



Brussels, 24.10.2019
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COMMISSION DECISION

of 24.10.2019

**on the financing of the annual action programme 2019 in favour of the Republic of
Malawi**

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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) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323², and in particular Article 24 thereof,

Whereas:

- (1) In order to ensure the implementation of the Annual Action Programme 2019 in favour of the Republic of Malawi, it is necessary to adopt a financing decision. Article 110 of Regulation (EU, Euratom) 2018/1046 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 Treaty on the Functioning of the European Union (TFEU)³.
- (3) The Commission has adopted the National Indicative Programme for Malawi for the period 2014-2020⁴ which sets out the following priorities: (i) Governance, (ii) Sustainable Agriculture and (iii) Secondary Education and Vocational Training.
- (4) The objectives pursued by the annual action programme to be financed under the 11th European Development Fund (EDF) Internal Agreement⁵ ('Internal Agreement') are to increase employability and self-employment opportunities available to young technical, entrepreneurial and vocational education and training (TEVET) graduates and entrepreneurs, with special attention to women's needs.
- (5) The action entitled 'Zantchito - Skills for Jobs' has two specific objectives: (i) to improve the workforce qualifications and access of TEVET graduates to employment;

¹ OJ L 58, 3.3.2015, p. 1.

² OJ L 307, 3.12.2018, 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.

⁴ Commission Decision on the adoption of the National Indicative Programme between the European Union and the Republic of Malawi C(2015)3527 final of 28.05.2015.

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.

and (ii) to promote entrepreneurial culture, sustainable enterprise creation and decent, formal jobs. Firstly, the action will increase the capacity of the Government of Malawi to promote the right to work and provide technical and professional education, and specifically of the technical and vocational education and training (TVET) sector, through the expansion and improvement of equitable, safe and gender-balanced vocational education and training (VET). Secondly, the action will create a framework that can support and accompany the TVET graduates and other youth, in particular women, to successfully start their own businesses through tailored pre-incubation, incubation and post-incubation services, including access to seed financing.

- (6) Pursuant to Article 15 of Regulation (EU) 2018/1877, indirect management is to be used for the implementation of the programme.
- (7) 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 Regulation (EU, Euratom) 2018/1046, applicable in accordance with Article 30(1) of Regulation (EU) 2018/1877.
- (8) 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 Regulation (EU, Euratom) 2018/1046 and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046 before a contribution agreement can be signed.
- (9) To this end, the Commission in accordance with Article 154(6) of Regulation (EU, Euratom) 2018/1046 retains the financial management responsibilities laid down in point 5.4.4. of the Annex.
- (10) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046, applicable in accordance with Article 24(2) and Article 25 of Regulation (EU) 2018/1877.
- (11) In order to allow for flexibility in the implementation of the programme, it is appropriate to allow changes, which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.
- (12) The action 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
The programme

The financing decision, constituting the implementation of the annual action programme in favour of the Republic of Malawi, as set out in the Annex, is adopted.

The programme shall include the following action: ‘Zantchito - Skills for Jobs’ set out in the Annex.

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme is set at EUR 55 000 000, and shall be financed from the 11th European Development Fund.

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 Annex, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 5.4.3. and 5.4.4. of the Annex.

Article 4
Flexibility clause

Increases or decreases of up to EUR 10 000 000 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 for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046, applicable in accordance with Article 24(2) of Regulation (EU) 2018/1877, provided that these changes 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 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, 24.10.2019

For the Commission
Neven MIMICA
Member of the Commission