



Brussels, 15.12.2017
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COMMISSION IMPLEMENTING DECISION

of 15.12.2017

on the Annual Action Programme 2017 in favour of Iraq for "Strengthening Public Finance Management Oversight and Accountability Institutions in Iraq" to be financed from the general budget of the Union

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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) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002¹, and in particular Article 84(2) 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) The Commission has adopted the Multiannual Indicative Programme for the period 2014-2017³, which prioritises an improved functioning of democratic institutions and the energy efficiency.
- (2) The objective pursued by the annual action programme to be financed under the Development Cooperation Instrument⁴ is to contribute to the promotion of good governance through enhanced transparency and accountability and the expansion of social safety nets to reach the most vulnerable segments of the population.
- (3) The action entitled '*Strengthening Public Finance Management Oversight and Accountability Institutions in Iraq*' will be implemented by the World Bank and it focuses around three key pillars: (i) supporting the coordination and communication of the ongoing Public Finance Management reform; (ii) strengthening the management of public resources, through more efficient payroll management, public procurement and improved supervision of the Non-Financial State owned enterprises; and (iii) enhancing the legal and regulatory framework, fiscal transparency, budget oversight, the external audit functions and the anti-corruption institutions.

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 77, 15.3.2014, p. 95.

³ Commission Implementing Decision adopting the Multiannual Indicative Programme between the European Union and the Republic of Iraq, for the period 2014-2017, C(2014) 5777 final of 18.08.2014

⁴ 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).

- (4) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁵.
- (5) The envisaged assistance to Iraq is deemed to strictly follow the conditions and procedures set out by the restrictive measures concerning this country.
- (6) 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 delegation agreements. In accordance with Article 60(1)(c) and (2) of Regulation (EU, Euratom) No 966/2012, 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 Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary. For the procurement tasks not yet assessed, the World Bank is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.
- (7) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (8) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, 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.
- (9) The measure provided for in this Decision is 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

Adoption of the programme

The Annual Action Programme 2017 in favour of Iraq, as set out in the Annex, is adopted.

The programme shall include the following action:

- Annex: Strengthening Public Finance Management Oversight and Accountability Institutions in Iraq.

⁵ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

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 15 600 000 and shall be financed from budget line 21.020400 of the general budget of the Union for 2017.

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 entity identified in the Annex, subject to the conclusion of the relevant agreements.

The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012 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 94(4) of Delegated Regulation (EU) No 1268/2012 provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 15.12.2017

For the Commission

Neven MIMICA

Member of the Commission