



Brussels, 30.11.2022  
C(2022) 8927 final

**COMMISSION IMPLEMENTING DECISION**

**of 30.11.2022**

**on the financing of the annual action plan in favour of the Independent State of Papua  
New Guinea for 2022**

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## on the financing of the annual action plan in favour of the Independent State of Papua New Guinea for 2022

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 Independent State of Papua New Guinea (PNG) for 2022, it is necessary to adopt an annual financing decision, which constitutes the annual work programme, for 2022. 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 'Forestry-Climate Change Biodiversity (FCCB) nexus: "Our Forest, Our Future"' and the 'South Bougainville Rural Water, Sanitation and Hygiene (WaSH) Programme' provided for in this Decision contribute to climate and biodiversity mainstreaming in line with the European Green Deal and the inter-institutional agreement.
- (4) The Commission has adopted the National Multiannual Indicative Programme<sup>4</sup> for the period 2021-2027<sup>5</sup>, which sets out the following priorities: Forest, Climate Change

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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> C(2021)8989.

<sup>5</sup> Commission Implementing Decision adopting a multiannual indicative programme for Papua New Guinea for the period 2021-2027, C(2021)8989 final of 14.12.2021.

and Biodiversity (FCCB) Nexus, Water Sanitation and Hygiene (WaSH), and Good governance/human rights and peace.

- (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 accelerate the transition to a development model that reconciles forestry, climate change and biodiversity with sustainable, inclusive and gender-responsive green growth and jobs at national and pilot subnational/community levels, to improve gender-responsive availability and sustainable management of WaSH in the Autonomous Region of Bougainville and to improve the use of public financial resources at PNG’s central government and at pilot subnational level (Bougainville) for the benefit of all.
- (6) The action entitled ‘Forestry-Climate Change Biodiversity (FCCB) nexus: “Our Forest, Our Future”’ also constituting the Team Europe Initiative “Our Forest, Our Future”, aims to transform PNG’s FCCB policies, capacities and actions towards a green economy. The action will support at national/ institutional and at pilot community/ conservation area levels a development model that reconciles climate change, environmental protection and biodiversity with sustainable, inclusive and gender-responsive green growth and jobs. The Commission should acknowledge and accept contributions from other donors in accordance with Article 21(2) of the Financial Regulation, subject to the conclusion of the relevant agreement. Where such contributions are not denominated in euro, a reasonable estimate of conversion should be made.
- (7) The action entitled ‘South Bougainville Rural Water, Sanitation and Hygiene (WaSH) Programme’ aims to increase the use and maintenance of equitable, safe, adequate and sustainable water, sanitation and hygiene supply and practices in places of human agglomeration in rural areas of South Bougainville as well as to improve governance and institutional capacities of mandated authorities for WaSH service delivery in Bougainville.
- (8) The action entitled ‘Strengthening Transparent and Accountable Governance in Papua New Guinea’ aims to improve PFM systems with a focus on public sector audit and Parliamentary oversight (national level) and PFM in Bougainville (pilot subnational level) and to strengthen integrity, transparency and accountability systems and practices.
- (9) The Commission should authorise the launch of a call for proposals/tenders by means of a suspensive clause before the adoption of this Decision.
- (10) Pursuant to Article 26(1) of Regulation (EU) 2021/947, indirect management is to be used for the implementation of the actions.
- (11) The Commission is to ensure a level of protection of the financial interests of the Union with regard 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.
- (12) 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>6</sup>

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<sup>6</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.

and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) thereof before a contribution agreement can be signed.

- (13) 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.
- (14) 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.
- (15) 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 work programme for the implementation of the annual action plan in favour of the Independent State of Papua New Guinea for 2022, as set out in the Annexes, is adopted.

The action plan shall include the following actions:

- (a) ‘Forestry-Climate Change Biodiversity (FCCB) nexus: “Our Forest, Our Future” set out in Annex I;
- (b) ‘South Bougainville Rural Water, Sanitation and Hygiene (WaSH) Programme’ set out in Annex II;
- (c) ‘Strengthening Transparent and Accountable Governance in Papua New Guinea’ set out in Annex III.

### *Article 2* *Union contribution*

The maximum Union contribution for the implementation of the action plan for 2022 is set at EUR 66 700 000, and shall be financed from the appropriations entered in the budget line BGUE-B2022-14.020132-C1-INTPA of the general budget of the Union.

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 4.3.1 of the Annex I.

*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>7</sup> 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 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.

*Article 5*  
*Grants and Procurement*

Launching a call for tenders under a suspensive clause before the adoption of this Decision shall be authorised as of the date set out in points 4.3.1 and 4.3.2 of Annexes II and III.

Done at Brussels, 30.11.2022

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

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<sup>7</sup> These changes can come from assigned revenue made available after the adoption of the financing decision.