



EUROPEAN COMMISSION

Brussels, 8 November 2011  
C(2011)7865

**COMMISSION IMPLEMENTING DECISION**

**of 08/11/2011**

**on the Annual Action Programme 2011 in favour of Egypt (part II) to be financed under  
Article 19 08 01 01 of the general budget of the European Union**

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**on the Annual Action Programme 2011 in favour of Egypt (part II) to be financed under Article 19 08 01 01 of the general budget of the European Union**

THE EUROPEAN COMMISSION,

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

Having regard to the Regulation (EC) n°1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (ENPI)<sup>1</sup>, and in particular Article 12 thereof,

Whereas:

- (1) The Commission has adopted the Country Strategy Paper for Egypt<sup>2</sup> and the Multiannual Indicative Programme for the period 2011-2013<sup>3</sup>, points 2.3 and 2.4 and 2.5 of which provide for the following priorities :
  - Reforms in the areas of democracy, human rights and justice;
  - Competitiveness and productivity of the Egyptian economy;
  - Sustainability of the development process with better management of human and natural resources.
- (2) The objectives pursued by the Annual Action Programme (part II) are to respond to the pressing socio-economic challenges that Egypt is facing and to support the country in this phase of transition towards democracy. The specific action will tackle the key challenges of access to finance for Small and Medium Enterprises (SMEs) in rural areas of Egypt. The action is fully in line with the priorities set out in the Joint Communication "A partnership for democracy and shared prosperity with the southern Mediterranean"<sup>4</sup> issued 8 March 2011 and in the Joint Communication "A new response to a changing Neighbourhood"<sup>5</sup> issued 25 May 2011.
- (3) The present Decision constitutes a Financing Decision within the meaning of Article 75 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the

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<sup>1</sup> OJ L 310, 9.11.2006, p. 1-14.

<sup>2</sup> C(2007)672 of 27.02.2007.

<sup>3</sup> C(2010)1144 of 02.03.2010.

<sup>4</sup> COM(2011)200.

<sup>5</sup> COM(2011)303.

Financial Regulation applicable to the general budget<sup>6</sup> (hereafter 'the Financial Regulation') and Article 90 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget<sup>7</sup> (hereafter 'the Implementing Rules').

- (4) The maximum contribution of the European Union set by the present Decision should cover any possible claims for interest due for late payment on the basis of Articles 83 of the Financial Regulation and 106(5) of its Implementing Rules.
- (5) The Commission is required to define the term "substantial change" in the meaning of Article 90 (4) of the Implementing Rules to ensure that any substantial change in this Decision shall follow the same procedure as the initial Decision.
- (6) The Commission has ensured that the management system set up by the entities to which the Commission will entrust implementation of EU funds for the action "Support to Agricultural SMEs" complies with the conditions for the delegation of tasks under indirect centralised management, as provided for in Articles 56(1) of the Financial Regulation and article 35 of its Implementing Rules with regard to the actions implemented under indirect centralised management.
- (7) The measures provided for in this Decision are in accordance with the opinion of the ENPI Committee set up under Article 26 of Regulation (EC) No 1638/2006,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

The 2011 Annual Action Programme in favour of Egypt (part II), constituted by the action "Support to Agricultural SMEs" the text of which is set out in the attached Annex, is approved.

#### *Article 2*

The maximum contribution of the European Union to the Annual Action Programme Egypt 2011 (part II) is set at EUR 22 million to be financed from budget line 19 08 01 01 of the general budget of the European Union for 2011. This maximum contribution shall also cover any possible interests due for late payment.

#### *Article 3*

Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution of the European Union shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the Annual Action

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<sup>6</sup> OJ L 248 of 16.09.2002, p. 1-48.

<sup>7</sup> OJ L 357 of 31.12.2002, p. 1-71.

Programme. This may include an increase of the maximum contribution of the European Union up to 20%.

The relevant authorising officer may amend the present Decision to introduce non-substantial changes to the Annual Action Programme in accordance with the principles of sound financial management.

Done at Brussels, 8 November 2011

*For the Commission*  
*Štefan FÜLE*  
*Member of the Commission*

**ANNEX**  
**Annual Action Programme Egypt 2011 (part II)**

**Action fiche: Support to Agricultural SMEs**