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COMMISSION DECISION

of 29.11.2018

**on the financing of the Annual Action Programme 2018 in favour of the Republic of
Mozambique**

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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) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund², and in particular Article 26 thereof,

Whereas:

- (1) In order to ensure the implementation of the Annual Action Programme 2018, 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 period 2014-2020⁴, which sets out the following priorities: Good Governance and Development and Rural Development.
- (4) The objectives pursued by the Annual Action Programme to be financed under the 11th European Development Fund (EDF) Internal Agreement⁵ ("Internal Agreement") are to contribute to poverty eradication, sustainable and inclusive growth and consolidation of democracy, complemented by actions aiming at supporting or accompanying the programming, preparation or implementation of actions and strengthening the institutional capacities of the National Authorising Officer (NAO).
- (5) The action entitled "Supporting Trade and Development in Mozambique – *PROMOVE Comércio*" contributes to improving trade facilitation by reinforcing government capacity to implement the reforms needed in that field (notably with

¹ OJ L 58, 3.3.2015, p. 1.

² OJ L 58, 3.3.2015, p. 17.

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 Mozambique C(2015) 5996 of 28.08.2015.

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.

respect to the Economic Partnership Agreement - EPA - and to the World Trade Organisation Trade Facilitation Agreement - WTO TFA, to addressing technical barriers to trade (TBT) as well as infrastructure weaknesses, and to reinforcing the knowledge and capacity of private sector stakeholders regarding EPA opportunities. The action will focus on the following components: i) Support implementation of EPA and WTO TFA trade facilitation; ii) Improve market-driven quality infrastructure and relevant services; and iii) EPA outreach and awareness raising to various private sector stakeholders.

- (6) The action entitled "Biodiversity Actions for Mozambique - *PROMOVE Biodiversidade*" aims at protecting biodiversity and contributes to improving the livelihoods of rural communities through sustainable management of natural resources in three target areas of Mozambique: *Ilhas Primeiras e Segundas* (APAIPS) and its adjacent coastal areas, the Gile National Reserve (GNR) and the *Inselberg* of Mabu, in Nampula and Zambézia Provinces. These areas were selected for their biodiversity importance but also for their high population density and the fact that natural resources are suffering from significant pressure from local communities. The ecosystems are mainly coastal and marine, low land, miombo forest and Afromontane forest. The main components of the action are: i) Strengthening the governance framework of the institutions dealing with natural resources; ii) Implementing initiatives and strategies for the sustainable management of natural resources and biodiversity conservation in and around target areas; iii) Sustainably improving community livelihood living inside the biodiversity areas and in the buffer areas; and iv) Enhancing and disseminating applied research and targeted participatory studies on natural resources management to influence planning and policies at local and national level.
- (7) The action entitled "Improving rural competitiveness in Nampula and Zambézia provinces, Mozambique – *PROMOVE Agribiz*" aims at improving small producers' productivity and resilience, enhancing the provision of support services, including financial and rural extension services, as well as fostering commercial partnerships with enterprises and increasing the availability of commercial operational services along selected value chains. Cashew and quality seeds value chains will receive specific support. *PROMOVE Agribiz* will also include a solid impact evaluation component for generating evidence for policy making.
- (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) Pursuant to Article 17 of Regulation (EU) 2015/323, indirect management is to be used for the implementation of the programme.
- (10) 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, as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046, applicable in accordance with Article 2(1) and Article 17 of Regulation (EU) 2015/323.

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

⁶ Except for the cases of Article 154(6) of the Financial Regulation, where the Commission may decide, not to require an ex-ante assessment.

accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046 before a contribution agreement can be signed.

To this end, the Commission in accordance with Article 154(6) of Regulation (EU, Euratom) 2018/1046 retains the financial management responsibilities laid down in point 5.4.2 of Annexes 1 and 2.

- (11) 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 29(1) of Regulation (EU) 2015/323.
- (12) 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 the Financial Regulation.
- (13) The measures 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 in favour of the Republic of Mozambique, as set out in the Annex, is adopted.

The programme shall include the following actions:

- Annex 1: Supporting Trade and Development in Mozambique – *PROMOVE Comércio*
- Annex 2: Biodiversity Actions for Mozambique – *PROMOVE Biodiversidade*
- Annex 3: Improving rural competitiveness in Nampula and Zambézia provinces, Mozambique – *PROMOVE Agribiz*

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme is set at EUR 93 000 000 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.

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 5.4.1 and 5.4.2 of Annex 1, point 5.4.2 of Annex 2, points 5.4.3, 5.4.4 and 5.4.5 of 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 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 2(1) and Article 26 of Regulation (EU) 2015/323, 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.

Article 6
Grants and 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 in accordance with point 5.4.1 of Annexes 1 and 3.

Done at Brussels, 29.11.2018

For the Commission
Neven Mimica
Member of the Commission

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