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**COMMISSION IMPLEMENTING DECISION**

**of 19.11.2018**

**on the financing of the annual action programme in favour of Central Asia for 2018 part  
2 and in favour of the Asia region for 2018 part 4**

# COMMISSION IMPLEMENTING DECISION

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## on the financing of the annual action programme in favour of Central Asia for 2018 part 2 and in favour of the Asia region for 2018 part 4

THE EUROPEAN COMMISSION,

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

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) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action<sup>2</sup>, and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the annual action programme in favour of Central Asia for 2018 part 2 and in favour of the Asia region for 2018 part 4, it is necessary to adopt an annual financing decision, which constitutes the annual work programme, for year 2018. 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 TFEU<sup>3</sup>.
- (3) The Commission has adopted the Multiannual Regional Indicative Programme for Central Asia for the period 2014-2020<sup>4</sup>, revised through the Mid-term Review of programming documents under the DCI Regulation (EU) 233/2014 as foreseen by its Article 11<sup>5</sup>, which sets out the following priorities: Regional Sustainable Development; Regional Stability and Security; and Policy Dialogue and Technical Assistance.
- (4) The Commission has adopted the Multiannual Regional Indicative Programme for Asia for the period 2014-2020<sup>6</sup>, revised through the Mid-term Review of programming documents under the DCI Regulation (EU) 233/2014 as foreseen by its Article 11<sup>7</sup>,

<sup>1</sup> OJ L 193, 30.7.2018, p.1.

<sup>2</sup> OJ L 77, 15.3.2014, p. 95.

<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> C(2014) 5653 of 12.8.2014.

<sup>5</sup> C(2018) 4741 of 20.7.2018.

<sup>6</sup> C(2014) 6112 of 03.9.2014.

<sup>7</sup> C(2018) 4741 of 20.7.2018.

which sets out the following priorities: Prosperity - Jobs and Growth; People - Migration and Forced Displacement; Planet - Climate Change and Environment; and Investment and Partnerships.

- (5) The objectives pursued by the annual action programme in favour of Central Asia part 2 for year 2018 to be financed under the Development Cooperation Instrument<sup>8</sup> are to contribute to sustainable regional development by promoting economic growth and diversification through support to private sector development and decent job creation, increased investment opportunities for economic activities and support to the improvement of an enabling business and investment environment, as well as by promoting an integrated approach to the region's natural resources and climate change impact; and to accompany Central Asian countries in their transitions and reforms and support the implementation of the 2030 Agenda, drawing on the know-how, expertise and best practices of EU Member States, through the provision of targeted policy dialogue and technical assistance.
- (6) The objectives pursued by the annual action programme in favour of the Asia region part 4 for year 2018 to be financed under the Development Cooperation Instrument are to strengthen the quality of our partnerships in the region and to promote additional investments as well as the development impact of investments; to support the development of a green economy and mitigation of climate change; as well as to promote trade and regional integration in Asia as key drivers of inclusive growth and poverty reduction.
- (7) The action entitled 'Support to Investment, Competitiveness and Trade' aims to reinforce the capacities of Business Intermediary Organisations, entrepreneurs, and job seekers; to support policy reform and stimulate regional exchanges on competitiveness and business environment reforms; and to support the development of international trade in Central Asia. This action will be implemented in both indirect management with the Organisation for Economic Cooperation and Development (OECD) and the International Trade Centre (ITC), as well as direct management through grants.
- (8) The action entitled 'Sustainable Environment, Water and Energy Development – European Union–Central Asia Water, Environment and Climate Change Cooperation (WECCOOP) and the Central Asia Energy Water Development Programme (CAEWDP)' aims to promote sustainable development at regional and national levels in Central Asia. This action will be implemented in both indirect management with the World Bank and the United Nations Economic Commission for Europe (UNECE), as well as direct management through the procurement of services.
- (9) The action entitled 'EU-Central Asia Rule of Law Programme' aims to reinforce the rule of law, good governance and human rights in Central Asia in accordance with European and other international standards. This action will be implemented in indirect management with the Council of Europe.
- (10) The action entitled 'Strengthening financial resilience and accelerating risk reduction in Central Asia' aims to build disaster and climate resilience in Central Asia, and lay the foundations for a future disaster risk financing solution at regional level. This action will be implemented in indirect management with the World Bank and the United Nations Office for Disaster Risk Reduction (UNISDR).

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<sup>8</sup> Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (OJ L 77, 15.3.2014, p. 44).

- (11) The action entitled the ‘Investment Facility for Central Asia (IFCA)’ promotes investments in the sectors energy, environment, support to small and medium-sized enterprises (SMEs) and social infrastructure. The facility thus contributes to the realisation of projects aiming to reduce unemployment and poverty and to advance the economy in a sustainable way. The action will be implemented through indirect management with leading financial institutions.
- (12) The action entitled ‘Accelerate Prosperity in Central and South Asia’ aims to contribute to the enhanced equitable economic well-being of women and men in rural Afghanistan, Kyrgyz Republic, Pakistan and Tajikistan. It will provide integrated solutions to address the barriers to SME creation and growth in the region. This action will be implemented in direct management through grants.
- (13) It is appropriate to authorise the award of grants without a call for proposals and to provide for the conditions for awarding those grants.
- (14) Pursuant to Article 4(7) of Regulation (EU) No 236/2014 indirect management is to be used for the implementation of the programme.
- (15) 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.

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>9</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.

- (16) 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.
- (17) 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.
- (18) The measures provided for in this Decision are in accordance with the opinion of the Development Cooperation Instrument Committee established under Article 19 of Regulation (EU) No 233/2014.

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### *The programme*

The annual financing decision, constituting the annual work programme for the implementation of the annual action programme in favour of Central Asia for 2018 part 2 and in favour of the Asia region for 2018 part 4, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- "Support to Investment, Competitiveness and Trade in Central Asia" set out in Annex 1;

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<sup>9</sup> 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.

- "Sustainable Environment, Water and Energy Development – European Union– Central Asia Water, Environment and Climate Change Cooperation (WECCOOP) and the Central Asia Energy Water Development Programme (CAEWDP)" set out in Annex 2;
- "EU-Central Asia Rule of Law Programme" set out in Annex 3;
- "Strengthening financial resilience and accelerating risk reduction in Central Asia" set out in Annex 4;
- "Investment Facility for Central Asia (IFCA)" set out in Annex 5;
- "Accelerate Prosperity in Central and South Asia" set out in Annex 6.

## *Article 2*

### *Union contribution*

The maximum Union contribution for the implementation of the programme for year 2018 is set at EUR 88 150 000, and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

- (a) budget line 21.020300 : EUR 81 350 000;
- (b) budget line 21.020200 : EUR 6 800 000.

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 5.3 of the Annexes 1, 2, 3, 4 and 5.

## *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 changes<sup>10</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 Regulation (EU, Euratom) 2018/1046, 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.

## *Article 5*

### *Grants*

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<sup>10</sup> These changes can come from assigned revenue made available after the adoption of the financing decision.

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 Annex 6.

Done at Brussels, 19.11.2018

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