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**COMMISSION DECISION**

**of 30.10.2019**

**on the financing of the Annual Action Programme 2019 - part 2 in favour of the  
Republic of Mozambique**

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## on the financing of the Annual Action Programme 2019 - part 2 in favour of the Republic of Mozambique

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 11<sup>th</sup> European Development Fund<sup>1</sup>, 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 11<sup>th</sup> European Development Fund, and repealing Regulation (EU) 2015/323<sup>2</sup>, and in particular Article 24 thereof,

Whereas:

- (1) In order to ensure the implementation of the Annual Action Programme 2019 – part 2, 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 Union<sup>3</sup>.
- (3) The Commission has adopted the National Indicative Programme for the Republic of Mozambique for the period 2014-2020<sup>4</sup>, which sets out the following priorities: Good Governance and Development and Rural Development.
- (4) The objectives pursued by the Annual Action Programme –2019 - part 2 to be financed under the 11<sup>th</sup> European Development Fund (EDF) Internal Agreement<sup>5</sup> ("Internal Agreement") are to contribute on the consolidation of peace in Mozambique; to promote sustainable, inclusive and gender equitable economic growth and reduce poverty in the context of national food and nutrition security (FNS) and climate change and to improve economic and social development with a particular focus on sustainable job creation.

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<sup>1</sup> OJ L 58, 3.3.2015, p. 1

<sup>2</sup> OJ L 307, 3.12.2018, 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 Decision on the adoption of the National Indicative Programme between the European Union and Mozambique C(2015) 5996 of 28.08.2015.

<sup>5</sup> 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 "Support to the consolidation of peace in Mozambique, Phase 1: local governance and early economic recovery" has been formulated as an element of the European Union's strong commitment to support the consolidation of this ongoing peace process. The action will contribute towards the consolidation of peace in Mozambique through the enhancing of inclusive local governance in selected provinces and conflict affected districts (specific objective 1) and the improving the livelihoods of rural communities in conflict affected districts, with a special focus on women, youth and disadvantage groups (specific objective 2).
- (6) The action entitled "PROMOVE Energia" is a key component of EU's comprehensive "PROMOVE" approach to rural development in the provinces of Nampula and Zambézia under the 11<sup>th</sup> EDF that includes support to energy, agriculture, biodiversity, nutrition and rural roads, protecting the rights and promoting the social and economic inclusion of rural communities with a particular focus on women and girls. The proposed action will contribute to boost progress towards the United Nations 2030 Agenda for Sustainable Development, in particular to the Sustainable Development Goals promoting universal access to energy and fighting climate change. Its specific objective is to guarantee that citizens and businesses across the country, particularly in rural areas, are benefitting from improved access to sustainable and affordable electricity.
- (7) The action entitled "Sustainable Investments and Jobs for Mozambique" aims to mobilise funds and catalyse more sustainable private and public investment in Mozambique. The proposed activities will lead to the following outputs: (1) Resilient and sustainable infrastructures are constructed; (2) Business development and support services for Small and Medium Sized Enterprises (SMEs) are reinforced; (3) Quality of vocational training and access to jobs linked directly or indirectly to the gas sector have increased, particularly in Cabo Delgado; (4) The business environment has improved and; (5) The creation of a "Knowledge facility" to provide support services to activities under outputs 1, 2, 3 and 4.
- (8) Pursuant to Article 15 of Regulation (EU) 2018/1877, indirect management is to be used for the implementation of the programme.
- (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 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) 2018/1046<sup>6</sup> 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.
- (10) 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.

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

- (11) 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.
- (12) 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 – part 2 in favour of the Republic of Mozambique, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- (a) "Support to the consolidation of peace in Mozambique, Phase 1: local governance and early economic recovery" set out in Annex 1;
- (b) "PROMOVE Energia" set out in Annex 2;
- (c) "Sustainable Investments and Jobs for Mozambique" set out in Annex 3.

*Article 2*  
*Union contribution*

The maximum Union contribution for the implementation of the programme is set at EUR 207 500 000 and shall be financed from the 11<sup>th</sup> 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, 5.4.2 and 5.4.3 of Annex 1 and Annex 2 and points 5.4.2, 5.4.3 and 5.4.4 of Annex 3.

*Article 4*  
*Flexibility clause*

Increases or decreases of up to EUR 10 000 00 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 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.

Done at Brussels, 30.10.2019

*For the Commission*  
*Neven MIMICA*  
*Member of the Commission*