



Brussels, 5.7.2018
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COMMISSION DECISION

of 5.7.2018

**on the individual measure in favour of the Republic of Angola, Cabo Verde, Guinea-Bissau, Mozambique, São Tomé e Príncipe and Timor-Leste (PALOP–TL countries)
to be financed from the 11th European Development Fund**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund¹, and in particular Article 9 thereof,

Having regard to Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund², and in particular Article 26 thereof,

Whereas:

- (1) The Commission has adopted the Multiannual Indicative Programme (MIP)³ for the period 2014-2020 for the PALOP-TL countries⁴ (Angola, Cabo Verde, Guinea-Bissau, Mozambique, São Tomé e Príncipe and Timor-Leste). The Multiannual Indicative Programme prioritises employment generation and governance capacity development.
- (2) The objectives pursued by the measure to be financed under the 11th European Development Fund (EDF) Internal Agreement⁵ ("Internal Agreement") are to improve economic governance in the PALOP-TL countries, with a specific focus on public finance accountability, effectiveness and transparency.
- (3) The action entitled "Programme for Consolidating Economic Governance and Public Finance Management systems in the PALOP-TL (Pro PALOP-TL SAI - Phase II)" aims to expand and consolidate a previous programme (Pro-PALOP-TL SAI) which was successful in promoting capacity development through South-South and triangular cooperation, regional dialogue and technical assistance in the domain of public finance management (PFM). This action will intervene in three domains for consolidating PFM in order to i) improve the capacities of governments in ensuring fiscal and budgetary transparency; ii) enhance the capacities of supreme audit institutions to ensure external audit and control over public finance management systems and iii) strengthen the capacities of parliaments and civil society organisations to ensure

¹ OJ L 58, 3.3.2015, p. 1.

² OJ L 58, 3.3.2015, p. 17.

³ Commission Decision on the adoption of the Multiannual Indicative Programme 2014-2020 between the European Union and the Governments of PALOP-TL countries, represented by the Government of Mozambique C(2014) 8436 final of 18.11.2014.

⁴ The six Portuguese-speaking countries from the African, Caribbean and Pacific (ACP) Group of States (*Países Africanos de Língua Oficial Portuguesa e Timor-Leste*).

⁵ Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (OJ L 210, 6.8.2013, p. 1).

effective legislative oversight and social monitoring of PFM systems. The programme will support initiatives for capacity development, South-South and triangular cooperation, exchanges of experiences and "peer-to-peer" learning, with a view to fostering transformation in institutions, processes and human resources. Given the experience of the United Nations Development Programme (UNDP) in implementing the Pro PALOP-TL SAI, as well as in providing institutional capacity development tools and processes, it is proposed to renew the partnership with UNDP and entrust it with the indirect management of the action.

- (4) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁶, applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323.
- (5) The envisaged assistance to PALOP-TL is deemed to strictly follow the conditions and procedures set out by the restrictive measures concerning the said countries.
- (6) The Commission should entrust budget-implementation tasks under indirect management to the entity specified in the Annex to this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1)(c) and (2) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 2(1) and Article 17 of Regulation (EU) 2015/323, the authorising officer responsible needs to ensure that this entity guarantees a level of protection of the financial interests of the European Union equivalent to that required when the Commission manages European Union funds. This entity complies with the conditions set out in points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary.
- (7) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012, applicable in accordance with Article 2(1) and Article 29(1) of Regulation (EU) 2015/323.
- (8) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323, any substantial change to a financing decision that has already been adopted should follow the same procedure as the initial decision. It is therefore appropriate that the Commission defines the changes to this Decision that are considered non-substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (9) The measure provided for in this Decision is in accordance with the opinion of the EDF Committee established under Article 8 of the Internal Agreement.

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The Commission Decision on the individual measure in favour of the Republic of Angola, Cabo Verde, Guinea-Bissau, Mozambique, São Tomé e Príncipe and Timor-Leste (PALOP-

⁶ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

TL countries) to be financed from the 11th European Development Fund, as set out in the Annex, is adopted.

The measure shall include the following action:

- Annex: "Programme for Consolidating Economic Governance and Public Finance Management systems in the PALOP-TL (Pro PALOP-TL SAI-Phase II)".

Article 2

Financial contribution

The maximum contribution of the European Union for the implementation of the measure referred to in Article 1 is set at EUR 8 000 000 and shall be financed from the 11th European Development Fund.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

Article 3

Methods of implementation

Budget-implementation tasks under indirect management may be entrusted to the entity identified in the Annex, subject to the conclusion of the relevant agreement.

The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012, applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323, are set out in the Annex to this Decision.

Article 4

Non-substantial changes

Increases or decreases not exceeding 20 % of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20 % of that contribution, as well as extensions of the implementation period, shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323, provided that they do not significantly affect the nature and objectives of the actions. The use of contingencies shall be taken into account in the ceiling set by this Article.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 5.7.2018

For the Commission

Neven MIMICA

Member of the Commission