



Brussels, 4.6.2019
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COMMISSION DECISION

of 4.6.2019

on the financing of the individual measure in favour of the Kingdom of Lesotho

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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 "Contribution to the Africa Investment Platform (AIP) for the Lesotho Lowlands Water Development Project - Phase II", 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 TFEU³.
- (3) The Commission has adopted the National Indicative Programme for the Kingdom of Lesotho for the period 2014-2020⁴ which sets out, under point 1.2.1 Focal Sector 1 Water, the following priorities: the need to develop the water sector with a view to improving food security, rural incomes, and public health, while stressing the importance of environmental preservation and protection in the implementation of future investments.
- (4) The objectives pursued by the measure to be financed under the 11th European Development Fund (EDF) Internal Agreement⁵ ("Internal Agreement") are to develop water supply infrastructure, while capacitating Government, private sector and civil society to maximise the socio-economic development benefits of water supply without compromising sustainability of ecosystems. The action will further contribute to improving the environment and to adapting to climate change.

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 the Kingdom of Lesotho C(2014)3639 final of 12.6.2014.

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.

- (5) The action entitled "Contribution to the Africa Investment Platform (AIP) for the Lesotho Lowlands Water Development Project - Phase II" will facilitate increased access in designated zones in the Lowlands region of Lesotho to secure, safe and affordable water supplies for rural and urban households, enterprises and industries, creating economic opportunities (with the garment industry an important player) and allow for irrigation of specific crops in agriculture.
- (6) Pursuant to Article 15 of Regulation (EU) 2018/1877, indirect management is to be used for the implementation of the programme.
- (7) 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) 2018/1046⁶ 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.

- (8) 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.
- (9) 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.
- (10) 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, constituting the implementation of the individual measure in favour of the Kingdom of Lesotho, as set out in the Annex, is adopted.

The measure shall include the following action: "Contribution to the Africa Investment Platform (AIP) for the Lesotho Lowlands Water Development Project - Phase II" set out in Annex.

Article 2 *Union contribution*

The maximum Union contribution for the implementation of the measure referred to in Article 1 is set at EUR 41 000 000, 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.

⁶ 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 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 of the Annex.

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 changes⁷ 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, 4.6.2019

For the Commission
Neven MIMICA
Member of the Commission

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