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**COMMISSION IMPLEMENTING DECISION**

**of 3.10.2023**

**on the financing of the annual action plan in favour of the Pacific region for 2023**

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## on the financing of the annual action plan in favour of the Pacific region for 2023

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 966/2012<sup>1</sup>, 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 480/2009<sup>2</sup>, and in particular Article 23(2) thereof,

Whereas:

- (1) In order to ensure the implementation of the annual action plan in favour of the Pacific region 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 TFEU<sup>3</sup>.
- (3) The actions entitled 'Fiji – Time to Act! Implementing the Climate Change Act', 'Addressing Climate Vulnerabilities in the Water Sector in the Marshall Islands' and 'Strengthening Water and Sanitation Governance in the Federated States of Micronesia (FSM WASH)' provided for in this Decision should contribute to climate and biodiversity mainstreaming in line with Commission Communication 'The European Green Deal'<sup>4</sup> and in the Inter-institutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>5</sup>.

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<sup>1</sup> OJ L 193, 30.7.2018, p. 1.

<sup>2</sup> OJ L 209, 14.6.2021, p. 1.

<sup>3</sup> [www.sanctionsmap.eu](http://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.

<sup>4</sup> COM (2019) 640 final of 11 December 2019.

<sup>5</sup> OJ L 433I, 22.12.2020, p. 28.

- (4) The Commission has adopted the Pacific Multi-Country Multi-annual Indicative Programme for the period 2021-2027<sup>6</sup>, which sets out the following priorities: to provide a response to global warming in terms of mitigation, adaptation and resilience and to support integrated approaches to ecosystem management and circular economy; to create opportunities for income, jobs and growth, while at the same time contributing to climate and environmental goals as well as economic diversification; to advance universal values and promote gender equality, tackling the widespread problem of violence against women and children and to create the enabling environment for civil society.
- (5) The objectives pursued by the annual action plan to be financed under the Regulation (EU) 2021/947 geographic programme ‘Asia and the Pacific’ are to contribute to Fiji’s sustainable, inclusive and resilient low carbon development, to strengthen the adaptive capacity of the Republic of the Marshall Islands while reducing its exposure to the impact of climate events, particularly more frequent and extreme droughts, and for the Federated States of Micronesia to put in place the governance structures necessary to achieve universal access to safe and resilient drinking water, sanitation and hygiene.
- (6) The action entitled ‘Fiji – Time to Act! Implementing the Climate Change Act’ aims to facilitate the entry into force of Fiji’s Climate Change Act, so that a conducive environment for the implementation of climate actions is created.
- (7) The action entitled ‘Addressing Climate Vulnerabilities in the Water Sector in the Marshall Islands’ contributes to the increased resilience of water resources for drinking and hygiene for vulnerable people and communities in the outer atolls and islands of the Republic of the Marshall Islands. The Commission should acknowledge and accept contribution[s] from other donors in accordance with Article 21(2) of the Financial Regulation, subject to the conclusion of the relevant agreement. Where such contribution[s] are not denominated in euro, a reasonable estimate of conversion should be made.
- (8) The action entitled ‘Strengthening Water and Sanitation Governance in the Federated States of Micronesia (FSM WASH)’ targets the strengthening of the national governance framework to support progress towards agreed goals for water, sanitation, and hygiene in a gender-responsive manner, and establishment of appropriate regulatory and financing mechanisms to support priority Water, Sanitation and Hygiene actions and investments.
- (9) Pursuant to Article 26(1) of Regulation (EU) 2021/947 indirect management is to be used for the implementation of all three actions.
- (10) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of 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 Regulation<sup>7</sup> and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) thereof before a contribution agreement can be signed.

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<sup>6</sup> Commission Implementing Decision adopting a multiannual indicative programme for countries in the Pacific for the period 2021-2027, C(2021) 9052 final of 14.12.2021.

<sup>7</sup> 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.

- (11) 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.
- (12) In order to allow for flexibility in the implementation of the action plan, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (13) The action plan 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 action plan*

The annual financing decision, constituting the annual action plan for the implementation of the annual action plan in favour of the Pacific region for 2023, as set out in the Annexes, is adopted.

The action plan shall include the following actions:

- (a) ‘Fiji – Time to Act! Implementing the Climate Change Act’ set out in Annex I;
- (b) ‘Addressing Climate Vulnerabilities in the Water Sector in the Marshall Islands’ set out in Annex II;
- (c) ‘Strengthening Water and Sanitation Governance in the Federated States of Micronesia (FSM WASH)’ set out in Annex III.

*Article 2*  
*Union contribution*

The maximum Union contribution for the implementation of the action plan for 2023 is set at EUR 21 800 000, and shall be financed from the appropriations entered in the following line of the general budget of the Union: BGUE-B2023-14.020132-C1-INTPA.

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

*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 4.4.1 of the Annex I, in point 4.3.1 of Annex II and in point 4.4 of Annex III.

*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 changes<sup>8</sup> to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation

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<sup>8</sup> These changes can come from assigned revenue made available after the adoption of the financing decision.

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.

Done at Brussels, 3.10.2023

*For the Commission*  
*Jutta URPILAINEN*  
*Member of the Commission*