aims of the planned actions include protecting the environment, securing safe and environmentally sustainable energy supplies, developing renewable energy sources around the region and improving energy efficiency in different sectors of the economy. The Joint Communication of the European Commission and of the High Representative of the EU for Foreign Affairs and Security Policy "A partnership for democracy and shared prosperity with the Southern Mediterranean"¹ set an ambitious objective for co-operation on energy between the EU and the Southern Neighbourhood, namely a gradual move towards an EU-Southern Mediterranean Energy Community. There is clear potential to build an EU-Mediterranean partnership in the production and management of renewables, in particular solar and wind energy, and in having a common approach to energy security. Joint investments in renewable energy in the Southern Mediterranean, in line with the EU's 2050 decarbonisation scenario, could offer the possibility of a new partnership provided that the right market perspectives are created for trade in electricity. This objective was echoed in the Communication of the European Commission "Renewable Energy: a major player in the European energy market".² That Communication identified key issues to be addressed in order to facilitate investment in renewable energy projects in the region, such as appropriate additional instruments for the protection of investments, the creation of suitable legal and economic conditions for regional trade in electricity and preferential connection of renewable generation plants to the grid and access to transmission infrastructure.

The Joint Communication of the European Commission and of the High Representative of the EU for Foreign Affairs and Security Policy "A new response to a changing Neighbourhood"³ sets out the possibility of integrating the energy markets of the Southern Mediterranean and of the EU based on a new, differentiated and gradual approach. This approach allows each partner country to develop its links with the EU in line with its own aspirations, needs and capacities, with a view to

¹ COM(2011) 200 final of 8 March 2011.

² COM(2012) 271 of 6 June 2012.

³ COM(2011)303 of 25 May 2011.

establishing closer economic integration and stronger political co-operation between the whole region and the EU over time. In that context, the Joint Communication of the European Commission and of the High Representative of the EU for Foreign Affairs and Security Policy “Supporting closer cooperation and regional integration in the Maghreb”⁴, elevated the long-standing energy co-operation between the EU and Maghreb to a front-running partnership and proposed concrete steps towards a Western-Mediterranean electricity area by 2020-2025.

The Communication of the European Commission “Increasing the impact of EU Development Policy: an Agenda for Change”⁵ also indicated that the EU should offer technology and expertise as well as development funding with a focus on three main challenges: energy security, climate change (access to low carbon technologies) and access to secure, affordable, clean and sustainable energy services. It clarified that initiatives such as the UN High Level Group on Sustainable Energy for all should be taken into account.

In view of a possible Euro-Mediterranean Ministerial Conference on Energy in the second half of 2013, the Mediterranean Solar Plan (MSP) is being finalised and the Ministerial meeting would be expected to endorse the MSP Master Plan and to set orientations as regards its implementation and monitoring, in particular in the framework of the UfM.

2.3. Lessons learnt

A number of EU-funded regional projects have already provided substantial support for the development of sustainable energy in the region, have allowed an extensive knowledge base to be built regarding the prerequisites for reaching the objectives set out above, and have provided a good foundation to build on. Examples of such projects are the project on the Enhanced Integration and the Improved Security of the Euro-Mediterranean Energy Market (MED-EMIP), which ended in April 2012, and the project on the Integration of the Maghreb Electricity Markets (IMME), which ended in 2010.

Following the termination of the IMME project, Algeria, Morocco and Tunisia decided at the ministerial conference of Algiers in 2010 to set up an action plan for the 2010-2015 period. This action plan sets out medium- and long-term measures aimed at harmonising the electricity related legislative and regulatory framework of the three Maghreb countries in order to create an integrated electricity market across the Maghreb countries and, gradually, with the EU market.

National initiatives, especially for the development of National Energy Efficiency Action Plans (NEEAPs), are reinforced by the Arab Energy Efficiency Directive which has been developed jointly by the League of Arab States, the MED-EMIP project, the on-going project on Energy Efficiency in the Construction Sector in the Mediterranean (MED ENEC II) project and Regional Centre for Renewable Energy and Energy Efficiency (RCREEE) on the basis of EU Directive 2006/32/EC on energy end-use efficiency and energy services.

On-going EU support for co-operation between the Euro-Mediterranean Energy Regulators (MEDREG) has helped to demonstrate the importance of regulation as a tool for creating the conditions for regional trade in electricity. The on-going project

⁴ COM(2012) 36 of 17 December 2012.

⁵ COM(2011) 637 of 13 October 2011.

'Paving the way for the Mediterranean Solar Plan' has identified the existing regulatory, legislative and policy gaps and the steps necessary to improve conditions for the increased use of renewable energy across all Southern Mediterranean Partner Countries.

In line with these efforts and based on the mandate given by the Paris Declaration⁶, the UfM Secretariat has carried out extensive work to establish a regional framework for the Mediterranean Solar Plan⁷. Based on relevant studies and experience, and taking into account the diversity of national energy policies, programmes and priorities, the MSP Master Plan will provide policy recommendations to develop the integration of markets, shared targets and methodology, common tools and cross-Mediterranean infrastructures.

2.4. Complementary actions

Regional energy co-operation between the EU and the Southern countries of the European Neighbourhood Policy (ENP) is well established. The following EU-funded projects are relevant:

- Support for co-operation between the Euro-Mediterranean Energy Regulators (2010-2013, EUR 1.1 million);
- Energy Efficiency in the Construction Sector (MED-ENEC II) (2009-2013, EUR 5 million);
- Paving the way for the Mediterranean Solar Plan (2010-2013, EUR 4.6 million);
- Cleaner, energy-saving Mediterranean cities (2012-2015, EUR 4.6 million).

These projects seek to develop capacity in sustainable energy at regional level through technical assistance. To ensure consistency and harmonisation with these projects, close co-operation will be ensured. A regional approach in this sector is likely to strengthen and multiply the projects' effects in the region.

In addition, linkages between the support given under the project and the European Commission's Neighbourhood Investment Facility (NIF) are to be sought.

- EU resources under NIF have allowed the EIB, together with several other European financing institutions (Agence Française de Développement (AFD), Kreditanstalt für Wiederaufbau (KfW), Spanish International Co-operation Agency for Development) (AECID) and European Bank for Reconstruction and Development (EBRD)) to set up a specific facility to prepare infrastructure projects related to the Solar Plan and to facilitate the mobilisation of funds for investments. This 'MSP Renewable Energy and Energy Efficiency Project Preparation Initiative' (MSP-PPI) will accelerate the implementation and financing of renewable energy, energy efficiency and related grid connection projects, by providing technical assistance to speed up project preparation for eligible investment projects.
- NIF funding has also allowed the EBRD with other European financing institutions including KfW to set up the Southern and Eastern Mediterranean Regional Sustainable Energy Finance Facility (Phase 1 — Morocco and Jordan)

⁶ The joint Declaration of the Paris Summit for the Mediterranean, in 13 July 2008, tasked the Secretariat to explore the feasibility, development and creation of a Mediterranean Solar Plan.

⁷ Under finalisation at the time of drafting of this fiche.

to finance investments in energy efficiency and small renewable energy projects by industry, SMEs, agribusiness, commercial services and the residential sector.

Consistency between the project and the 2030 goals of the Sustainable Energy for All (SE4All) initiative will be ensured (ensuring universal access to modern energy services; doubling the rate of improvement in energy efficiency; and doubling the share of renewable energy in the global energy mix).

Synergies will also be sought with other relevant bilateral EU-funded projects on energy efficiency and renewable energy such as the environment and energy programmes in Tunisia and Lebanon.

The development of synergies will also be sought with other relevant regional or bilateral EU-funded projects promoting industrial development, job creation and small and medium sized enterprises.

2.5. Donor co-ordination

It is intended to establish close co-operation with international financial institutions and other donors within the framework of the programme, in order to avoid overlapping activities but mainly to join forces to enhance sustainable energy in the region. For example, it is envisaged to develop a working partnership with the European Investment Bank (EIB), which has decided to expand the proportion of investments in energy efficiency and renewable energy sources in its energy portfolio.

Similarly, partnerships with EU Member States' financing institutions (such as KfW, AFD, etc.) and with the World Bank, which is increasingly involved in the field (e.g. through its concentrated solar power (CSP) programme), will be considered.

The close collaboration with the UfM Secretariat will be continued.

3. DETAILED DESCRIPTION

3.1. Objectives

The overall objective of the project is to step up European support to the process of integrating the electricity markets and grids in the Mediterranean and in particular in the Maghreb, with specific focus on renewable energy and energy efficiency, thereby enhancing regional and national sustainable development, the security of energy supply and the mitigation of climate change.

Building on the acquis and lessons learned from on-going and previous programmes, the purpose of the project is to:

- strengthen institutional co-operation between the Euro-Mediterranean Energy Regulators, as a key vehicle for sustainable progress in this area;
- step up efforts as regards the integration of Maghreb electricity markets and their gradual integration into the EU market, following the objectives set out in the 2010 Algiers Ministerial, and in the EU's December 2012 Communication;
- facilitate smooth progress on the Mediterranean Solar Plan in the region, by providing regional support to partner countries that do not benefit from

bilateral support to implement the Mediterranean Solar Master Plan developed by the UfM.

3.2. Expected results and main activities

Result 1: Support to Co-operation between Euro-Mediterranean Energy Regulators (MEDREG)

Progress is achieved in promoting a transparent, stable and harmonised regulatory framework in the whole Southern Mediterranean Region, fostering market integration and infrastructure investments, boosting consumer protection and enhancing energy co-operation.

Activities:

- Actions fostering an increase of the number of independent regulators in the region, especially in Maghreb;
- Support to the preparation of appropriate regulatory measures to produce, stock and trade green electricity at national and regional level;
- Actions to enhance the international and regional roles of the MEDREG Association.

Result 2: Integration of the Maghreb electricity markets and their gradual integration into the EU market

Progress is achieved in reforming the legislative and regulatory framework conducive to the integration of the electricity markets in the Maghreb, where ambitions have been expressed to move faster. These reforms facilitate and stimulate the generation, transmission and trading of electricity, including electricity generated from renewable energy sources (RES) within the Maghreb region and, in the longer term, between the Maghreb and the EU.

Activities:

- Support to implementation of the steps towards market integration defined in the Algiers Action Plan, including such actions as the establishment of a regional electricity trading platform;
- Organisation of an EU-Maghreb Energy Council on an annual basis to discuss progress made;
- Support for the establishment of a common approach and related co-ordination activities, for the appointment of a Special Coordinator and for the preparation of a specific legal framework (intergovernmental agreement);
- Support for the establishment of an EU-Maghreb Electricity Forum, similar to the Florence Forum in the EU to foster an in-depth technical dialogue with all stakeholders to discuss successive steps towards market integration;
- Technical assistance and logistical support to carry out technical work and initiatives (co-ordination / harmonisation of common technical rules, elaboration of common grid codes, etc.) are provided to relevant stakeholders (transmission system operators (TSOs), national authorities, regulators, market operators, etc.).

Result 3: Implementation of the MSP key actions

Progress is achieved in the implementation of the Mediterranean Solar Plan. There is a greater transfer of knowledge among the Mediterranean Partner Countries and between them and the EU and capacity building on renewable energy and energy efficiency technologies is accelerated. Concerns on financial gaps are addressed and assistance is provided to improve the funding of projects relating to renewable energy and energy efficiency.

Activities:

- Support to advance on the implementation of the MSP key actions;
- Actions implementing the MSP that have a specifically regional component and that cannot be implemented by means of bilateral assistance in the relevant countries;
- Preparation of monitoring reports and a database of developments concerning the MSP actions in each country;
- Technical and logistical support to the Euromed Forum and the related Working Groups;
- Support to ensure better visibility of the MSP and its benefits for the region.

3.3. Risks and assumptions

Assumptions

Energy security and sustainable growth remain a high priority for the ENPI South Partner Countries.

All stakeholders are interested in the project, play an active role and perform their institutional functions in the field. Partner governments will show the political will and commitment required to bring about appropriate legislative and regulatory reforms.

Regional and national security and stability will be maintained or reinforced.

No major policy changes will be announced that would contradict the existing policy framework underpinning the objectives and plan for the implementation of this project.

Energy producers and distributors have an important economic role and are consequently not neglected at the political level.

Risks

Politically, the developments in the region from early 2011 onwards have brought new opportunities but also uncertainties for future regional co-operation. This could potentially have an impact on the implementation of the project. A deterioration in relations between Arab countries and Israel would also make regional meetings with participation by all countries difficult.

Mitigations of risks

At the moment of writing this action fiche, EU co-operation with Syrian governmental authorities has been suspended. The Commission shall assess in the future the possibility of involving the Syrian authorities in the implementation of

actions relating to the new project. The political instability and/or deteriorating security situation in Syria will be assessed prior to the implementation of the project in order to confirm the feasibility of a) engaging with stakeholders and b) implementing the activities.

3.4. Cross-cutting issues

Environmental sustainability and climate change adaptation concerns are at the heart of the project as its focus is to support renewable energy and energy efficiency.

Following the recommendations of the ‘European consensus on development’ (2006/C 46/01) the project will try to encourage gender equality, equal opportunities and the participation of women in all its activities, by encouraging the participation of qualified women.

Through the focus on regulatory reform, good governance will be a positive side effect of the project.

3.5. Stakeholders

The main target groups of the programme are the national administrations, energy regulators, transmission system operators and energy-related agencies from the ENPI South partner countries. In application of Article 27 of the Regulation (EC) N° 1638/2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument⁸, Mauritania is eligible for activities under this project, especially with those relating to Maghreb.

The stakeholders go beyond this group to include also any concerned private sector actors and ultimately all energy users.

Other institutional or non-governmental players in the region such as the Regional Centre for Renewable Energy and Energy Efficiency (RCREEE), Observatoire Méditerranéen de l’Energie (OME) and national energy research centres will also play a relevant role in the project.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2 and 4.3 will be carried out, is 36 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

⁸ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32006R1638:EN:NOT>.

4.3. Implementation components and modules

Procurement (direct centralised management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Support to Co-operation between Euro-Mediterranean Energy Regulators (MEDREG)	Services	1	4 th trimester 2013
Integration of the Maghreb electricity markets and Implementation of the MSP objectives	Services	1	4 th trimester 2013

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

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

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

4.5. Indicative budget

The budget allocated for this action is EUR 6 million, to be allocated under two service contracts (EUR 3 million for result 1, EUR 2.5 million for result 2 and EUR 0.5 million for result 3 – the latter two combined). Beneficiary countries and EU Member States are encouraged to contribute to the project through in-kind contributions through expertise or the provision of facilities.

Module for Procurement (direct centralised)	Amount in EUR	Third party contribution (indicative, where known)
1. Support to Co-operation between Euro-Mediterranean Energy Regulators (MEDREG)	EUR 3 million	Not known
2. Integration of the Maghreb electricity markets and Implementation of the MSP objectives	EUR 3 million	Not known
Totals	EUR 6 million	Not known

4.6. Performance monitoring

For the project, key indicators of achievement will be the number of specific analytical reports provided by MEDREG; the number of proposals made and/or new laws, regulations and procedures adopted in the field of renewable energy and energy efficiency; the number of technical meetings held for the integration of the Maghreb electricity market and similar indicators.

The project will be monitored according to standard procedures. Project monitoring will be based on periodic assessment of progress and delivery of reports.

4.7. Evaluation and audit

Expenditure incurred will have to be justified, as part of the obligations of the contracted parties in the framework of the implementation of this project. Independent consultants will be entrusted with the evaluation of the results achieved and these results will be subject to external audits if necessary. Such evaluations and audits will be funded from other sources than the project budget, since no financial commitment will be possible once the validity of this Decision has expired ('N+1' rule will apply).

A project steering committee with participation of observers and composed of experts from relevant European Commission Services, EU Delegations and other relevant stakeholders such as the UFM Secretariat will provide policy orientations and guidance for a coherent implementation of the programme. The Euro-Mediterranean Energy Forum will also be regularly informed of progress in the implementation of the programme.

A mid-term and a final project evaluation will be carried out to assess project performance, achievements and impact.

4.8. Communication and visibility

Communication and visibility will have to be justified, as part of the obligations of the contracted parties in the framework of the implementation of this project.

Since the EU visibility guidelines must be followed by all EU funded projects, the project will work out a specific communication strategy for each component and specific activities will be undertaken dedicated to communication and visibility. Implementation of the communication strategy in the Southern neighbourhood partner countries will be also carried out in collaboration with the relevant EU delegations, when appropriate.

Constant communication should be maintained between project partners, the European Commission and the ENPI Info Centre (www.enpi-info.eu).

Annex 4

of the Commission Implementing Decision on the ENPI Regional South Annual Action
Programme 2013 –Part I

Action Fiche for Support to trade development in southern Mediterranean through the Agadir Agreement – Phase III

1. IDENTIFICATION

Title/Number	Support to trade development in Southern Mediterranean through the Agadir Agreement – Phase III CRIS number: No. ENPI/2013/316-989		
Total cost	Total estimated cost: EUR 4,330,000 Total amount of EU budget contribution: EUR 4,000,000.		
Aid method / Method of implementation	Project approach – Direct centralised management grants – direct award		
DAC-code	33130	Sector	Regional Trade Agreements

2. RATIONALE

2.1. Summary of the action and its objectives

The aim of the action is to contribute to trade development and economic integration in the Southern Mediterranean through the implementation of the Agadir Agreement, as a milestone towards the realisation of a Euro-Mediterranean free trade area.

The objective of the EU project is the consolidation of the institutional framework set up under the Agadir Agreement for establishing a Mediterranean Free Trade Area, including the sustainability and credibility of the Agadir Technical Unit (ATU) as an international body, having the necessary capacity to facilitate regional economic integration and to serve the trade development needs of government and private sector in the Member Countries.

2.2. Sector context

The Agadir Agreement for establishing a Mediterranean Free Trade Area was signed by the Governments of Egypt, Jordan, Morocco and Tunisia on 25 February 2004. The Palestinian Authority has formally requested accession to the Agreement. The accession of Palestine is supported by the EU. The EU support to the Agadir free trade area contributes towards the EU's Mediterranean trade policy objective of

creating a Euro-Med free trade area through a network of free trade agreements involving all the EU's regional partners. The improved trade environment will contribute to economic development and integration objectives pursued by the EU in the Mediterranean region.

The share of the intra-Agadir trade in the total trade of the Member Countries increased by 51% in 3 years only (from 2.2 % in 2006 to 3.4 % in 2009) – although this increase was stalled in the period 2010-12 due to the global economic crisis and political challenges in the region. Regional trade flows and economic integration between these South Mediterranean countries remain far below expectations. The South Mediterranean countries have until recently attached greater importance to their trade relations with the EU than to the development of strong exchanges with their neighbours, and barriers to trade within the region remain high.

The EU preferential trade agreements system in the Mediterranean area will remain incomplete in the absence of an effective implementation of a deep and comprehensive South/South Free Trade Agreement.

Despite the political and financial difficulties in the region, the Agadir Member Countries are increasing efforts to secure further progress and sustainability of the Agadir Agreement. Ministerial Committee decisions have launched several processes for the years to come. Approximation and harmonization of laws, policies and procedures between the four member states on different economic and trade sectors like customs, export and import procedures, competition are underway. The Member Countries are also currently engaged in negotiations to liberalize trade in services.

In the light of the above, the EU has been supporting the Agadir Technical Unit since its inception in 2007 until mid-2013. The present programme intends to extend this support.

2.3. Lessons learnt

Lessons learnt from Results Oriented Monitoring in 2010, 2011 and an evaluation carried out in 2012 in relation to past and on-going interventions can be summarized as follows:

- Regional trade flows and economic integration between Agadir countries remain far below expectations. The four members' states have the same level of maturity but they are competing against each other because they are producing the same products.
- Coordination and capacity building activities at national level should be strengthened.
- The ATU needs to focus on a reduced number of activities of its core mandate, where it can offer real value added to the various stakeholders (mainly governments and private sector).
- Coherence must be ensured with other bilateral and regional EU actions which contribute to regional integration and trade facilitation.

2.4. Complementary actions

Several EU bilateral and regional programmes have potential to contribute to improved regional trade integration. The present programme will develop synergies and complementarity with all relevant on going and future actions including the following ones:

- EU regional initiatives to facilitate infrastructure and transport connectivity in the region such as Euromed Transport Project, Mediterranean Motorways of the Sea – Maritime transport connections.
- The Euro-Mediterranean Trade and Investment Facilitation Mechanism – Online Services.
- A forthcoming service contract "Support to Enhancement of the business environment in the southern Mediterranean" to facilitate setting in place a favourable regulatory framework for SMEs throughout the region.
- A forthcoming grant "Support to business and investment partnerships in southern Mediterranean" to provide adequate support and linkage services for micro and SMEs, in a variety of promising sectors at regional or sub regional level.

In addition, the ATU will continue liaising with the Swedish International Development Agency (SIDA) to support the regional initiative on mutual recognition of conformity assessment and accreditation following the Memorandum of Understanding signed in 2013.

2.5. Donor coordination

The EU was initially the sole external donor supporting the Member Countries in the Agadir process. However, since 2011, the ATU has engaged in a process of building linkages with other International Organisations, Donors and initiatives (see above). Therefore, the present programme will ensure co-ordination with all relevant initiatives including those carried out by the EU Delegations of the countries of the Agadir Agreement. The role of the ATU as a communication channel and facilitator of the Member Countries will also be geared up.

3. DETAILED DESCRIPTION

3.1. Objectives

The overall objective of the EU support is to contribute to trade development and economic integration in the southern Mediterranean through the implementation of the Agadir Agreement, as a milestone towards the realisation of a Euro-Mediterranean free trade area.

The purpose of the EU support is the consolidation of the institutional framework set up under the Agadir Agreement for establishing a Free Trade Area, including the sustainability and credibility of the Agadir Technical Unit (ATU) as an international

body, having the necessary capacity to facilitate regional economic integration and to serve the trade development needs of government and private sector in Member Countries.

3.2. Expected results and main activities

The expected results of the EU support are:

Result 1: ATU supported administratively and financially to act as driving force and catalyst in the implementation of the Agadir Agreement

The ATU was established in 2007 by virtue of the Agadir Agreement to protect its affairs and have the power to provide technical consultations and support the harmonisation process in all matters related to the implementation of the Agreement.

According to the Agadir Agreement, the ATU is charged with undertaking any action which may contribute to achieving the aims and objectives of the Agreement, giving it a very broad remit. It must be able to intervene in the clarification of the “rules of the game” and to prepare and supply technical recommendations to the Member Countries, notably in legal matters, customs procedures, rules of origin, etc. The ATU will therefore receive under the present programme technical, administrative and financial support to ensure its credibility and sustainability.

The present action will strengthen the ATU's capacities as regards administrative, technical and managerial issues, including the facilitation of the accession process of new members. In particular, in relation to trade-related technical expertise required to fulfil its mandate, the following competences will be developed:

- Non-tariff barriers (NTBs)

According to the protocol establishing the ATU, the ATU shall work to remove all non-tariff barriers to trade between the member states. A number of ATU activities will contribute to removing NTBs between the Member Countries, including conformity assessment and customs facilitation. The member states have identified the list of the most traded products between the four member states to be subject for the forthcoming Memorandum of Understanding.

- Conformity assessment

The four Member Countries of the Agadir Agreement have signed a MoU on mutual recognition of conformity certificates in December 2009 after the trade ministers of Agadir countries took the decision in their meeting in Cairo in August 2008. The aim of the MoU is to facilitate trade between the Member Countries by reducing the costs, time and efforts in their intra-trade; the MoU is an important step towards removing Technical Barriers to Trade (TBT) on the regional trade. According to the MoU a complete and comprehensive program including training, exchange information, studies and capacity building activities will continue being implemented with significant contribution by the ATU. The MoU also established a Joint Committee to follow up the implementation of the programs as well as discussing all

issues related to the TBT. The Joint Committee meets regularly to review progress and expand the work-programme.

- Rules of origin

The ATU organises regular meetings for the Rules of origin (RoO) experts in the four Member Countries to coordinate their position regarding the ongoing negotiations to amend the Pan Euro-Med RoO protocol, based on the decision made by the Ministers Committee in their meeting held in Amman (2007), and confirmed by the second Technical Committee meeting held in Tunisia (June 2011). The aim of the RoO meetings is to reflect the interests of Agadir countries on the negotiations with EU. The ATU will keep this coordination initiative as long as the negotiations are on-going. Also, based on a Technical Committee decision (Tunis, 2011), the ATU will organize training programmes for the customs officials in Agadir countries on rules of origin issues to update them with the best practices regarding the implementation of the Pan Euro-Med protocol on rules of origin.

- Services and investment

The third Technical Committee meeting held in Rabat (May 2012) approved the initiative proposed by the ATU to liberalize trade in services between the four Member Countries and called for holding meetings for experts to launch the negotiations. The meetings will discuss the legal framework prepared by ATU regarding the liberalization of trade in services between Member Countries and the priority sectors and expected to be continued during the coming period. The follow up work will be carried out by ATU. The aim is to gradually liberalize trade in services between the four Member Countries especially in the sectors that have direct impact on the growth of trade exchange such as transportation services, financial services and distribution services.

- Competition

A complete and comprehensive program on Competition has been approved by the Technical Committee held in Rabat (May 2012); the program helps to create a positive atmosphere for economic integration by maximizing the benefit from the implementation of competition policy in the Member Countries. Moreover, it will unify efforts in coordinating policies, harmonizing legislations between Member Countries, and the foundation of a team of qualified personnel to take advantage of training opportunities, technical assistance and exchange of experts. According to the program, number of activities will take place during the coming period including training, field visits to European Competition authorities and developing the competition polices. The Agadir Trade Ministers should sign a MoU on cooperation in the field of competition in 2013 including a work-programme of activities that the ATU will support.

- Intellectual Property Rights

According to the Technical Committee's decision (May 2012), a work plan for IPR has been approved with three years duration and subject to renewal, the plan aims at establishing (consolidate) cooperation and integration between concerned bodies and

department regarding intellectual property issues in the member countries. This work plan to be implemented by the ATU consists of several activities including training, awareness for private business, exchanging information, exchanging expertise on confronting piracy, the protection of Folklore, heritage and cultural expressions, and enhancing cooperation with the European patent office.

- Dispute settlement

Article 10 of the protocol establishing the ATU and article 28 of the AA, is calling for drafting a dispute settlement mechanism to solve any trade disputes that may arise between the Member Countries. Accordingly, in January 2013 the Member Countries approved launching the discussions on the draft protocol prepared by the ATU on dispute settlement mechanisms; the ATU will prepare, in this regards, a schedule of meetings for specialists from the Member Countries. The ATU will support the holding of expert meetings during the coming period to establish a legal framework as a reference for resolving any trade disputes among Agadir Member Countries regarding the implementation or interpretation of the agreement.

- Anti-dumping

The second Technical Committee meeting (Tunisia , June 2011), approved the draft protocol on antidumping, subsidy and safeguard measures among Agadir Member Countries, the ATU will organise meetings to discuss the executive program of the cooperation protocol which was initially approved during the meeting held in Amman (March 2012). The ATU will support a sustainable cooperation between the investigations authorities in the Member Countries on antidumping, subsidy and safeguard measures, to create mechanisms to coordinate between Member Countries on on-going trade negotiations in this regard internationally and regionally and to develop the performance of investigation authorities in antidumping, subsidy and safeguard measures.

Result 2: Regional trade facilitated/National capacities enhanced

The ATU will facilitate co-ordination among Agadir Member Countries to reduce obstacles to trade caused by Non-Tariff Barriers (NTBs). It will work on the identification of specific technical issues and related trade costs, and will increase transparency through the development of databases and publication of information on the identified NTBs.

The action will support the work, capacity and expertise of the members of working groups established (or to be created) on specific technical issues, in particular customs harmonization, intellectual property rights, sanitary and phyto-sanitary issues, competition policy, and government procurement. Involvement of international experts will be facilitated, if needed, as well as support logistical costs. The working groups will include trade representatives from the Member Countries, from applicant countries as appropriate, international trade experts, and ATU staff. Representatives from the private sector may be invited, including from applicant countries. The aim will be to develop common technical conclusions and recommendations to be submitted to higher instances of the Agadir Agreement.

Sectoral studies will be undertaken to complement and support the working groups when needed. Indeed, the purpose of the studies is to identify prospects for increased trade and industrial cooperation between partners as well as identification of constraints and opportunity. In this regard the member states have identified certain priority areas for expected studies to be undertaken during the coming period, in particular in the areas of agro-food industry, furniture, pharmaceutical and investment opportunities.

Result 3: Awareness and interest of the private sector to increase trade through the Agadir Agreement processes raised

The involvement of the private sector has been identified by all stakeholders as a condition of success of the regional integration process. It is also necessary to extend awareness raising activities to the EU and other international markets to alert potential investors to new business opportunities offered by the larger market available. Thus the project will support a programme of awareness and promotion activities based on the opportunities for regional integration provided by the Agadir Agreement, mainly aimed at the private sector, including in applicant countries. The project will disseminate information on the impact, mechanisms and the opportunities of the Agadir Agreement, and will also be instrumental to facilitate interfaces of regional business networks.

The action will raise awareness and improve knowledge in the countries in the region, and in the EU/international business communities, of opportunities for increased trade and industrial cooperation created by the Agreement. It will facilitate the commitment of export and industrial lobbies into the Agadir trade integration process. This includes the enhancement of the ATU website (www.agadiragreement.org).

3.3. Risks and assumptions

The present programme is based on the following main risks and assumptions:

- The complementarities between the economies of the partner countries have been insufficient, preventing the regional integration process to move forward within a reasonable timeframe. The assumption is that the medium to long-term development plans of the Agadir countries will promote economic and trade diversification.
- The lack of transport infrastructure and direct connectivity among the Member Countries remains a challenge – having regard of the relative high transport costs – for further intra-regional trade. The assumption is that investment in transport infrastructure and connectivity in the Mediterranean region at large will be intensified in the short to medium term.
- The partner countries' sense of shared interests, and willingness to co-ordinate effectively their efforts to remove barriers to regional integration proved insufficient. The private sector in the partner countries remains defensive rather than supportive to the process of trade barriers identification and reduction. The assumption is the political willingness of the current Agadir countries in

pursuing and deepening intra-regional trade agenda, and opening to participation to new countries.

- Insufficient human resources and budgetary constraints in the ATU and in the Member Countries to cope with the Agadir Agreement mandates and increasing core of competences. The assumption here is that Agadir stakeholders and public authorities see economic value in economic integration and devote more of their own resources to make the ATU authoritative and financially independent from the EU support.

3.4. Cross-cutting Issues

The project concerns the strengthening of an institution to foster the economic integration process in the region. As such, it has no direct social and environmental benefits or consequences. Nevertheless, in promoting further economic and trade convergence among its Member Countries, the ATU will endeavour so that general environmental, inclusiveness and human rights considerations are kept into account. Good governance: the project will contribute to improved policy analysis leading to relevant legislative and institutional reform, improving economic governance in areas relevant to trade and economic development.

3.5. Stakeholders

The ultimate beneficiaries of the EU support are the Agadir Member Countries. Direct beneficiaries of the programme activities the entities forming the institutional framework of the Agadir Agreement as follows:

- The Agadir Technical Unit that is in charge of protecting the affairs of the agreement as mandated by the Foreign Affairs Ministers Committee.
- The Foreign Affairs Ministers Committee: the mandate of this committee is to discuss and take decisions on certain political issues such as: appointing the executive president of the ATU and enlarging the Agreement to new member countries.
- The Senior Officials Committee: the members of this committee are the senior officials from Foreign Affairs Ministries and its mandate is to discuss and make recommendations to the Foreign Ministers Committee.
- The Foreign Trade Ministers Committee: which gives the approval for the annual work plans of the ATU and takes the decisions in all trade related issues covered by the agreement
- The Technical Committee: the Members are the senior officials from Foreign Trade Ministries in the four Member Countries and mandated from the ministers committee to discuss all trade issues covered by the agreement and sending its recommendations to the ministers committee to take decisions.

Other stakeholders in the project are the private sector and various private sector representative bodies, chambers of commerce and industry, and sector associations in the four Member Countries are also considered as beneficiaries of the outcomes of

the Agadir Agreement, and as such, are considered as key stakeholders of the EU support.

4. IMPLEMENTATION ISSUES

4.1. 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 the Financial Regulation.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 40 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

4.3. Implementation components and modules

4.3.1. Grant: direct award (direct centralised management)

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

The objective of the EU grant is the consolidation of the institutional framework set up under the Agadir Agreement establishing a Mediterranean Free Trade Area, including the sustainability and credibility of the Agadir Technical Unit (ATU) as an international body, having the necessary capacity to facilitate regional economic integration and to serve the trade development needs of government and private sector in Member Countries.

The main activities will encompass the provision of short-term technical assistance, training, design of sector strategies, studies and preparation of guidelines, procedures and manuals related to trade facilitation and the promotion of trade and investment. Other activities will include the organisation of workshops and conferences, the facilitation of participation of delegates to these events if needed, the regular update of the ATU website and the dissemination of information on trade and investment opportunities offered by the Agadir Agreement in particular to private sector.

The expected results of the grant are:

- ATU supported administratively and financially to act as driving force and catalyst in the implementation of the Agadir Agreement;
- Regional trade facilitated/trade capacities of the Agadir Member Countries enhanced;
- Awareness and interest of the private sector to increase trade through the Agadir Agreement processes is raised.

b) Justification of a direct grant

Under the responsibility of the authorising officer by delegation, the grant may be awarded without a call for proposals to the Agadir Agreement Technical Unit.

Under the responsibility of the authorising officer by delegation, the recourse to an award of a grant without a call for proposals is justified because the beneficiary is in a legal or factual monopoly situation or is identified as beneficiary in the basic act on which this decision is based.

c) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 93%.

The maximum possible rate of co-financing may be up to 100 % in accordance with Articles 192 of the Financial Regulation and 109 of the Financial Regulation of the 10th EDF if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

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

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

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

4.5. Indicative budget

Module	Amount in EUR	Third party contribution (indicative, where known)
4.3.2. – Direct grant to the Agadir Technical Unit (direct centralised)	4,000,000	330,000
Total	4,000,000	330,000

4.6. Performance monitoring

The performance monitoring indicators for this project will relate to the number of MOUs, list of harmonised procedures, technical regulations, products, etc, covered for preferential and/or free trade among Agadir Member Countries. To achieve these results an increasing number of technical working groups will be created / its technical capacity enhanced through increased training and exposure to international capacity (indicators will monitor training sessions and sector studies used by working groups related to the specialised areas of conformity assessment, rules of origin, NBTs, IPR, services and investment, dispute settlement, antidumping and antitrust measures). Other indicators will measure awareness by private sector and international trade and investment actors in opportunities offered by the Agadir Agreement to trade in the region and resulting changes in the share of preferential trade among the Agadir Agreement member countries and utilisation rate of the Agadir Agreement rules by economic operators.

Reports will be prepared by the ATU and submitted to the Commission. Annual progress reports will be submitted, providing information on individual activity progress in terms of budget consumption, implementation times plan and activity completion. A Final report will be submitted at the end of the project activities.

A Joint Steering Committee with participation of observers including the National Coordinators, experts from relevant Commission services, EU Delegations and other relevant stakeholders will provide orientations and guidance for the efficient and proposer implementation of the present programme. The Annual Work Plan will notably be submitted to the Joint Steering Committee.

4.7. Evaluation and audit

The implementation of the programme will be the subject of a regular follow-up by the Commission services. The programme will be the subject of an external evaluation managed by the Commission services after two years of implementation paying particular attention to the future sustainability of the ATU and the need to increase the share of the financing originating from the Agadir Agreement's Member States. The programme may be subject of external audits by the Commission services on a yearly basis, following the adoption of each Annual Working Plan. A final audit may also be performed before the end of the closure phase.

4.8. Communication and visibility

Communication and visibility activities will be carried out in accordance with provision of the Visibility Guidelines¹. The project will work out a specific communication strategy and develop specific activities dedicated to communication and visibility in particular to raise awareness with private sector to fully exploit the trade opportunities created by the Agadir Agreement. The web-site managed by the ATU (www.agadiragreement.org) will be enhanced.

¹ published by EuropeAid

Annex 5

of the Commission Implementing Decision on the ENPI Regional South Annual Action
Programme 2013 –Part I

Action Fiche for Middle East Peace Projects (MEPP) – EU Partnership for Peace programme 2013 (PfPP)

1. IDENTIFICATION

Title/Number	Middle East Peace Projects (MEPP) – EU Partnership for Peace programme 2013 (PfPP) CRIS No. ENPI/2013/024-686		
Total cost	Total estimated cost: EUR 5,000,000 Total amount of EU contribution: EUR 5,000,000		
Aid method / Method of implementation	Project approach – Direct Centralised management		
DAC-code	15050	Sector	Civil Society

2. RATIONALE

2.1. Summary of the action and its objectives

The overall objective of the EU Partnership for Peace Programme is to help support the conditions for re-launching the peace process and provide a solid foundation at the societal level for a just and lasting peace in the Middle East by strengthening and increasing direct civil society relationships and co-operation based on equality and reciprocity between Palestinians and Israelis, including the Arab minority in Israel.

The specific objective is to strengthen civil society peace building actions and conflict transformation, focusing on initiatives which are likely to have an impact on people's everyday lives. In particular, the programme intends to support practical actions aiming at rebuilding mutual trust through reconciliation, building capacity for non-violent approaches to conflict resolution, empowering marginalized parties and launching joint development policies and strategies.

2.2. Sector context

A central objective of the EU in the Middle East is the achievement of lasting peace by means of a just and lasting resolution to the Israeli-Palestinian conflict, with the State of Israel and an independent, democratic, contiguous, sovereign and viable State of Palestine, within 1967 border and with East Jerusalem as its capital, living side by side in peace and security and mutual recognition. This includes a fair solution to the complex issue of Jerusalem, notably through negotiations to resolve the status of Jerusalem as the future capital of two states, and an agreed, just, fair and

realistic solution to the problem of Palestinian refugees. It also includes a solution in the Israeli-Syrian and Israeli-Lebanese tracks.

Notwithstanding the stalemate of the Middle East Peace Process, the Council reiterated in May 2012 its pledge toward the solution of the conflict: "The Council took stock of developments in the Middle East peace process. It reaffirmed its commitment to a two-state solution to the conflict and urged that the viability of such a solution be maintained. Reiterating its fundamental commitment to the security of Israel, it expressed at the same time deep concern about developments on the ground which threaten to make a two-state solution impossible, including in Area C of the West Bank and in East Jerusalem".

Meanwhile, Palestine has obtained the status of non-member state at the UN, following a vote in the General Assembly in November 2012.

Jordan, as a close neighbour to Israel and host to a large Palestinian refugee population, tries to keep and reinforce its role as peace broker between the parties.

The prospects for the renewal of the Middle East Peace Process (MEPP) remain unclear, despite hopes that current political developments in Israel may lead to a new dynamic.

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 neighbours. However, though the Initiative has been welcomed anew by the international community including the EU and the US, Israel's response has been lukewarm. The regional approach to the resolution of the Israeli-Arab conflict will have to take into account the fundamental changes across the Arab world.

Notwithstanding the endorsement of the API at official level both in Palestine and Jordan, at social level the anti-normalisation movement, advocating for freezing all joint activities with Israelis until the final settlement of the conflict, is becoming increasingly vocal and active.

Since 1998, after the 1997 Luxembourg European Council recommended that the EU actively support civil society initiatives in the Middle East as an essential means of reinforcing dialogue and restoring mutual confidence, the EU has constantly supported a great number of initiatives through the European Union's People to People (P2P) Programme (1998 - 2001) first and then through its successor, the EU Partnership for Peace Programme (PfP), from 2002 to the present.

2.3. Lessons learnt

In the absence of a reinvigorated peace process and in view of the deepening internal divides on both sides, peace-building activities are confronted with increased scepticism in the whole region. In order to adapt to the deterioration of the situation, the programme will continue to support "national" projects in addition to the cross-community projects, in order to target those segments of the population who support peace but are losing hope. In this context, political leaders and opinion-formers need

to be targeted in order to renew and keep alive the ideas and visionary leadership which could result in a peace deal. Activities aiming at revitalising the dialogue, exposing them to studies and international experiences will also be supported by the programme.

The external evaluation of the programme, conducted in 2009, and the consultation workshop with civil society in 2012 confirmed the relevance of the regional nature of the programme as well as its demand-driven approach. Through its flexibility and diversity, the programme has made possible a large variety of projects, approaches and methodologies, which have built up a valuable richness in experiences and practices. The programme has successfully enhanced the capacity to introduce and defend the role of third parties as a substantial component of the conflict resolution.

Meanwhile, it was recommended to enhance the efficiency and effectiveness of the effort by improving the image of the programme, promoting networking and coordination, and building capacities of the grant recipient organisations. These recommendations are met through the implementation of a specific EU PfP communication strategy and through a package of trainings (Monitoring & Evaluation, Reporting, Gender mainstreaming, greening development) offered to EU PfP grant beneficiaries.

The Call for Proposals will reinforce, in continuity with the 2012 Call, the following approaches:

1. Connect peace-building and education for peace with tangible results likely to impact on people's everyday's life;
2. Promoting conflict transformation and capacity building for nonviolent resistance among marginalised groups and new constituencies as alternatives to passive acceptance of the conflict or of armed struggle against it.
3. Opening the political space for political discussion among conflicting parties and support national and intergovernmental leadership to foster the peace process.

2.4. Complementary actions

The involvement of the European Union in the Middle East peace process is driven by the basic principles and objectives of the ENP Southern Partnership. The relationship between the European Union and its Mediterranean Partner Countries aims at “turning the Mediterranean basin into an area of dialogue, exchange and co-operation guaranteeing peace, stability and prosperity” through “strengthening of democracy and respect for human rights, sustainable and balanced economic and social development, measures to combat poverty and promotion of greater understanding between cultures, which are all essential aspects of partnership (...).” Such a partnership in the Mediterranean area is implemented in practise through the European Neighbourhood Policy (ENP) and the relevant Action Plans, offering the countries covered an increasingly close relationship with the EU, and aiming to prevent the emergence of new dividing lines between the enlarged EU and its neighbours. The EU Partnership for Peace is therefore situated in the context of the

ENPI Regional Strategy 2007-2013 and ENPI Regional Indicative Programme 2011-2013.

Complementarities will be sought with the Instrument for Stability (IfS), if necessary, which provides for rapid responses in contexts of crisis and emerging crisis.

The PfP programme will also take into account, and seek complementarities and avoid of duplication with bilateral and regional actions under the European Instrument for Democracy and Human Rights.

Finally, the PfP programme will be coherent with the Comprehensive Approach to the EU implementation of the United Nations Security Council Resolutions 1325 and 1820 on Women, Peace and Security encouraging applicants to mainstream gender in their proposals thus ensuring full involvement of women in the search for peace.

2.5. Donor co-ordination

In the past, although attempts were made for launching donor co-ordination in peace building, there were no tangible results. It appears then that so far there is no real interest for donor coordination in the area, most probably to avoid an additional coordination setting, at least among donors in Palestine, and also because donors strategies and funding mechanisms in this sector are quite uneven. The results of an EU commissioned mapping of donors' support to civil society in the peace building area, launched in 2012, confirm the above mentioned fragmentation and lack of interest. The objective of the mapping was twofold: on the one hand, it intended to establish first contacts with the donors involved in peace-building in the region with a view to creating a platform for coordination; on the other hand, it aimed at providing civil society organisations with useful information enabling them to increase their capacities to leverage funds. The first aim will be most probably dropped. The draft mapping has been shared with concerned EU donors for final check and will be finalised and disseminated soon.

3. DETAILED DESCRIPTION

3.1. Objectives

The **overall objective** of the EU Partnership for Peace Programme is to help support the conditions for re-launching the peace process and provide a solid foundation at the societal level for a just and lasting peace in the Middle East by strengthening and increasing direct civil society relationships and co-operation based on equality and reciprocity between Palestinians and Israelis, including the Arab minority in Israel. To this end, initiatives under this programme can be undertaken by organisations in each country or jointly between Mediterranean Partner Countries and/or EU Member States and/or countries that are beneficiaries of Pre-Accession Assistance and/or Member States of the EEA.

The **specific objective** is to strengthen civil society peace building actions and conflict transformation, focusing on initiatives which are likely to have an impact on people's everyday lives. In particular, the programme intends to support practical

actions aiming at rebuilding mutual trust through reconciliation, building capacity for non-violent approaches to conflict resolution, empowering marginalised parties and launching joint development policies and strategies.

3.2. Expected results and main activities

Expected results would include:

1. Confidence in the peace process and the two state solution is restored amongst key constituencies.
2. Marginalised parties are empowered and new constituencies persuaded to adopt non-violent approaches to conflict resolution.
3. Joint development of policies and strategies is renewed, and awareness about and advocacy for existing peace solutions is raised.
4. Commitment to the peace process is strengthened by leaders/decision makers through broadening support for particular initiatives.
5. The outcomes of the PfP projects are disseminated widely and the image of the programme is reinforced.
6. Networking among PfP grant beneficiaries is ensured and their capacity strengthened.

Results 1 to 4 will be achieved through support for projects under a Call for Proposals.

Result 5 and 6 will be achieved by continuing the implementation of the PfP communication strategy as well as of capacity building activities launched in 2012 with the support of an external communication company. It is expected that 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 in all involved Delegations have been and will always be supportive through 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 PfP grant beneficiaries.

Even though the previous Call for Proposals, launched in December 2012, is still on-going, and it is thus premature to draw conclusions, it is recommended that next Call for Proposals priorities will be in line with previous ones. Those priorities have been identified in consultation with civil society; hence they are expected to meet the need of the targeted communities. In addition, by encouraging different projects under the same priorities the impact prospects of those specific actions and of the programme in general are enhanced.

1. "Peace as viability of the two state solution": joint concrete actions for socio-economic development of communities directly affected by the conflict.

The programme will maintain its support to practical actions responding to local concrete needs (such as environment, health, business development, municipality issues, community development, technical disputes or the like) likely to produce tangible results in terms of development, quality of life and cooperation between conflicting communities, particularly for the benefit of those communities directly exposed to the conflict.

2. "Peace as a value": education for peace

The actions under this priority could include conflict management work such as capacity-building for non-violent approaches to conflict resolution, expose the target groups to both their own and other narratives as well as increase the understanding of their respective rights; peace building educational activities; educational programmes designed to introduce long term changes in attitudes, stereotypes, prejudices and to increase tolerance and understanding both within each of the societies and of the other side; lessons learnt from other conflicts in the world.

3. "Peace as negotiated political solution"

Actions under this priority will promote the implementation of existing visions of a future peaceful relationship between Israel and its Arab neighbours, through increasing knowledge and awareness of possible solutions to the conflict based on justice and rights. These actions are intended to support leaders and opinion formers to work toward the resolution of the conflict and promotion of the two state solution.

All actions, regardless of the priority, must be implemented mainly in Palestine and/or Israel and/or Jordan. Specific activities, within the scope of the action and for its benefit, can be implemented also abroad.

Institutionalisation of good results and best practices as well as dissemination of outcomes at public level should be sought within each action.

Target groups: Pioneer projects, targeting 'veto' and 'blocking' groups (those communities considered hostile to the peace process such as religious or radical parties, settlers, etc.) will be welcomed. Projects aiming at expanding the constituencies through the involvement of marginalised groups such as youth, women and children and/or targeting sceptical or not committed groups are encouraged. Projects involving local communities as a whole, thus producing a multilevel and long term impact, will be particularly encouraged.

3.3. Risks and assumptions

As previous experience has shown, there is a high risk of disruption of activities linked to the instability of the political situation. Increased political tensions could jeopardise the willingness/ability of the stakeholders to carry on the project, or even to apply in the first place. In addition, the anti-normalisation movement has attempted to hinder a number of joint activities.

Outbreak of violence, similar to that of November 2012 due to the war on Gaza, is likely to provoke a freezing of the activities and a temporary suspension of the peace NGOs engagement. In this case, and depending on the prevailing conditions during

the CFP/implementation process, the following options will be considered: to stand-by the launch of the call for proposals; to delay the evaluation process; freeze implementation and/or grant a time extension to the contracts. These measures should allow civil society to return to regular activities once the situation has calmed down.

Visibility could also be affected due to security reasons. In these cases, as learned previously, it is suitable to delay some activities and/or adopt a low profile approach. Each proposal will need anyway to thoroughly assess the risks and propose mitigation measures.

Lack of freedom of movement, especially for Palestinians and Jordanians, is an issue likely to hamper the smooth operation of activities and therefore it could lead to delays in the implementation of the projects. It could also affect the monitoring of the activities.

3.4. Cross-cutting issues

Cross-cutting issues, such as environmental sustainability and gender equality will be taken into due consideration in the context of the programme by respectively encouraging applicants to adopt a gender-sensitive approach and raising their awareness on environmentally friendly operations.

3.5. Stakeholders

The main stakeholders of the programme are civil society organisations, including Community Based Organisations (CBOs), and leaders and opinion-formers in the region as well as their European partners and international organisations.

In the last years, several consultation seminars with stakeholders have been undertaken, the last one being in July 2012 for the identification of the Call's priorities. The work of civil society is extremely important in contributing to building sustainable peace. Working on common interests can maximize prospects for sustainability, and objectives need to be gradual and realistically achievable. In addition, given the political and cultural divisions within the societies which create barriers to the peace process, a broad range of communities and actors need to be targeted, and sometimes uni-national actions will be more sustainable. For this reason, PfP, notwithstanding its specific peace-building overall objective, is not restricted to peace NGOs, but is open to all kind of civil society organisations which are able, through their actions, to connect peace-building with tangible results that change lives and create long-term impact and consolidation of results. In this regard, the involvement of the communities as a whole is key to ensure that the civil society organisations agenda is relevant to the targeted communities.

Local Authorities have a significant task in socio-economic development and community representation. They have an important role in ensuring social cohesion among their constituents and are therefore among the potential stakeholders of the programme.

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

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 60 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

4.3. Implementation components and modules

Direct centralised management devolved to EUREP in East Jerusalem and EU Delegations in Tel Aviv and Amman.

EUREP in West Bank, Gaza Strip launches the call for proposals after agreement on guidelines with EU Delegations in Israel and Jordan and provides the administrative support for the selection process. Once the selection made, each Delegation manages the respective grants falling under its responsibility.

Delegation services will work jointly for the preparation of the Call for Proposals and for the evaluation process 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.

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 the Jerusalem office whereas Israeli ones are processed by Tel Aviv. Projects which have mainly activities in Jordan or Jordanian applicants are managed by Amman Delegation.

4.3.1. Grants: call for proposals - The EU Partnership for Peace programme (direct centralised 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 problems the action intends to address. As per the type of actions eligible for financing, they must be in line with the priorities described in point 3.3. In addition, All actions, regardless of the priority, must be implemented in Palestine and/or Israel

(within its internationally recognised borders) and/or Jordan. Specific activities, within the scope of the action and if duly justified, can be implemented abroad.

b) Eligibility conditions

- be legal persons and
- be non-profit making and
- be specific types of organisations such as: non-governmental organisations (for example, but not exclusively, organisations representing national and/or ethnic minorities, local citizens' group and traders' associations, cooperatives, trade unions, organisations representing economic and social interest, consumer organisations, women's and youth organisations, teaching, cultural research and scientific organisations, universities, cross border associations, independent political foundations, community based organisations, and private sector agencies, institutions and organisations, such as chambers of commerce, federations, etc.), local authorities, international (inter-governmental) organisations as defined by Article 43 of the Implementing Rules to the EU Financial Regulation and
- be established in a Member State of the European Union or one of the ENPI South Countries or a country that is beneficiary of Pre-Accession Assistance or a Member State of the EEA (this obligation does not apply to international organisations)

c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant and the relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the General Budget.

d) Maximum rate of co-financing

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

The maximum possible rate of co-financing may be up to 100 % in accordance with Articles 192 of the Financial Regulation if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

e) Indicative trimester to launch the call

The call for proposals is expected to be launched in the third trimester of 2013.

f) Exception to the non-retroactivity of costs

The Commission authorises the eligibility of costs prior to the submission of the grant application as of 01/01/2014.

4.3.2. *Procurement (direct centralised management)*

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Information, communication, networking and capacity building activities	Service	1	Last trimester 2013
External evaluation of the programme	Service	1	Second trimester 2014

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

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

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

4.5. Indicative budget

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
Call for proposals EU Partnership for Peace (direct centralised)	4,700	600
Procurement (direct centralised)	120	N.A.
Evaluation and audit	180	N.A.
Totals	5,000	N.A.

4.6. Performance monitoring

Performance monitoring, in order to measure progress of projects implementation, will be ensured by the Commission services (EU Representative Office in East Jerusalem, EU Delegations in Israel and Jordan, as well as EU Delegations of ENPI

countries, if applicable). A number of actions under PfP will be included also in the annual ROM monitoring exercise. Applicants are encouraged to allocate human and financial resources for monitoring their actions. This point will be duly highlighted in the Guidelines for Applicants in order for them to include it in the proposed budget.

4.7. Evaluation and audit

Final external evaluations of each project are encouraged and the relevant cost must be included in the project's budget. The project evaluation should mainly assess the project impact in terms of change of attitude of the target groups toward the peace process. This point will be duly highlighted in the Guidelines for Applicants in order for them to include it in the proposed budget. EU staff will facilitate the dissemination of these reports, upon authorisation of the grant Beneficiaries, so as to favour exchange of best practises.

An external evaluation of the whole programme is envisaged to be launched in 2014, which will focus on the impact of the programme in terms of long term change of attitudes.

Although not mandatory, Beneficiaries will be encouraged to submit expenditure verification in support of every request for payment. The relevant cost must be included in the project's budget. This point will be duly highlighted in the Guidelines for Applicants in order for them to include it in the proposed budget.

Some PfP projects will be included in the EU Annual Audit exercise, if deemed necessary.

4.8. Communication and visibility

Communication and visibility of the whole programme is expected to be ensured by EU staff on the basis of the communication strategy developed in 2012. A dedicated link to PfP was also created in the websites of each of the three delegations in charge of the programme where a brief presentation of the programme, including the list of the awarded grant, is uploaded. The three delegations will take due care to always communicate identical messages and provide identical information.

EU visibility guidelines are to be respected by all grant beneficiaries. Upon signature of the grant contracts, grant beneficiaries will be informed about the EU visibility requirements either through a dedicated workshop delivered by EU press staff or on bilateral meetings. Services on the ground will check the visibility component of the actions through field visits and will increase public visibility of the actions when possible.

However, in view of the sensitive nature of this programme, grant beneficiaries may have valid reasons for not disclosing information on their activities and on participants. Visibility issues will be then treated with the utmost care and requests for derogations will be treated on their merits and on case-by-case basis.

Annex 6

of the Commission Implementing Decision on the ENPI Regional South Annual Action Programme 2013 –Part I

Action Fiche for Support to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP)

1. IDENTIFICATION

Title/Number	Support to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) (2013)		
Total cost	Total estimated cost: EUR 32,000,000 Total amount of EU budget contribution: EUR 32,000,000		
Aid method / Method of implementation	Project approach – Indirect centralised management with the European Investment Bank		
DAC-code	32130	Sector	SME development

2. RATIONALE

2.1. Summary of the action and its objectives

The overall objective of the Facility for Euro-Mediterranean Investment and Partnership is to promote sustainable economic growth in the region through investments in infrastructure and especially in private sector development. The specific objective of FEMIP is to enhance the supply of foreign and domestic financing mainly for private, also public, investments in the region, through direct provision of financial resources.

2.2. Sector context

The first EU Action in support to FEMIP was created in 2002 to complement the activities of the Facility for Euro-Mediterranean Investment and Partnership. The support to FEMIP is placed in the political context of the European Neighbourhood Policy and the Union for the Mediterranean, aiming at building a shared area of peace, stability and shared prosperity among the Members of the European Union and 10 Southern Mediterranean States: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Occupied Palestinian Territory, Syria and Tunisia.

The EU support to FEMIP under this Action will expand operations in the region. The EU has been financing risk capital operations since the seventies and emphasized its importance and complementarity to other EIB activities as well as to private sector development projects carried out by the European Commission.

The Support to FEMIP finances both technical assistance (TA) and risk capital operations (RCOs).

2.3. Lessons learnt

A review of FEMIP was conducted by the European Commission in 2006. The review concluded that risk capital operations carried out by the EIB, have played an important role in bringing capital to the private sector in Mediterranean Partner countries. EIB direct or indirect participation in companies induces over time better market practices such as better enterprise governance, respect of environmental norms, labour legislation. Moreover, EIB interventions have a catalytic effect on other sources of finance and can lead to innovative projects.

2.4. Complementary actions

The Facility for Euro-Mediterranean Investment and Partnership (FEMIP), gives priority to expanding the private sector in the Mediterranean Partner countries. Under FEMIP, one instrument complements risk capital operations: global loans, financed on EIB own resources. Global loans target SMEs' financing needs via local banking intermediaries.

Technical assistance in itself is complementary to risk capital operations and global loans as regards the general objective of developing the private sector of Mediterranean Partners. TA funds have been successfully used for instance to create a private equity fund in Lebanon and train equity fund managers in Tunisia.

2.5. Donor coordination

The Commission and the EIB have reinforced their coordination in order to ensure that actions carried out by each are coherent and complementary. The opening of local EIB offices has facilitated and strengthened this coordination effort.

A Memorandum of Understanding between the Commission and the EIB was signed in May 2008 to enhance this coordination and cooperation. Moreover, the Management Agreement aiming to define the modalities of the implementation of operations financed from the general budget of the European Union in the framework of the Support to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) was signed between the European Commission and the European Investment Bank on 20 December 2012.

The Commission, Member States and the EIB will also ensure complementarity between this instrument and the Neighbourhood Investment Facility and avoid any duplication.

3. DETAILED DESCRIPTION

3.1. Objectives

The objective of the Support to FEMIP is to provide capital to the private sector of Mediterranean partner countries on terms that are not available locally.

Risk capital is invested directly or indirectly in order to (i) support the private sector, i.e. enable the creation, restructuring or growth of enterprises (ii) strengthen the role of the local financial sector by supporting the creation of new institutions or the establishment of new activities for the benefit of the private sector.

Technical assistance is mobilised to strengthen FEMIP operations in the Mediterranean region, with a special focus on private sector development.

3.2. Expected results and main activities

The expected results of the risk capital facility are direct or indirect investments in private sector enterprises. Investments will also be made in new or existing financial institutions in as much as their activities are geared to the private sector and in particular SMEs.

As a result of these investments, a number of companies should be established and/or made more competitive jobs should be created and/or maintained.

The expected result of technical assistance is an improved conception and implementation of projects, which should in turn improve the rate of lending and disbursement as well as the development impact of loan projects. The support to FEMIP will also ensure transfer of know-how to various project promoters and the local financial sector.

3.3. Risks and assumptions

A stable political and security climate on the regional level in general and on the country level in particular is needed to promote and secure investments.

3.4. Cross-cutting issues

The EIB ensures that projects financed with EU budget risk capital respect environmental norms. Particularly in the field of microfinance, projects should aim at the integration of women in the labour market.

3.5. Stakeholders

The beneficiaries of the Risk Capital Facility are the private sector in general and SMEs as well as financial intermediaries.

The beneficiaries of technical assistance are private enterprises, public institutions and the financial intermediaries.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out is defined on a case by case basis, nevertheless the first disbursement shall be made no later than 3 years after the signature of the contract, this being subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

4.3. Implementation components and modules

4.3.1. Indirect centralised management with the European Investment Bank.

This action with the objective of financing Risk Capital (RC) and Technical Assistance (TA) Operations will be implemented in indirect centralised management with the European Investment Bank in accordance with Article 54(2)(c) of Financial Regulation 1605/2002. This implementation is justified because the Commission has decided to delegate some of its budgetary implementation responsibilities to the Bank with a view to the execution of TA and RC Operations.

The European Investment Bank will be entrusted to carry out the following Operations:

- Risk capital Operations;
- Technical assistance Operations;
- Loans on special conditions;
- Interest rate subsidies.

The distribution of funds among the above Operations will be decided jointly by the EIB and the Commission, based on needs and relevance of proposals.

The Commission authorises that the costs incurred by the European Investment Bank may be recognised as eligible according to the modalities stipulated in the new Management Agreement signed between the European Commission and the European Investment Bank the 20 December 2012.

The change of method of implementation constitutes a substantial change except where the Commission “re-centralises” or reduces the level of budget-implementation tasks previously entrusted to the agency.

4.4. Indicative budget

Module	Amount in EUR	Third party contribution (indicative, where known)
Indirect centralised management with the European	32,000,000	n/a

Investment Bank		
Total	32,000,000	n/a

4.5. Performance monitoring

Since 2011 specific TA operations are monitored by the Commission through the Result Oriented Monitoring (ROM) which gives an indication of the performance of the selected operations. The EU external results-oriented monitoring may be conducted by independent consultants engaged and paid by the Commission. The reports of these consultants are shared with the Bank, who shall be entitled to provide their comments.

For RCOs, performance indicators are going to be put in place for Operations signed by the EIB after the entry into force of the Support to FEMIP Management Agreement (i.e. December 2012).

4.6. Evaluation and audit

All Operations will be subject to the relevant Bank's procedures regarding monitoring, evaluation and inspection. Annual report on each on-going operation for risk capital, interest rate subsidies and technical assistance will be produced by the EIB and submitted to the Commission. Reports will include financial and non-financial monitoring and evaluation, leverage effect and development impact expected.

4.7. Communication and visibility

The Commission and the Bank will take all appropriate measures to ensure the visibility of the financing of an Operation by the European Union. The information circulated through the media, and/or addressed to the Final intermediaries and the Final beneficiaries of an Operation will always mention the fact that the Operation was financed by the European Union or carried out with the financial assistance of the European Union and display the European logo in a suitable manner. This will also apply to external reports and brochures published directly by the Bank concerning, in full or in part, the Operations.

Annex 7

of the Commission Implementing Decision on the ENPI Regional South Annual Action Programme 2013 –Part I

Action Fiche for Euro-Mediterranean partnership global allocation for 2013-2014

1. IDENTIFICATION

Title/Number	Euro-Mediterranean partnership global allocation for 2013-2014 CRIS number: ENPI/2013/024-711		
Total cost	Total estimated cost: EUR 13 million Total amount of EU budget contribution: EUR 13 million		
Aid method / Method of implementation	Project Approach: Direct centralised management		
DAC-code	43010	Sector	Multi-sector

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The Euro-Mediterranean partnership global allocation for 2013-2014 is a flexible “facility” giving the European Commission the possibility to decide to finance small-scale measures that are in keeping with the objectives of the Southern dimension of the European Neighbourhood Policy and its operational and policy priorities.

2.2. Context

The Regional Indicative Programme (2011-2013)¹ for the Euro-Mediterranean Partnership under the European Neighbourhood and Partnership Instrument (ENPI) recognises the global allocation as one of its key priorities.

Based on the ENPI Regulation², in particular Article 16 on “Support measures”, the Euro-Mediterranean partnership global allocation for 2013-2014 provides funding to cover expenditure associated with the preparation, follow-up, monitoring, auditing and evaluation activities directly necessary for the implementation of the ENPI Regulation and for the achievement of its objectives, e.g. studies, meetings, information, awareness-raising, publication and training activities, including training and educational measures for partners enabling them to take part in the various stages of the programme, expenditure associated with computer networks for the exchange of information and any other administrative or technical assistance expenditure that the Commission may incur for the management of the programme.

¹ C(2010)9365 of 22 December 2010.

² Regulation (EC) No 1638/2006.

Therefore, the global allocation will also support activities linked to the priorities outlined in the two Joint Communications of the European Commission and of the High Representative of the EU for Foreign Affairs and Security Policy "A partnership for democracy and shared prosperity with the Southern Mediterranean"³ and "A new response to a changing Neighbourhood"⁴.

3. DETAILED DESCRIPTION

3.1. Objectives

The objective of this global allocation is to ensure a swift preparation of actions and projects, while enabling the European Commission to act with flexibility by means of an instrument which is capable of adapting itself to evolving circumstances and/or dealing with unforeseen situations.

3.2. Expected results and main activities

The global allocation will be used as a framework for financing activities in the following fields:

(1) Support for project cycle management

This component includes activities linked to:

- a) identification and formulation of bilateral and regional projects which may result in funding from ENP South (e.g. sectoral studies, country or region studies, studies on cross-cutting issues or in specialised areas, preparatory activities, etc.);
- b) small projects and other small-scale activities to back up major projects during implementation (programmes carried out under the country or multi-country programmes);
- c) audit and evaluation/impact assessment of projects for which financing of such activities could not be foreseen due to the N+1 rule or is no longer available.

The indicative budget for this component is **EUR 8.5 million**.

(2) Studies and information activities

This component supports activities in the Mediterranean countries and territories in the following areas:

- a) information: publications and other information and awareness-raising activities about the Euro-Mediterranean co-operation and partnership which are designed and implemented in coherence with and to complement the regional information and communication programme, in order to enhance the visibility of EU's activities in each Mediterranean country.

³ COM(2011)200 of 8 March 2011.

⁴ COM(2011)303 of 25 May 2011.

- b) studies: studies on relevant issues, data collection and processing and the dissemination thereof.

This component will have an indicative budget of **EUR 2 million**, to be split among EU Delegations and Headquarters based on their annual programme of activities.

(3) Organisation of meetings and training activities

- a) This component covers different kinds of meetings organised by the Commission in the framework of the European Neighbourhood Policy (ENP) South region, including ministerial conferences conducted in co-operation with the EU presidency and thematic working groups, civil fora, sectoral preparatory meetings, etc.
- b) This component covers different kinds of training activities organised in the framework of the ENP South region.

The beneficiaries of this support are the Members States of the Union for the Mediterranean, taken into account eligibility of countries as set by Article 27 of the ENPI Regulation.

The indicative budget for these components is **EUR 2.5 million**.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 36 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

4.3. Implementation components and modules

The programme will be financed through direct centralised management using both grants and procurements.

The Euro-Mediterranean Partnership global allocation for 2013-2014 is meant to react with flexibility to evolving circumstances and unforeseen situations, therefore the separations of amounts and number of contracts is provisional and indicative. Numbers are based on previous years' experience.

4.3.1. Grants: call for proposals (direct centralised management)

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

The objective of the grants is to ensure preparation of actions and projects by giving support to project cycle management, studies and information activities and organisation of meetings and training activities.

b) Eligibility conditions

As foreseen in the ENPI basic act.

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%.

The maximum possible rate of co-financing may be up to 100% in accordance with Articles 192 of the Financial Regulation and 109 of the Financial Regulation of the 10th EDF if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

e) Indicative trimester to launch the call

Throughout the year.

4.3.2. *Procurement (direct centralised management)*

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Ensure preparation of actions and projects	Supplies, services	100	Throughout the year

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

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

The responsible authorising officer may extend the geographical eligibility in accordance with Article 27(1) of the basic act.

4.5. Indicative budget

Component	Amount in EUR thousands	Third party contribution
Support for project cycle management	8,500	0
Studies and information activities	2,000	0
Organisation of meetings and training activities	2,500	0
TOTAL	13,000	0

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
4.3.1. – Call for proposals (direct centralised)	7,800	0
4.3.2. – Procurement (direct centralised)	5,200	N.A.

4.6. Performance monitoring

The monitoring of the implementation will be carried out, including periodic assessment of progress and delivery of the project results.

4.7. Evaluation and audit

Certification of expenditure will have to be submitted as part of the contracts implementing this decision. Evaluations of the results achieved by some of the projects financed under this Decision may be conducted by external experts entrusted by the Commission, along with external audits on the initiative of the Commission, if necessary. These evaluations and audits will be funded from other sources because the “N+1” rule applies after the contracting-out period for this Decision.

4.8. Communication and visibility

Communication and information activities are an integral part of the action, aiming at enhanced visibility and better understanding of EU-funded activities in the Neighbourhood South. The Communication and Visibility Manual for EU External Actions⁵ will be respected and followed to ensure the visibility coherence.

⁵ http://ec.europa.eu/europeaid/work/visibility/index_en.htm.