



Brussels, 17.12.2020
C(2020) 8943 final

COMMISSION DECISION

of 17.12.2020

**on the financing of a special measure in favour of the Republic of Côte d'Ivoire, the
Republic of Ghana and the Republic of Cameroon**

COMMISSION DECISION

of 17.12.2020

on the financing of a special measure in favour of the Republic of Côte d'Ivoire, the Republic of Ghana and the Republic of Cameroon

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund (EDF)¹, and in particular Article 9(3) 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 a special measure in favour of the Republic of Côte d'Ivoire, the Republic of Ghana and the Republic of Cameroon, it is necessary to adopt a financing decision. Article 110 of Regulation (EU, Euratom) 2018/1046³, applicable in accordance with Article 24(2) of Regulation (EU) 2018/1877, 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 TFEU⁴.
- (3) The objectives pursued by the special measure to be financed under the 11th European Development Fund (EDF) Internal Agreement⁵ (the 'Internal Agreement') are to ensure a decent living income for cocoa farmers, end environmental degradation including deforestation and eliminate all forms of child labour and gender inequality by developing a framework for sustainable cocoa production.
- (4) Côte d'Ivoire, Ghana and Cameroon are the three largest exporters of cocoa in the world while the European Union is the world's largest importer of cocoa.

¹ OJ L 58, 3.3.2015, p. 1.

² OJ L 307, 3.12.2018, p. 1.

³ 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 (OJ L 193, 30.7.2018, p. 1).

⁴ 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.

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.

- (5) The cocoa value chain in Côte d'Ivoire, Ghana and Cameroon is characterised by important development and sustainability issues: (i) a large proportion of cocoa farmers live below the poverty line; (ii) cocoa production is a major cause of deforestation and forest degradation; (iii) cocoa production is a significant source of child labour.
- (6) In June 2019, Côte d'Ivoire and Ghana announced a joint initiative to improve the sustainability of the cocoa sector by supporting farmers' revenues. In parallel, Côte d'Ivoire, Ghana and Cameroon recently engaged in different initiatives to combat deforestation and child labour in general and linked to cocoa production in particular.
- (7) On its part, the European Commission pursues policies to ensure that every new trade agreement contains the highest standards of climate, environmental and labour protection with zero-tolerance on child-labour⁶, to avoid that imports to the EU create deforestation abroad⁷, and to promote sustainable food systems with all its partners⁸.
- (8) The European Parliament⁹, civil society, European consumers and industry are demanding enhanced traceability of cocoa products and more responsible business conduct from companies operating on the European market.
- (9) Against this backdrop of convergence of interests and political momentum, the European Commission has launched a multistakeholders' dialogue at European level, engaging with Côte d'Ivoire, Ghana and Cameroon to support progress towards the elimination of child labour, the protection and restoration of forests and achieving a decent living income for cocoa farmers. A first action in support of this initiative is constituted by the present special measure.
- (10) This special measure is justified in view of the window of opportunity triggered by the joint initiative taken by Côte d'Ivoire and Ghana, open to Cameroon. Furthermore, in the light of the joint nature of this undertaking and the similar challenges faced by the three countries in their cocoa supply chain, it is necessary to provide joint support through a single action that will promote cooperation and coordination, building synergies and complementarities. A special measure is therefore necessary as there is no ongoing multi-annual indicative programme on the basis of which an individual measure could be adopted for the three countries together.
- (11) The action entitled 'Sustainable Cocoa initiative in Côte d'Ivoire, Ghana and Cameroon' will help strengthen the institutional, legal and regulatory frameworks of production and empower the private sector – including farmers and farmers' cooperatives – to improve agricultural practices and comply with environmental and social sustainability standards.
- (12) Pursuant to Article 15 of Regulation (EU) 2018/1877, indirect management is to be used for the implementation of the measure.
- (13) 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

⁶ A Union that strives for more, My agenda for Europe by candidate for President of the European Commission Ursula von der Leyen, Political Guidelines for the Next European Commission 2019-2024.

⁷ July 2019 Communication on Stepping up EU Action to Protect and Restore the World's Forests, COM(2019) 352, 23 July 2019 and December 2019 European Green Deal, COM(2019) 640, 11 December 2019.

⁸ COM(2020) 381 of 20.5.2020.

⁹ See notably European Parliament resolution of 14 March 2012 on child labour in cocoa sector (2011/2957(RSP)) and European Parliament resolution of 15 January 2020 on the European Green Deal (2019/2956(RSP)).

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.

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) 2018/1046¹⁰, applicable in accordance with Article 30(1) of Regulation (EU) 2018/1877, and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046, applicable in accordance with Article 30(1) of Regulation (EU) 2018/1877, before a contribution agreement can be signed.

- (14) 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 Articles 24(2) and 25 of Regulation (EU) 2018/1877.
- (15) In order to allow for flexibility in the implementation of the measure, 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, applicable in accordance with Article 24(2) of Regulation (EU) 2018/1877.
- (16) 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 *The measure*

The financing decision of a special measure in favour of the Republic of Côte d'Ivoire, the Republic of Ghana and the Republic of Cameroon is adopted.

The measure shall include the following action: 'Sustainable Cocoa initiative in Côte d'Ivoire, Ghana and Cameroon', set out in the Annex.

Article 2 *Union contribution*

The maximum Union contribution for the implementation of the measure is set at EUR 25 000 000 and shall be financed from the amount made available after the End-of-Term Review of the 11th European Development Fund (EDF) National and Regional Indicative Programming documents 2014-2020 and, if needed, complemented by funds from the 11th EDF general reserve.

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 5.4.2 of the Annex.

¹⁰ 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 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 changes¹¹ 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 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, 17.12.2020

For the Commission
Jutta URPILAINEN
Member of the Commission

¹¹ These changes can come from assigned revenue made available after the adoption of the financing decision.