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**COMMISSION IMPLEMENTING DECISION**

**of 23.8.2022**

**on the financing of the annual action plan in favour of Lao People's Democratic  
Republic for 2022**

## COMMISSION IMPLEMENTING DECISION

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### on the financing of the annual action plan in favour of Lao People's Democratic Republic 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 Lao People's Democratic Republic for 2022, it is necessary to adopt an annual financing decision, which constitutes the annual work programme. 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 Commission has adopted the National Multiannual Indicative Programme for Lao People's Democratic Republic for the period 2021-2027<sup>4</sup>, which sets out the following priorities: 1) green and inclusive economy; 2) human capital; and 3) good governance.
- (4) 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 contribute to priority areas 2) human capital and 3) good governance of the National Multiannual Indicative Programme for the period 2021-2027.
- (5) The action entitled 'Partnership in Education and Skills for Inclusive and Green Growth (PESIG)' intends to support the priority policy objectives of the Education and

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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> Commission Implementing Decision adopting a multiannual indicative programme for Lao People's Democratic Republic for the period 2021-2027 C(2021)9087 final of 14.12.2021.

Sports Sector Development Plan (ESSDP) 2021-2025, including the Technical and Vocational Education and Training (TVET) Development Plan 2021-2025, and the EJPS 2021-2025, so as to improve qualifications and skills of Laos' youth responding to labour market needs of a green and digitalised economy. The specific objectives of this action are to: i) achieve equitable and gender specific access to quality and relevant basic education (primary and lower secondary) and TVET; ii) improve the quality of teaching/learning performances and relevance of general and vocational education, as essential motors to economic growth and human rights, in rural and remote areas, and with a specific attention to marginalised ethnic groups; and iii) strengthen the education and TVET governance.

- (6) The action entitled 'Citizen Engagement for Good Governance, Accountability and Rule of Law – phase II (CEGGA II)' intends to promote good governance, human rights and the rule of law in Lao PDR, as laid out in the policies and strategies of the Government of Lao PDR. The specific objective of this action is to enhance citizens-state interaction for an inclusive national development.
- (7) The action entitled 'Partnership to support Public Financial Management Reform in Lao PDR (PPFM)' intends to support the Government of Lao PDR to improve the management of its public finances and human resources, as a key pillar for pursuing sustainable and inclusive growth. The specific objectives of this action are to: i) enhance budget credibility and transparency; ii) improve domestic revenue mobilization; iii) strengthen public procurement; iv) modernize human resources management; v) ensure effective project implementation, analytics and just-in-time support.
- (8) Pursuant to Article 26(1) of Regulation (EU) 2021/947 indirect management is to be used for the implementation of the actions.
- (9) 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 funds by indirect management as provided for in Article 154(3) of the Financial Regulation. 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>5</sup> and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) thereof before a contribution agreement can be signed.
- (10) 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.
- (11) 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.
- (12) 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.

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<sup>5</sup> Except for the cases referred to in Article 154(6) of the Financial Regulation, where the Commission may decide, not to require an ex-ante assessment.

HAS DECIDED AS FOLLOWS:

*Article 1*  
*The action plan*

The annual financing decision, constituting the annual action plan for the implementation of the annual action plan in favour of Lao People's Democratic Republic for 2022, as set out in the Annexes, is adopted.

The action plan shall include the following actions:

- (a) 'Partnership in Education and Skills for Inclusive and Green Growth (PESIG)' set out in Annex I;
- (b) 'Citizen Engagement for Good Governance, Accountability and Rule of Law – phase II (CEGGA II)' set out in Annex II;
- (c) 'Partnership to support Public Financial Management Reform in Lao PDR (PPFM)' 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 44 000 000, and shall be financed from the appropriations entered in the following line of the general budget of the Union:

– budget line 14.020131: EUR 44 000 000.

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 4.4.1 of the Annex I, point 4.3.1 of the Annex II and in point 4.3.1 of the Annex III.

*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>6</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).

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<sup>6</sup> These changes can come from assigned revenue made available after the adoption of the financing decision.

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, 23.8.2022

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