



Brussels, 29.10.2018
C(2018) 7351 final

COMMISSION IMPLEMENTING DECISION

of 29.10.2018

**on the financing of the annual action programme in favour of the Republic of South
Africa for 2018**

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THE EUROPEAN COMMISSION,

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

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) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action², and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the annual action programme in favour of the Republic of South Africa for 2018, it is necessary to adopt an annual 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 TFEU³.
- (3) The Commission has adopted the National Multiannual Indicative Programme for the period 2014-2020⁴, which sets out the following priorities: Employment creation; Education, training and innovation; Building a capable and developmental State.
- (4) The Community, under Annex X to the Trade, Development and Cooperation Agreement between the European Community and its Member States, and the Republic of South Africa, signed on 11 October 1999 (hereafter referred to as TDCA)⁵, committed⁶ to provide financial assistance of EUR 15 000 000 for the restructuring of the South African wines and spirits sector and for the marketing and distribution of South African wines and spirits products.

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.3.2014, p. 95.

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 South Africa C(2014) 5703 final of 13.08.2014 as amended by Decision C(2018) 4741 of 20.07.2018.

⁵ OJ L 311, 04/12/1999, p. 295.

⁶ Point 6 of the attachment to letter of the Communities, OJ L 311, 04/12/1999, p. 296.

- (5) Protocol 3 on geographical indications and trade in wines and spirits of the Southern African Development Community – European Union Economic Partnership Agreement⁷ signed in June 2016 and provisionally in force since 10 October 2016, provides that the above-mentioned assistance will commence on the date of its entry into force.
- (6) The objectives pursued by the annual action programme to be financed under the Development Cooperation Instrument⁸ are to assist the Government of South Africa in eradicating poverty, promoting sustainable and inclusive growth, and consolidating and improving democratic and economic governance.
- (7) The action entitled "Gender Equality and Women Empowerment" has the overall objective of supporting the government of South Africa to improve gender equality in order to enhance the realisation of social and economic rights, specifically for women and girls. In line with "Building a capable and developmental State", the action will strengthen the capacities of the South African government to plan, budget and implement programmes that address gender equality and women's empowerment more comprehensively. The proposed action will also support pilot innovations to address the scourge of gender-based violence and build the resilience of women and girls.
- (8) The action entitled "Support Programme to the transformation of the Wines and Spirits Sector in South Africa" has the overall objective of assisting the government to ensure a sustainable transformation in the wines and spirits industry through more equitable access to land specifically for farm workers, black farmers and black-owned brands, in particular women. It will also contribute to improve their skills and will address socio-economic issues. In line with the "Employment Creation" objective, the action will contribute to employment creation in the sector, skills development, and increasing opportunities for doing business for small, medium and micro-sized enterprises.
- (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.
- (10) 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 the Financial Regulation.
- (11) The actions provided for in this Decision are in accordance with the opinion of the Development Cooperation Instrument Committee established under Article 19 of Regulation (EU) No 233/2014.

HAS DECIDED AS FOLLOWS:

Article 1
The programme

The annual financing decision, constituting the annual programme for the implementation of the annual action programme in favour of the Republic of South Africa for 2018, as set out in the Annexes, is adopted.

⁷ Article 17 §2b) of Protocol 3 to the Southern Africa Development Community – European Union Economic Partnership Agreement.

⁸ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, OJ L 77, 15.3.2014, p. 44.

The programme shall include the following actions:

- Annex 1: Gender Equality and Women Empowerment in South Africa
- Annex 2: Support Programme to the transformation of the Wines and Spirits Sector in South Africa

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme for 2018 is set at EUR 20 000 000, and shall be financed from the appropriations entered in the following line of the general budget of the Union:

- (a) BGUE-B2018-21.020600-C1-DEVCO.

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

Article 3
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 changes⁹ 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, 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, 29.10.2018

For the Commission
Neven MIMICA
Member of the Commission

⁹ These changes can come from assigned revenue made available after the adoption of the financing decision.