



Brussels, 1.10.2018  
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**COMMISSION DECISION**

**of 1.10.2018**

**on the Annual Action Programme 2018 in favour of the Republic of Malawi to be  
financed from the 11<sup>th</sup> European Development Fund**

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### on the Annual Action Programme 2018 in favour of the Republic of Malawi to be financed from the 11<sup>th</sup> European Development Fund

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 11<sup>th</sup> European Development Fund<sup>1</sup>, 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 11<sup>th</sup> European Development Fund<sup>2</sup>, and in particular Article 26 thereof,

Whereas:

- (1) The Commission has adopted the National Indicative Programme for the period 2014-2020 between the Republic of Malawi and the European Union<sup>3</sup>, points 1.2 and 3 of which prioritise: (i) Governance, (ii) Sustainable Agriculture and (iii) Secondary Education and Vocational Training.
- (2) The objectives pursued by the Annual Action Programme to be financed under the 11<sup>th</sup> European Development Fund (EDF) Internal Agreement<sup>4</sup> ("Internal Agreement") are to promote economic governance and accountability. In particular, the programme seeks to contribute to efficient use of public funds, effective resource mobilisation and strengthened domestic accountability.
- (3) The action entitled "Chuma Cha Dziko Malawi" has two specific objectives: (i) to improve effectiveness in fiscal management which includes revenue policy and tax administration, control of expenditures and reduced fiduciary risks and implementation of PFM reforms and (ii) to strengthen the voice of domestic accountability actors. The first objective will be implemented in indirect management with the Government of Malawi to strengthen the capacities of the Ministry of Finance and other core Public Financial Management (PFM) institutions responsible for delivering PFM reforms/revenue policy and a Contribution Agreement with the International Monetary Fund to improve the effectiveness and efficiency of tax administration. The second component will be implemented through a call for proposals in direct management for the civil society including academia and a service

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<sup>1</sup> OJ L 58, 3.3.2015, p. 1.

<sup>2</sup> OJ L 58, 3.3.2015, p. 17.

<sup>3</sup> 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.

<sup>4</sup> 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).

provider in direct management to establish a TV/Radio platform to sensitise the public on PFM.

- (4) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 110 of Regulation (EU, Euratom) 2018/1046, applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323.
- (5) The envisaged assistance to Malawi is deemed to strictly follow the conditions and procedures set out by the restrictive measures concerning the said country.
- (6) It is necessary to adopt a work programme for grants in accordance with Article 110(2) of Regulation (EU, Euratom) 2018/1046, applicable in accordance with Article 2(1) and Article 37(1) of Regulation (EU) 2015/323. The work programme is set out in the Annex.
- (7) 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 Articles 154(3) and (4) of Regulation (EU, Euratom) 2018/1046, 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 154(4) of Regulation (EU, Euratom) 2018/1046 and the supervisory and support measures are in place as necessary.
- (8) The Commission should entrust budget-implementation tasks under indirect management to the partner country specified in the Annex to this Decision, subject to the conclusion of a financing agreement. In accordance with Article 154(6)(b) of Regulation (EU, Euratom) 2018/1046, applicable in accordance with Article 2(1) and Article 17 of Regulation (EU) 2015/323, the authorising officer responsible needs to ensure that measures are taken to supervise and support the implementation of the entrusted tasks. A description of those measures and the entrusted tasks are laid down in the Annex to this Decision.
- (9) 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 2(1) and Article 29(1) of Regulation (EU) 2015/323.
- (10) Pursuant to Article 110(5) of Regulation (EU, Euratom) 2018/1046, 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.
- (11) 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 programme**

The Commission Decision on the Annual Action Programme 2018 in favour of the Republic of Malawi to be financed from the 11th European Development Fund, as set out in the Annex, is adopted.

The programme shall include the following action:

- Annex: "Chuma Cha Dziko – Malawi"

#### *Article 2*

##### **Financial contribution**

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 22 000 000 and shall be financed from the 11<sup>th</sup> 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 entities identified in the Annex, subject to the conclusion of the relevant agreements.

The elements required by Article 110(2) and (3) of Regulation (EU, Euratom) 2018/1046, 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 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 within the meaning of Article 110(5) of Regulation (EU, Euratom) 2018/1046, 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, 1.10.2018

*For the Commission*  
*Neven MIMICA*  
*Member of the Commission*