



Brussels, 21.11.2019
C(2019) 8507 final

COMMISSION DECISION

of 21.11.2019

**on the financing of the annual action programme 2019 in favour of the Republic of
Uganda**

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THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund¹, and in particular Article 9(1) 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 the annual action programme 2019, it is necessary to adopt a 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 of the Treaty on the Functioning of the European Union³.
- (3) The Commission has adopted the National Indicative Programme for Uganda for the period 2014-2020⁴, and its Amendment no. 1 signed in October 2018, which sets out the following priorities: Focal sector 1: Inclusive Green Economy; Focal Sector 2: Good Governance; Non Focal sector: Support measures.
- (4) The objectives pursued by the annual action programme 2019 to be financed under the 11th European Development Fund (EDF) Internal Agreement⁵ ("Internal Agreement") are to create decent and sustainable jobs for Ugandans and refugees, in particular for youth and women. This goal, also central to the Africa-Europe Alliance for Sustainable Investment and Jobs⁶ launched in September 2018, calls for enhanced development and investment of the small- and medium-sized private sector, first job provider of the country. Three actions have been designed to contribute to both a

¹ OJ L 58, 3.3.2015, p. 1.

² OJ L 307, 3.12.2018, p. 1.

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 Uganda, C(2014) 5516 final of 7.8.2014.

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.

⁶ COM(2018)643 final of 12.9.2018.

conducive business environment and investment climate as well as to enhance private sector development and investment, making use in particular of the External Investment Plan (EIP).

- (5) The action entitled "**Inclusive Green Economy Uptake Programme (GreenUP)**" is, in particular, aligned to the Uganda Green Growth Development Strategy 2017-2030 and a number of additional policies, plans and directives. It aims to consolidate Uganda's transition towards an inclusive, green and competitive low carbon economy through tackling the key obstacles to a sustainable business environment and investment climate, and developing specific value chains.
- (6) The action entitled "**Technical Support Programme 2 (TSP2)**" aims to support Uganda's progress towards the Sustainable Development Goals through the achievement of EU-Uganda cooperation goals. The specific objective of TSP 2 is to support the successful completion of the 11th EDF projects/programmes (2014-2020) and to support the Government of Uganda in the programming, identification and formulation of projects/programmes under the next EU Multiannual Financial Framework and the third National Development Plan (2021-2025) of Uganda.
- (7) The action entitled "**Fiscal decentralisation and service delivery**" is, in particular, aligned to Uganda's Intergovernmental Fiscal Transfer Reform Strategy and a number of additional policies, plans and directives, and aims to improve equitable service delivery at sub-national level, thereby furthering social development and social cohesion.
- (8) It is appropriate to authorise the award of grants without a call for proposals and to provide for the conditions for awarding those grants.
- (9) The Commission should authorise the launch of a call for tender by means of a suspensive clause before the adoption of this Decision.
- (10) Pursuant to Article 15 of Regulation (EU) 2018/1877 indirect management is to be used for the implementation of the programme.
- (11) 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 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) 2018/1046⁷ and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046 before a contribution agreement can be signed.

- (12) 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 Article 24(2) and Article 25 of Regulation (EU) 2018/1877.
- (13) 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 Regulation (EU, Euratom) 2018/1046.

⁷ 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.

- (14) The actions provided for in this Decision are in accordance with the opinion of the EDF Committee established under Article 8 of the Internal Agreement.

HAS DECIDED AS FOLLOWS:

Article 1
The programme

The financing decision, constituting the implementation of the annual action programme 2019 in favour of the Republic of Uganda, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- Inclusive Green Economy Uptake Programme (GreenUP) set out in Annex 1;
- Technical Support Programme 2 (TSP2) set out in Annex 2;
- Fiscal decentralisation and service delivery set out in Annex 3.

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme is set at EUR 94 200 000, and shall be financed from the 11th European Development Fund.

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 points 5.4.3 to 5.4.7 in Annex 1, point 5.4.3 in Annex 2 and point 5.4.4 in Annex 3.

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 changes⁸ 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 use of contingencies shall be taken into account in the ceiling set by this Article.

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.

⁸ These changes can come from assigned revenue made available after the adoption of the financing decision.

Article 5
Grants/ Procurement

Grants may be awarded without a call for proposals in accordance with the conditions set out in the Annexes. Grants may be awarded to the bodies referred to in the Annexes selected in accordance with point 5.4 of the Annexes.

Launching a call for tender under a suspensive clause before the adoption of this Decision shall be authorised as of the date set out in point 5.4.2 of Annex 1.

Done at Brussels, 21.11.2019

For the Commission
Neven MIMICA
Member of the Commission