

Action Document for EU Trust Fund to be used for the decisions of the Operational Board

1. IDENTIFICATION

Title/Number	Regional Resilience & Local development Programme for Syrian refugees and host communities		
Total cost	Total estimated cost EUR 128,000,000 Total amount drawn from the Trust Fund : EUR 128,000,000		
Aid method / Method of implementation	Project Approach Direct management – grants – direct award Indirect management – delegation agreements		
DAC-code	73010	Sector	Reconstruction relief and rehabilitation

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The proposed action is based on the resilience needs of Syrian refugees and host communities as identified in Regional Refugee & Resilience Plan 2015-2016 (<http://www.3rpsyriacrisis.org/>) and the national response plans of the main host countries Lebanon, Jordan, Turkey, and Iraq. It builds on several concept notes submitted by different networks and partnerships of European institutions and CSOs to the Madad Fund in the field of community development support for the a.m. target groups and countries.

The Overall Objective of the programme is to mitigate the destabilising effects of the refugee crisis in Lebanon, Jordan, Iraq and Turkey. The Specific Objectives are to (i) To enhance the economic growth potential of the local economy hosting Syrian refugees. This potential shall be developed through private sector enterprise development, sustainable environmental projects and livelihood promotion thereby increasing the opportunity for employment, income generation and overall quality of life and welfare of the targeted population easing the pressures generated by the influx of refugees; (ii) strengthen the prospects of young refugees and host populations towards better social and economic inclusion; (iii) increase through skills development short-, medium- and long-term economic opportunities for Syrian refugees, through skills development, in preparation of their future return to Syria, in particular for youth and women; (iv) increase economic opportunities for poor host communities in Lebanon, Jordan, Iraq and Turkey, in particular for youth and women; (v) support improved local economic development and strengthen local and national systems and service delivery capacities in communities hosting refugees; and (vi) decrease tensions between refugees and local populations in host communities in Jordan, Lebanon, Iraq and Turkey.

In pursuit of these objectives, the programme would target up to 200 communities across the target countries, addressing basic financial needs of vulnerable families, engaging unemployed and disillusioned youth through work (short-term), skills development (medium-term) and community engagement (social inclusion) in preparation of a future return to Syria, mitigating tensions between host and refugee communities, and providing enhanced EU visibility locally.

The proposed Action responds to Madad Fund's priorities and the recent Council conclusions adopting the *EU regional strategy for Syria and Iraq as well as the ISIL/Da'esh threat*, of 16 March 2015, committing the EU support to "*provide protection and assistance to refugees and vulnerable host communities, build resilience and comply with international law, standards, conventions and humanitarian principles, including through the new European Union Regional Trust Fund in response to the Syria crisis (the Madad Fund) which is open to all donors. The Madad Fund will operate in close co-ordination with existing funding mechanisms and in line with relevant national and international planning, responding to priorities set out in the UN Regional Refugee and Resilience Plan, to support an effective international response to the crisis.*"

In particular, the proposed action contributes to the implementation of *EU regional strategy for Syria and Iraq as well as the ISIL/Da'esh threat* under section 2.1.5 - *Strengthen local resilience capacities in Syria, Iraq and the affected neighbouring countries*, i.a. by using "*the 'Madad fund' for stabilisation and resilience aid to refugee and host communities in Iraq, Lebanon, Jordan, Turkey, and Egypt. This needs to be achieved in a holistic way, in coordination with existing funding mechanisms and in line with current national government planning and the UN 3RP approach;*"

2.2. Context

According to the Regional Refugee & Resilience Plan 2015-2016 (<http://www.3rpsyriacrisis.org/>), all indicators are that the human costs of the Syria crisis will continue to grow in 2015 and 2016, with continuing population movements, and deepening vulnerabilities.

The overall planning assumptions for 2016 are that armed conflict and insecurity will continue inside Syria; that an effective overall peace agreement will not yet be achieved and implemented; and that refugees will continue to flee Syria and seek international protection, despite measures to restrict admission in some countries in the region. Additional Syrian refugees have arrived in the five host countries during 2015, which – very close to the forecast 10 months ago of 4.27 million by end-2015 – has brought the total regional refugee population up to 4.29 million by November 2015. More than half of these refugees are children.

Albeit middle-income countries, the countries neighbouring Syria have been severely affected by the crisis which strained the coping abilities of millions of vulnerable people in these impacted communities. Many refugees are living in already poor areas where there are limited livelihood opportunities, and where housing and social services are stretched, exacerbating vulnerabilities among the local population. Conflict in Iraq has compounded the difficulties for refugees and impacted communities there, with the two displaced populations overlapping and placing a large burden on local services (inflow of nearly 250,000 Syrian refugees and more than 2.8 million IDPs in Iraq).¹

On 15 December 2014, the **Lebanon** Crisis Response Plan (LCRP) for 2015 was launched. The LCRP requirements are for USD 2.1 billion, including USD 1.4 billion for the refugee component and USD 724 million for the resilience/ stabilization component. The Government of Lebanon's requirement included in the total is USD 169 million. Lebanon will support the expansion of temporary income-generating opportunities at scale for stabilization, linked with the priorities of local economic development and longer-term planning at local and national level. The 2016 LCRP was released on 15th December 2015.

¹ Kurdistan Region of Iraq, economic and social impact assessment of the Syrian conflict and ISIS crisis - World Bank, 2014

In **Jordan**, the Government on 18 October launched the Jordan Response Plan (JRP) for the years 2016 – 18 (<http://www.jrpj.org>), which is rather articulated and sets clear outputs in the area of livelihood and resilience, with the following specific objectives:

- Improve availability, access and utilisation of quality food for vulnerable women, girls, boys and men affected by the Syrian crisis.
- Increase income generation and employment for vulnerable Jordanian men and women leading to sustainable economic;
- Strengthen resilience of local governance system and communities to crisis with particular focus on social cohesion.

For the resilience-related needs relevant to the Madad Fund, the new 3-year JRP indicates for 2016 alone needs of USD 250m for education, 183m for health, 266m for livelihoods and food security, and 310m for WASH.

JRP 2016-2018 Budget Requirements per year – USD (Table 1.1a)

Sector	2016	2017	2018	Total (2016-2018)
Education	250,638,101	281,204,375	323,130,296	854,972,772
Energy	107,400,000	111,075,000	87,000,000	305,475,000
Environment	2,900,000	8,150,000	2,300,000	13,350,000
Health	183,660,762	178,840,190	170,085,832	532,586,785
Justice	11,402,000	9,252,000	8,300,000	28,954,000
Livelihoods and Food Security	266,527,304	274,253,649	272,140,971	812,921,924
Local Governance and Municipal Services	69,163,402	76,361,270	58,227,216	203,751,888
Shelter	32,157,984	32,080,853	25,056,207	89,295,044
Social Protection	420,385,331	374,365,034	323,477,528	1,118,227,893
Transport	28,300,000	33,600,000	16,300,000	78,200,000
WASH	310,800,000	322,520,000	261,760,000	895,080,000
Management	1,420,000	1,140,000	740,000	3,300,000
Sub Total: JRP Programmatic Response	1,684,754,884	1,702,842,372	1,548,518,050	4,936,115,306
Subsidies for Syrian Refugees	213,214,431	222,409,642	232,725,266	668,349,339
Security Support	448,216,824	454,082,611	430,294,742	1,332,594,177
Accelerated Infrastructure Depreciation	258,640,000	274,158,400	290,607,904	823,406,304
Income Loss	125,702,797	125,554,907	125,721,274	376,978,978
Sub Total: Direct Budget Support	1,045,774,052	1,076,205,560	1,079,349,186	3,201,328,798
Total JRP Budget	2,730,528,936	2,779,047,932	2,627,867,236	8,137,444,104

In terms of the 2015 JRP results, much has been achieved over the past year despite severe funding shortfalls. For example:

- Access to education improved: more than 143,000 Syrian refugee boys and girls enrolled in public schools this year, and 50,000 Syrian boys and girls have been provided with remedial education.
- Access to Justice has improved: 70,000 Syrian refugees and Jordanians in host communities reached with legal advice and/or information.
- Communicable disease control has been strengthened: over 100,000 Syrian children under five were vaccinated against polio.

However, these successes have been achieved against a background of increased

vulnerability. Many refugee families have spent their savings, sold their assets, and lost access to their support networks, forcing them to take extreme measures in order to cope. Meanwhile, vulnerable Jordanians living in communities with high concentrations of refugees are being increasingly affected. The Comprehensive Vulnerability Assessment carried out between April and July 2015, under MOPIC supervision, found severe vulnerability levels across four key service delivery sectors; education, health, solid waste management and WASH, particularly in areas with high concentrations of Syrians. Although vulnerability is increasing, aid funding is reducing. About 34.5 % of the total USD2.99 billion JRP2015 requirements has so far been committed for 2015, indicating that for the fourth year; two thirds of needs at a minimum remain unfunded.

JRP 2016-18 Budget Requirements per component – USD (table 1.1b)

Sector	Refugee Response	Resilience Response	Grand Total
Education	353,588,092	501,384,680	854,972,772
Energy	144,975,000	160,500,000	305,475,000
Environment	NA	13,350,000	13,350,000
Health	224,745,940	307,840,845	532,586,785
Justice	4,404,000	24,550,000	28,954,000
Livelihoods and Food Security	631,860,073	181,061,851	812,921,924
Local Governance and Municipal Services	NA	203,751,888	203,751,888
Shelter	28,003,155	61,291,889	89,295,044
Social Protection	901,042,039	217,185,854	1,118,227,893
Transport	NA	78,200,000	78,200,000
WASH	162,360,000	732,720,000	895,080,000
Management	NA	3,300,000	3,300,000
Sub Total: JRP Programmatic Response	2,450,978,299	2,485,137,007	4,936,115,306
Subsidies for Syrian Refugees	NA	NA	668,349,339
Security Support	NA	NA	1,332,594,177
Accelerated Infrastructure Depreciation	NA	NA	823,406,304
Income Loss	NA	NA	376,978,978
Sub Total: Direct Budget Support	NA	NA	3,201,328,798
Total JRP Budget Requirements	NA	NA	8,137,444,104

The **Turkey** Chapter of the 3RP 2015 foresees a total budget of USD 624 million including USD 460 million for the refugee component and **USD 164 million for the resilience component. Turkey's Country Plan provides for a nearly threefold increase in spending on livelihoods**, compared to the RRP6, and reflects Turkey's commitment to development that builds resilience. Spending on livelihoods accounts for nine per cent of total planned spending; roughly 81 per cent of funding for livelihoods aims to build resilience. In governorates with a high concentration of Syrian refugees and in refugee camps in south-eastern Turkey, new livelihoods generating initiatives will be launched, and existing ones will be expanded, with new investments to boost job creation. In all cases, implementing livelihoods initiatives and projects requires finding a productive combination of strengthening the capacity of available institutions, the engagement of the private sector in financing innovative initiatives and identification of key growth sectors, including those for women.

In **Iraq**, the 3RP seeks a total of USD 426 million for 2015, made up of USD 318 million for the refugee component and USD 108 million for the resilience component. Iraq's plan was developed in the context of ongoing major internal displacement in that country. In Iraq, nine per cent of all interventions of the 3RP are focussed on livelihoods. As part of the short-term response, there is still a need for cash assistance activities, such as cash-for work, particularly

for the most vulnerable households. However, the overall strategy acknowledges the need to shift to more sustainable support, with a market-oriented approach, strengthening the local economy as a whole to support the creation of jobs through the development of the private sector. Consequently, partnerships with the private sector for the development of market systems will be strengthened.

However, as of late September 2015, the resilience pillar in the 3RP remained even more underfunded than the humanitarian refugee pillar, with an average of around 15% of required funding having been committed.

2.2.1. Sector context: policies and challenges

Along with efforts to strengthen local and national systems and improve service delivery for all, a critical dimension of building resilience is to foster community development and employment opportunities for vulnerable men, women and, especially, youth, in compliance with national laws and regulations, and in line with national priorities. In all five countries, livelihoods support is a key way to slow and reverse depletion of individual, family and community assets.

To ensure access to sustainable employment, it is vital to equip refugees and vulnerable local populations with the skills that the markets demand in order to give refugees the means to cope with hardship, to increase their skills and abilities, and to prosper, as well as improving their prospects in a future return to Syria. In turn, the skills of refugees can help to grow and diversify local economies. Complementary social cohesion interventions in the region include the development of conflict mitigation mechanisms, with stakeholders helping to conduct participatory conflict analysis to identify sources of tension, along with training on conflict resolution skills such as negotiation, problem solving and mediation.

Evidence from the five country chapters of the 3RP indicates different priorities depending on the country context. A first track of interventions include options for livelihoods stabilization aiming to equip households and communities with coping mechanisms through temporary employment for youth and women through labour intensive methods such as the rehabilitation of key community socio-economic infrastructure, including markets and roads, skills and vocational training to increase qualifications for a future return to Syria.

A second track includes interventions designed to generate employment opportunities through addressing rehabilitation/restoration needs of the local economy, investing in socio-economic infrastructure, public services and local institutions, and restoring the natural resource base. It also includes creating partnerships between public and private institutions at local level to improve social dialogue and economic collaboration.

A third track of interventions contributes to creation of sustainable employment including private sector through a more enabling policy environment and support to institutions and their capacities. It also include start-up packs and grants for revamping new and old enterprises and promoting access to financial capital for sustainable Micro, Small and Medium Enterprises (MSME) development.

However, especially in Jordan and Lebanon, there is now a clear preference for a bifurcation of the response, focusing on short term emergency relief for Syrians while addressing development needs of host communities. This could potentially create a barrier to improving resilience and social cohesion in displacement-affected communities. There is increased tension surrounding employment due to uneven access between Syrians and their hosts, and a prevalent perception that increased competition in the local labour market is due to the refugee influx. Therefore it is crucial to adopt a comprehensive community development approach at local level that would benefit both refugees and host communities.

On the other hand effective resilience based interventions have to be based on a realistic understanding of the Syrian crisis. As the ILO report on the impact of Syrian crisis on Jordanian labour market notes,

“two overarching premises should guide any policy related to Syrian refugees’ relationship with the Jordanian labour market:

1) Syrian refugees will most probably be in Jordan and make implications on the labour market for many years to come, and

2) focus should be kept on how Syrian refugees involvement in the Jordanian labour market can be formalised in ways that could be beneficial for the Jordanian economy.”²

The ILO report further recommends that *“the high unemployment rates among Jordanians, particularly youth, as well as among Syrian refugees should be addressed by maximizing short-term employment and capacity building opportunities in relation to the activities of development aid organizations in the study governorates. This could directly create new job opportunities for Jordanians as well as ease pressure in other parts of the labour market by livelihoods support to Syrian refugees. It could also contribute to boosting local economies and thereby create additional jobs.”³*

The job market in Lebanon has not been able to absorb the abrupt inflow of labour force into productive economic activities. The unemployment rate among Syrian youth is 48 per cent for males and 63 per cent for females⁴, compared to 21 per cent for Lebanese youth⁵. It should be noted that while only 12 per cent of the males of this age group are economically inactive (unemployed and not looking for work), among females this proportion is 77 per cent.⁶

In 2015 Turkey became the largest refugee-hosting country in the world which had an enormous impact on the economic life and the labour market of the country. The high number of Syrian refugees changed the demand for basic services significantly, with new arrivals of Syrians in need of protection and assistance compounding the already large numbers of persons of concern present at the beginning of the year. The deterioration in the border area may negatively affect the local economy and cause tensions. As most Syrian refugees have exhausted their own resources after years of displacement, negative coping mechanisms such as begging, child labour and early marriages, constitute a growing concern. The large number of refugees has stretched national structures and capacity to the utmost. The competition between Syrians and Turkish nationals has increased especially for low skilled jobs. With the conflict continuing unabated inside Syria and no resolution in site, there needs to be greater efforts to support the longer term integration needs of Syrians in Turkey. Strengthening the capacity of the local economies to absorb the increased labour force and that of the local institutions to provide employment services to all Syrian and local workers must be the key component of any resilience strategy.

The London conference held on the 4th February 2016 and the subsequent offer to establish compacts for Jordan and Lebanon as the respective governments are ready to reconsider rather restrictive labour market access policy for Syrian refugees. As a result it is expected that more Syrian refugees are allowed to obtain work permit and opportunities to find legal gainful

² [ILO: Impact of Syrian refugees on the Jordanian labour market, 28 April 2015](#), p.9.

³ Idem.

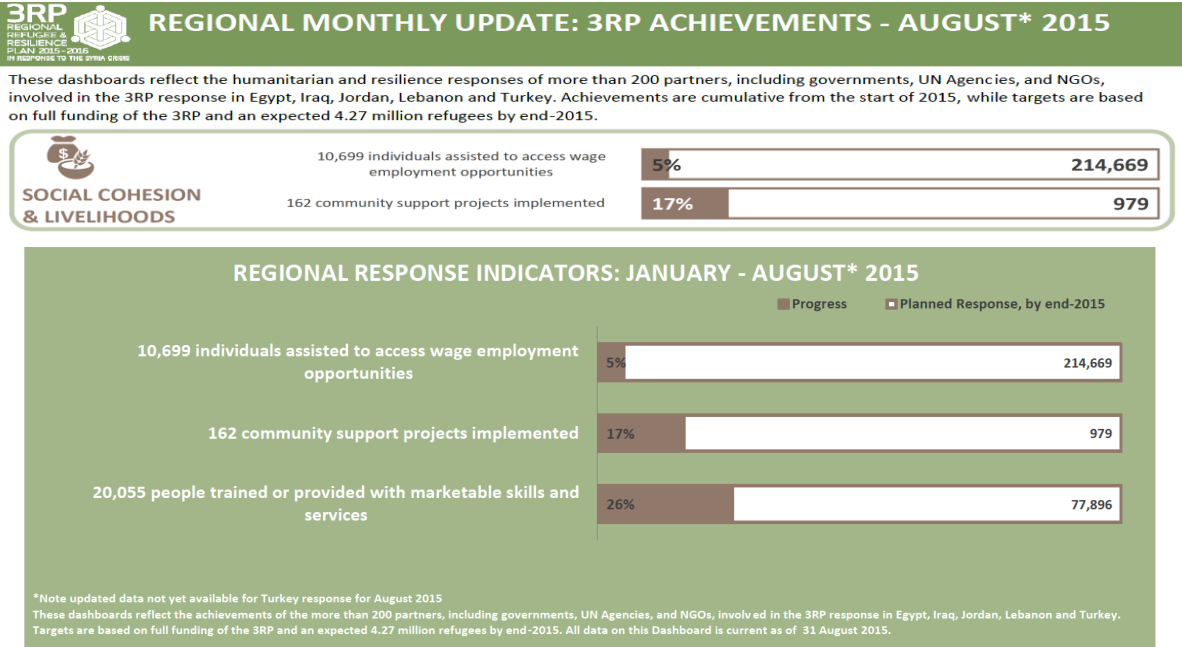
⁴ Youth unemployment refers to the share of the labor force ages 15-24 without work but available for and seeking employment (i.e. economically active youth).

⁵ <http://data.worldbank.org/indicator/SL.UEM.1524.ZS/countries?display=default>

⁶ Situation Analysis of Youth in Lebanon Affected by the Syrian Crisis

employment. In Turkey, the bylaw allowing Syrians to obtain work permits was adopted in January 2016.

Overall, the livelihoods sector makes up almost around 10 per cent of the 3RP financial requirements, up from around 7 per cent under the RRP6. However, as of August 2015, the regional response to livelihoods needs still is the lowest among all sectors in the 3RP, which indicates a funding priority for this sector of the 3RP:



Source: <http://www.3rpsyriacrisis.org/wp-content/uploads/2015/11/3RP-Regional-Dashboards-August-2015.pdf>

2.3. Lessons learnt

- Since 2012, the EU recognised the need to upscale and accelerate its cooperation with the most-affected refugee hosting countries in order to respond to the growing needs of vulnerable host communities as well as the refugee population. The EU adopted an approach where medium to long term needs in local communities are addressed in parallel to emergency humanitarian needs of refugees. This is done in order to help alleviate the pressure felt by local communities as well as to reduce the risk of confrontation and conflict.
- It is crucial to plan for the long term and to build the capacities of the Syrian refugees in a way that they will be able to contribute to the rebuilding of a cohesive and peaceful future Syria. As livelihood, recovery and education programmes are established in, both in and outside of the refugee camps, plans must be made for how refugees will use the knowledge, skills, and ideally credentials provided by trainings both in their host countries now and in Syria after the violence decreases. In the 5th year of the conflict, humanitarian assistance has to be gradually replaced by a more sustainable response that builds capacities of the affected communities to cater for their needs.
- In order to recover from and adapt to the compounding effects of the Syrian refugee crisis in the main host countries, future livelihoods and local economic development programming must thus remain cognisant of the immediate and long-term needs, including the desired return to a pacified Syria. This includes a concerted focus on strengthening the post-return employability of individuals and households, identifying potential opportunities and placement arrangements to employ these skills, supporting the incubation and acceleration of existing and scalable micro, small and medium enterprises and facilitating access to the necessary inputs to support their sustainability. In addition and parallel to these efforts, strong support should also be given to inclusive and harmonized local economic development and service delivery planning and

implementation. Through these approaches to improve access to sustainable livelihood opportunities and increase participation in local development, the resilience and social stability of affected communities will be significantly enhanced – enabling households to decrease reliance on external assistance and build their capacity to become economically self-sufficient.

- Livelihood and recovery, as education, should aim at addressing differences and promote tolerance not only amongst refugees, curbing the impetus to seek redress, but also between the host community and the refugees as a mean to decreasing the potential of resentment and violence. There are growing calls to integrate conflict prevention approaches in livelihood activities in the region, as the strains on host communities' increase and the incidences and risk of violence and lack of integration escalate.
- A very important lesson learned is to distinguish the features of working with urban refugees, as opposed to camp based refugees. Different targeting strategies are required, with: a stronger focus on information campaigns and outreach work; service provision in multiple locations as well as service provision to host and refugee populations; and the development of partnerships with local organisations.
- Although having a smaller absorption capacity than UN agencies, both international and national CSOs have the requested versatility and have shown proactivity and ability to implement significant projects at a local scale.
- All responses to the crisis, including previous responses through the European Neighbourhood Instrument (ENI), have shown that the situation on the ground develops fast and often beyond projections made. For that reason, a large degree of flexibility will be required for any intervention addressing medium to long term needs in order to allow for an effective response to the evolving needs of the beneficiary populations.

2.4. Complementary actions

The total EU Funding for Humanitarian Aid for the Syrian crisis since January 2012 amounts to €817m, while the total overall EU (i.e. EU + Member States) funding for the crisis amounts to €3.35bn (for relief and recovery assistance to Syrians in their country and to refugees and their host communities in neighbouring Lebanon, Jordan, Iraq, Turkey and Egypt).

This Action will upscale the Resilience and Livelihoods support in complementarity to the already allocated € 10 million from the Trust Fund. Additional support is provided by the European Commission, certain EU Member States, other donor countries, international organisations and CSOs. All these contributions are addressing the so-called 'stabilisation needs' caused by the conflict in Syria and the unprecedented influx of refugees to the neighbouring countries.

This complementarity of the intervention of this action will mainly concern (i) the nature of the financed actions and (ii) geographical areas of intervention. Numbers of supported vulnerable populations will increase, which shall contribute to enhance their resilience, thereby mitigating the risks of tensions and conflicts at community levels.

The EU Directorate-General for Humanitarian Aid and Civil Protection (ECHO) has been providing a basic needs oriented response to the Syrian refugees since the last 3 years with the aim of allowing refugees to meet their most urgent needs (food Non Food Items, rent, winter-specific needs). In addition to an harmonised and aligned approach to the NRP's of host countries, the EU Delegations and ECHO offices have started developing in some countries of the region "Joint Humanitarian and Development Frameworks" that will highlight synergies, coordination and, to the extent possible, the respective areas where development and humanitarian assistance are best placed to deliver support.

More broadly, the interventions aiming at creating income for the refugees must in any case be reported in the coordination mechanism (eg RAIS in Lebanon) so as to avoid duplication with other form of income assistance for basic needs.

The following EU interventions are of particular relevance to this action:

In Jordan, a €10 million allocation for livelihoods support under the programme "*Support to the response to the Syria crisis in Jordan*"⁷ adopted in December 2014 under the Special allocation for Jordan to respond to the Syria crisis, and the ongoing programme on livelihood implemented by Caritas in Jordan with ENI funding of €1.2. million. This amount will be combined with the € 5.4 million for SME enterprises development in the Northern Governorates of Jordan (2013 Special allocation) and implemented through a call for proposals. The selected contracts are to support innovation with the aim to expand innovative business opportunities and create jobs especially for the youth in the Governorates, most affected by the inflow of Syrian refugees.

In Lebanon, *Support to enhance basic infrastructure and economic recovery in Lebanon*⁸, is a EUR 18 million programme to upgrade the provision of basic services and contribute to economic recovery, in particular to mitigate the impact of the Syrian crisis on Lebanon. It is implemented through international and national CSOs. Also, *Recovery of local economies in Lebanon*⁹, which is a EUR 7 million intervention financed through SPRING funds. It aims to recover the local economies of communities particularly affected by the influx of refugees. In parallel, the IcSP will be mobilized to support the "Governance and Community Action Programme" measure (tentative start date: July 2015) which will target Unions of municipalities in the North of Lebanon to foster the establishment of community-based conflict management mechanisms and to increase responsiveness to local needs by building local institutional capacities and supporting social service projects to address resource-based tensions (EUR 2 million).

In Turkey, the envisaged interventions under this Action Document will build on and are complementary to existing and expected funding from ECHO.

Furthermore, the Exceptional Assistance Measure "Enhancing access to services, strengthening resilience of host communities, and facilitating integration of refugees"¹⁰ of a total of EUR 17 million adopted under the IcSP in December 2014 will address also the issues of livelihood opportunities for both host and refugees communities in cooperation with IOM and UNDP. Other completed or future IcSP financed initiatives are also highly relevant when it comes to livelihood and resilience.

An IPA financed project to be implemented by UNHCR (€ 40 million) is in the preparatory phase. Amongst various issues, such as education, protection and community services, it will also cover resilience and livelihood related issues. Details of the intervention are still to be decided.

Complementarity will also be sought with Component 4 of the Regional Development and Protection Programme (Socio-economic development and livelihoods). Support is currently being provided in this framework to a UNDP livelihoods project in Lebanon and Jordan.

2.5. Donor co-ordination

At a broader level the EU is actively contributing to overall donor co-ordination under the auspices of the United Nations in the framework of the 3RP that integrates humanitarian, development and macro-fiscal interventions to increase coherence between humanitarian and development and national and regional priorities.

⁷ C(2014)9136 adopted on 4 December 2014

⁸ C(2013)5680 adopted on 9 September 2013

⁹ C(2014)2860 adopted on 25 April 2014

¹⁰ C(2014)9566 adopted on 12 December 2014

The European Commission also hosts regular meetings of the Core donor group on Syria, which unite the key institutional and bilateral donors to the Syrian crisis in the field of resilience and recovery funding.

In country, the relevant EU Delegations are leading coordination with EU Member States and are also important partners in the coordination platforms now established for the various National Response Plans to the refugee crisis.

The Madad Trust Fund Management is in the lead in order to ensure coordination with MS contributing to the fund. Moreover, the Fund Management will also coordinate with its selected implementing partners or other stakeholders on regional level or cross border issues.

On country level, all donors operate within the regulatory boundaries of the countries and in agreement with the relevant authorities. Thus, there is coordination with the national authorities,¹¹ usually through specific working groups.¹² The lead in this coordination will be entrusted into the EU Delegation/EUTF field staff.

In Jordan, the EU Delegation is the donor lead for the livelihood & food security task force under the Jordan Response Plan (JRP).

3. DETAILED DESCRIPTION

3.1. Objectives

The **Overall Objective** of the programme is to mitigate the destabilising effects of the refugee crisis in Lebanon, Jordan, Iraq and Turkey. The actions – amongst others – is to enable livelihood for Syrian refugees and host communities to cope with and recover from the impact of the Syrian crisis as well as to strengthen the capacity to adopt future shocks. Moreover, it aims at building the capacity of national institutions, both at central and local levels, providing effective instruments to enable the development of medium – long term sustainable delivery solutions.

The **Specific Objectives** are

- a. To enhance the economic growth potential of the local economy hosting Syrian refugees. This potential shall be developed through private sector enterprise development, sustainable environmental projects and livelihood promotion thereby increasing the opportunity for employment, income generation and overall quality of life and welfare of the targeted population easing the pressures generated by the influx of refugees.
- b. strengthen the prospects of young refugees and host populations towards better social and economic inclusion;
- c. increase through skills development short-, medium- and long-term economic opportunities for Syrian refugees, through skills development, in preparation of their future return to Syria, in particular for youth and women;
- d. increase economic opportunities for poor host communities in Lebanon, Jordan, Iraq and Turkey, in particular for youth and women;
- e. support improved local economic development and strengthen local and national systems and service delivery capacities in communities hosting refugees.

¹¹ However, in higher education there is very little coordination and different donors might deal directly with the Ministry responsible for higher education or with other ministries (e.g. Planning and International Cooperation or Labour).

¹² For example the Jordan Response Platform to the Syrian Crisis is a partnership mechanism between the Government of Jordan, donors, and UN agencies to address the Syrian refugee crisis, operating through several thematic working groups (e.g. on health and education).

- f. decrease tensions between refugees and local populations in host communities in Jordan, Lebanon, Iraq and Turkey

3.2. Expected results and main activities

The **expected results** are:

R.1: Most affected host communities and their refugee populations across the targeted countries have improved availability, access and utilisation of basic quality services

R.2: Provided opportunity for employment, income generation in most affected host communities and their refugee populations across the targeted countries. Unemployed and disillusioned youth will find purpose through work (short-term), skills development (medium-term) and community engagement (social inclusion)

R.3: Improved overall quality of life and welfare of the population easing the pressures generated by the influx of refugees in most affected host communities

R.4: Local governance system have improved the responsiveness to the needs of host communities and refugees

R5: Local governance system and communities have strengthened resilience to crisis with particular attention on social cohesion

Principal **activities** will be:

1. To promote/facilitate/engage with both domestic and international business communities to build resilience, introduce innovative solution to vulnerability, social inclusion and instability;
2. Support through the provision of high quality business development services (BDS) such as acceleration/incubation and seed investment the establishment of new high potential start-up enterprises in the manufacturing and services, sectors which will generate direct and indirect employment opportunities and represent exemplars for youth (particularly graduates), women and other disenfranchised segments of society of the potential of entrepreneurship as a career path.
3. Support the growth, modernisation and competitiveness of existing manufacturing, services and agricultural MSMEs in the selected geographical areas, upgrading their capacities, thus allowing for their increased participation in the local and national markets generating additional national value added contributing to employment growth and opportunity;
4. Contribute to promoting a culture of entrepreneurship and innovation for employment generation and social cohesion in the respective governorates, thus assisting in improving overall welfare of the local population.
5. Paving the way for employment targeting unskilled workers, new graduates and women among the most vulnerable within the host communities using labour-intensive schemes and job placement in order to boost their income and revive local markets, enabling the population to meet rising costs and reduce vulnerability to further shocks with particular focus to services delivering ;
6. Bridging emergency employment to sustainable livelihoods creation, (savings, joint-venturing or consortia between public and private entities, investments, and expanding markets), targeting unskilled workers, in particular in the field of service delivering;
7. Implementing demand-driven vocational and post-training support provided to ensure self-reliance and long term income-generating opportunities in particular in service delivering;

8. Helping local small businesses to play an active role in work-based training and employment for young people, income generation and timely and efficient service delivery;
9. Encouraging and training unemployed young people in communities hosting Syrian refugees to start their own businesses, as well as providing grants, small loans and other managerial advice and support,
10. Promoting participatory planning, management and coordination to ensure that all interventions are market driven
11. Map skills present in target communities, map economic needs for skills in target communities, but also in terms of the economy of the host country and of post-conflict Syria; identify sectors with high potential for economic growth;
12. Support and assist local authorities to strengthen their capacities to deliver basic services to the host communities and refugees populations, and to create a sustainable environment to facilitate international community and private sector investments.

3.3. Design and implement small-scale short-term Risks and assumptions

The main risks are:

- Political blockage from local and national authorities due to the sensitivity of Syrian refugees accessing the local labour markets.
- Spill over of the Syrian conflict into the area of operations as well as political instability leading into changing policies and planning insecurity.
- Deterioration of the overall economic situation in the targeted countries in general and competition at local level with other service providers/donors (faith-based or other) in particular.
- Rejection of activities by target beneficiaries.
- Mismatch between activities proposed and economic needs, mismatch between skill trainings proposed and practical skills required in a refugee/ future post-conflict environment.
- High turnover of Syrian refugees may compromise some medium-term skills development programmes (trainees will not finish trainings).
- Lack of sufficient adaptation of this regional programme to the country-community-specific needs and to local and national political sensitivities.

The assumptions for the success of the project and its implementation include:

- Willingness of host communities to engage in the project.
- Approval of the Programme by local and national authorities.
- Continuing hardship, need and tensions in host communities with very strong presence of Syrian refugees.

Mitigating measures have been considered, including:

- Very close coordination with local and national authorities at all stages of the planning and implementation; close coordination with local community leaders.
- Mapping of needs (also in forms of survey) to make sure there is a buy-in from target beneficiaries for the activities proposed.
- Adaptation of the activities proposed to the country-/community-specific contexts. Excellent knowledge of respective political context in the host countries.

- Baseline study on economic strategy/ies for local communities in the respective target countries.
- Strong level of flexibility in training activities offered (immediate impact, medium-term impact, formalised trainings, informal/practical trainings), self-study support, online support, etc.
- As a regional programme covering four countries, there will be enough flexibility to allow for adapting the focus to e.g. Turkey, Iraq in case the programme discussions with partners and authorities in e.g. Jordan, Lebanon would necessitate a reduction of activities there.

3.4. Cross-cutting issues

Youth (in particular out-of –school age group 13-27) and women empowerment should not merely be cross-cutting issues, but should in fact be a main target of the Programme. Given the specific needs of refugee populations, skill enhancement trainings need to be accompanied/complemented by psycho-social support activities. The Programme will also undertake cultural mainstreaming at all levels, cultural/artistic competence as economic skills in their own rights, as a means to mitigate trauma and psycho-social support and as a tool for community bridge-building. The programme will attempt to identify Syrian artists and resource persons for Syrian intangible heritage within target communities and save/valorise their skills by factoring them into innovative livelihood activities design.

Projects funded under this programme will integrate a Rights-Based Approach in each step of the project cycle from identification, formulation, implementation, monitoring to evaluation.

The selected programmes will also mainstream human rights, human dignity awareness and the fight against violent extremism. In addition, physical and mental disabilities will be mainstreamed in the results and activities.

The effective taking into account of cross-cutting issues into the Programme design will be verified via field visits and by analysis of reporting on the Programme.

3.5. Stakeholders

The main stakeholders of the project are local host and refugee communities as such, their leaders, local and national authorities of respective target countries, local and national CSOs as well as other forms of local community or business/economic associations.

All stakeholders need to be continuously consulted.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement, if relevant

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 Regulation (EU, Euratom) No 966/2012.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in section 3.2 will be carried out is 48 months from adoption of this Action Document by the Operational Board. Extension of the implementation period may be agreed by the Manager which will be communicated immediately to the Operational Board.

4.3. Implementation components and modules

4.3.1 Grant: direct award (direct management)

In order to be able to respond to immediate needs for interventions in the context of the Syrian crisis in favour of livelihood opportunities for Syrian refugees and their host communities the direct award of grants is foreseen.

The Fund has been established under Article 187 of the Financial Regulation as 'emergency' trust fund, and is therefore covered with flexible procedures applicable to crisis situations. Moreover, the crisis situation applicable to all programmes implemented in the whole of Syria and activities related to the Syrian crisis which will have to take place outside Syria has been extended until 30/06/2016.

a) Eligibility conditions

The lead applicant needs to be a legal entity, be non-profit making and non-governmental organisation. Specialised European or International non-profit operators and CSOs will be envisaged partners.

b) Essential selection and award criteria

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

Presence and experience in the region, immediate intervention capacity, and the ability to work in multi-actor approaches and inclusive partnerships aimed at recognising the value of different stakeholders' contributions and synergies will be part of the evaluation criteria.

c) Maximum rate of co-financing

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

If full financing is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Manager, in respect of the principles of equal treatment and sound financial management.

d) Indicative trimester to conclude the grant agreements is 1st trimester of 2016.

4.3.2 *Delegation agreement – indirect management*

In order to be able to respond to immediate needs for interventions in the context of the Syrian crisis in favour of livelihood opportunities for Syrian refugees and their host communities one or more delegation agreements are foreseen.

Eligible institutions will be selected on the basis of their experience in the field, and possibility to scale up their existing operations and/or introducing new activities within their portfolio. As such the selection of these entities is justified by their unique market position to absorb considerable aid funds in a short period but maintaining the required accountability standards at the same time.

Potential Partners in this regard are GIZ in partnership with Expertise France and AECID, the Italian Cooperation in partnership with AfD, IOM and UN Habitat.

4.3.3 *Management structure*

The management structure of the overall programme will depend on the implementation bodies that will be chosen. A Steering Committee gathering the main stakeholders should meet regularly; the Madad Fund team and relevant EU Delegations would participate as observers to ensure that activities are in line with host governments guidelines and national plans.

4.4 Indicative budget

Component	Amount in EUR
Grants (direct management)	40,000,000
Delegation Agreements (indirect management)	88,000,000
TOTAL	128,000,000

* The costs of Evaluation and audit and Communication and visibility will be included in the projects' budgets

4.5 Performance monitoring

Monitoring shall be ensured primarily through EU Delegations in-country and in particular with the assistance of specific Trust Fund field & liaison officers posted within the EU Delegations. In addition, the EU Trust Fund will launch an independent M&E exercise to accompany all Fund programmes and ensure that targets are met and lessons learnt can be incorporated into other EUTF actions.

The purpose of the Madad EUTF Monitoring and Evaluation Framework is to assess, across various levels, the degree to which the Overall Objective of the Trust Fund has been achieved, ie: to assess whether the Madad EUTF provides "a coherent and reinforced aid response to the Syrian crisis on a regional scale, responding primarily and in the first instance to the needs of refugees from Syrians in neighbouring countries, as well as of the communities hosting the refugees and their administrations, in particular as regards to resilience and early recovery".

The Madad Trust Fund M&E Framework will assess the effective delivery of programmes, contribute to improved project design, and develop a knowledge base of 'what works' to allow for continuous improvement of aid delivery. Above all and in the spirit of the Agenda for Change, the Madad Trust Fund M&E Framework aims to ensure upward and downward accountability and transparency of EU support towards the Madad Trust Fund Board and end beneficiaries, respectively.

The Trust Fund and actions financed by it are subject to the monitoring and evaluation rules applicable to EU external programmes, in order to ensure the respect of the principles of economy, efficiency and effectiveness, as per Article 13 of the Agreement Establishing the Madad Trust Fund.

4.6 Evaluation and audit

If necessary, ad hoc audits or expenditure verification assignments could be contracted by the European Commission for one or several contracts or agreements.

Audits and expenditure verification assignments will be carried out in conformity with the risk analysis in the frame of the yearly Audit Plan exercise conducted by the European Commission. The amount dedicated for external *Evaluation and Audit* will be estimated in the yearly Audit Plan and independent Monitoring and Evaluation exercise. Evaluation and audit assignments will be implemented through service contracts, making use of one of the Commission's dedicated framework contracts or alternatively through the competitive negotiated procedure or the single tender procedure.

4.7 Communication and visibility

While communication and visibility of the EU is a legal obligation for all external actions funded by the EU, to date the visibility of the EU's support to the Syrian crisis, in particular in neighbouring countries affected by the crisis, has been insufficient. The public perception is that the EU is not addressing the Syrian crisis, when in fact it is the largest donor. The lack of visibility to the EU's actions weakens the EU's political traction in the region and its standing in Europe.

Therefore, communication and visibility is an important part of all Madad Fund programmes factored into the implementation in order to underline its importance at all stages of the planning and implementation of the Programme.

All visibility actions by Madad Fund implementing partners outside areas of conflict should be stepped up. Each implementer will have to draw up a comprehensive visibility and communication plan for their respective target country/community and submit a copy for approval to the Madad Fund and relevant EU Delegation. The related costs will be covered by the budgets of the contract as part of the project.

The measures shall be implemented by the implementing consortium, its contractors and/or its grant beneficiaries. Appropriate contractual obligations shall be included in the grant contract(s).

The Communication and Visibility Manual for European Union External Action together with specific requirements to highlight the Madad Fund shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.