



Brussels, 19.7.2023
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COMMISSION IMPLEMENTING DECISION

of 19.7.2023

**on the financing of the third set of individual measures in favour of the Federal
Democratic Republic of Ethiopia for 2023**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union (TFEU),

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009², and in particular Article 23(3) thereof,

Whereas:

- (1) In order to ensure the implementation of the third set of individual measures in favour of the Federal Democratic Republic of Ethiopia for 2023, it is necessary to adopt an annual financing decision, which constitutes the annual work programme, for 2023. Article 110 of Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') establishes detailed rules on financing decisions.
- (2) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The objectives pursued by the measure to be financed under the Regulation (EU) 2021/947, geographic programme 'Sub-Saharan Africa', are to promote the sustainable development in the Federal Democratic Republic of Ethiopia by contributing to sustainable peace and social cohesion as well as by supporting the response to the current food crisis in particular.
- (4) Pursuant to Article 23(3) of Regulation (EU) 2021/947 the use of individual measure without a programming document is in this case justified due to the fragility of the context after two years of civil war in Ethiopia. The peace process is consolidating and parties to the permanent Cessation of Hostilities Agreement (CoHA) are committed to the process. This conflict has led to the deterioration of relations between the EU and the Federal Democratic Republic of Ethiopia, which translated into the EU

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 209, 14.6.2021, p.1.

³ www.sanctionsmap.eu. Note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy, the OJ prevails.

unwillingness to proceed with the Multiannual Indicative Programme until international law was respected by the Government of Ethiopia. As reflected by the Council Conclusions of 24 April⁴, current developments and sustained progress on the CoHA set the backdrop for the Commission to relaunch its Multiannual Indicative Programme (MIP), allowing the EU and its Member States to play a major role in promoting much needed tangible peace dividends. Nevertheless, while the MIP is being prepared, the EU continues supporting vulnerable populations through individual measures with a focus on food and water security, agricultural recovery and strengthening of domestic food production, support displacement and reintegration and address economic recovery of the private sector in areas affected by the conflict and/or the drought.

- (5) The action 1 entitled “Agricultural recovery and improved domestic food production and food security in Ethiopia” aims to enhance food security, nutrition and livelihood resilience for rural communities across the country, with a special emphasis on areas affected by disasters caused by natural and man-made hazards. The Commission should acknowledge and accept contributions from other donors in accordance with Article 21(2) of the Financial Regulation, subject to the conclusion of the relevant agreement. Where such contributions are not denominated in euro, a reasonable estimate of conversion should be made.
- (6) The action 2 entitled “Sustainable support to persons displaced by conflict and natural hazards and their host communities” will sustainably enhance the protection and response to basic needs of forcibly displaced populations and host communities in Ethiopia with an emphasis on areas affected by man-made disasters and natural and climate hazards. The Commission should acknowledge and accept contributions from other donors in accordance with Article 21(2) of the Financial Regulation, subject to the conclusion of the relevant agreement. Where such contributions are not denominated in euro, a reasonable estimate of conversion should be made.
- (7) The action 3 entitled “Support to the Recovery of Micro Small and Medium Enterprises (MSMEs) in Post-Conflict Areas” aims to restore the local economy and build the resilience of Micro, Small and Medium Enterprises (MSMEs) that are affected by the crises in Ethiopia, with a focus on the North of the country. The Commission should acknowledge and accept contributions from other donors in accordance with Article 21(2) of the Financial Regulation, subject to the conclusion of the relevant agreement. Where such contributions are not denominated in euro, a reasonable estimate of conversion should be made.
- (8) The action 4 entitled “Response to climate shocks in Ethiopia through integrated water resource management and disaster risk management” aims to improve drought resilience, reduce vulnerability to climate shocks and dependency on humanitarian assistance in Ethiopia. The Commission should acknowledge and accept contributions from other donors in accordance with Article 21(2) of the Financial Regulation, subject to the conclusion of the relevant agreement. Where such contributions are not denominated in euro, a reasonable estimate of conversion should be made.
- (9) The action 5 entitled “Cooperation Facility” will increase the impact of future and ongoing EU cooperation actions in Ethiopia.
- (10) Pursuant to Article 26(1) of Regulation (EU) 2021/947 indirect management is to be used for the implementation of the action.

⁴ 8610/23- [Ethiopia](#) Council Conclusions (24 April 2023)

- (11) The Commission is to ensure a level of protection of the financial interest of the Union with regards to entities and persons entrusted with the implementation of the Union funds by indirect management as provided for in Article 154(3) of the Financial Regulation.

To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of the Financial Regulation⁵ and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) thereof before a contribution agreement can be signed.

- (12) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of the Financial Regulation.
- (13) In order to allow for flexibility in the implementation of the action it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (14) The measures provided for in this Decision is in accordance with the opinion of the Committee established under Article 45 of Regulation (EU) 2021/947,

HAS DECIDED AS FOLLOWS:

Article 1 *The measure*

The annual financing decision, constituting the annual measure for the implementation of the third set of individual measures in favour of the Federal Democratic Republic of Ethiopia for 2023, as set out in the Annexes, is adopted.

The measure shall include the following actions:

- (a) Agricultural recovery and improved domestic food production and food security in Ethiopia, set out in Annex 1;
- (b) Sustainable support to persons displaced by conflict and natural hazards and their host communities, set out in Annex 2;
- (c) Support for the recovery of Micro Small and Medium Enterprises (MSMEs) in Post-Conflict Areas, set out in Annex 3;
- (d) Response to climate shocks in Ethiopia through integrated water resource management and disaster risk management, set out in Annex 4;
- (e) Cooperation Facility, set out in Annex 5.

Article 2 *Union contribution*

The maximum Union contribution for the implementation of the individual measures for 2023 is set at EUR 162 500 000, and shall be financed from the appropriations entered in the following line of the general budget of the Union:

BGUE-B2023-14.020121-C1-INTPA: EUR 162 500 000

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

⁵ Except for the cases of Article 154(6) of Regulation (EU, Euratom) 2018/1046, where the Commission may decide, not to require an ex-ante assessment.

Article 3
Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annexes, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 4.4.4 of the Annex 1; points 4.4.2 to 4.4.6 of the Annex 2; points 4.4.1 to 4.4.3 of the Annex 3; and; points 4.4.3 and 4.4.4 of the Annex 4.

Article 4
Flexibility clause

Increases or decreases of up to EUR 10 000 000 and not exceeding 20 % of the contribution set in the first paragraph of Article 2, or cumulated changes⁶ 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 for the purposes of Article 110(5) of the Financial Regulation provided that these changes do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Article 5
Grants

Grants may be awarded without a call for proposals in accordance with the conditions set out in the Annexes. Grants may be awarded to the body selected in accordance with point 4.4.1 and 4.4.2 of the Annex 1; 4.4.1 of the Annex 2; and, 4.4.1. of the Annex 4.

Done at Brussels, 19.7.2023

For the Commission
Jutta URPILAINEN
Member of the Commission

⁶ These changes can come from assigned revenue made available after the adoption of the financing decision.