



Brussels, 19.11.2014
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COMMISSION DECISION

of 19.11.2014

**on an individual measure for the Republic of Madagascar to be financed from the
European Development Fund Bridging Facility**

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THE EUROPEAN COMMISSION,

Having regard to Council Decision 2013/759/EU of 12 December 2013 regarding transitional European Development Fund (EDF) management measures from 1 January 2014 until the entry into force of the 11th EDF¹, and in particular Article 2 thereof,

Having regard to Council Regulation (EU) No 566/2014 amending Regulation (EC) No 617/2007 as regards the application of the transition period between the 10th EDF and the 11th EDF² until the entry into force of the 11th EDF Internal Agreement³, and in particular Article 9 of the Annex thereto,

Having regard to Council Regulation (EU) No 567/2014 amending Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th EDF as regards the application of the transition period between the 10th EDF and the 11th EDF⁴ until the entry into force of the 11th EDF Internal Agreement⁵, and in particular Article 26 of the Annex thereto,

Whereas:

- (1) After five years of turmoil (situation managed under Article 96 of the ACP-EU Agreement) and the recent setting-up of new democratic institutions in Madagascar, relations between the EU and Madagascar were re-established on 19 May 2014 with the adoption of Council Decision 2014/323/EU, which also marked the full resumption of development cooperation. The EU has made a political commitment to help the new government deal with the many challenges facing a much weakened state and the greatly impaired socio-economic conditions.
- (2) Pending the programming of the 11th EDF, and in the absence of a programming document, this individual measure funded under the 11th EDF Bridging Facility is aimed at building the capacity of the Malagasy government to meet short and medium-term challenges, and to help the government consolidate and improve democratic and economic governance. There will be proactive support to build the government's capacity to manage the programming process. A statebuilding contract (SBC) to consolidate public services in Madagascar will help the government with the most urgently needed expenditure (in the social sectors, for example) while reviving the economy and restarting the major reforms needed for an efficient administration and good governance. Because of the budgetary constraints on the Bridging Facility, only the amounts earmarked for 2014 will be financed under this Decision. The remaining funds will be added to the 2015 budgetary support proposal, subject to the

¹ OJ L 335, 14.12.2013, p.48.

² OJ L 152, 13.6.2007, p.1.

³ OJ L 157, 27.5.2014, p.35.

⁴ OJ L 78, 19.3.2008, p.1.

⁵ OJ L 157, 27.5.2014, p.52.

availability of EDF funds. The action entitled ‘Ny Fanjakana Ho an’ny Daholobe – NFD’ (‘an administration for all’) will increase the effectiveness and integrity of the public administration and improve the quality of public services. These two projects are complementary and constitute an integrated package of support for the Malagasy State as it exits crisis.

- (3) This Decision complies with the conditions laid down in Article 94 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union⁶ applicable by virtue of Articles 2(1) and 26 of the Annex to Regulation (EU) No 567/2014.
- (4) The Commission should delegate budget-implementation tasks under indirect management to the entity identified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the responsible authorising officer has made sure that this entity guarantees a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. The World Bank is currently subject to a review in accordance with Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the responsible authorising officer deems that, based on the entity’s positive assessment under Regulation (EC, Euratom) No 1605/2002 and on the long-standing and problem-free cooperation with it, budget-implementation tasks may be entrusted to this entity.
- (5) The Commission should delegate budget-implementation tasks under indirect management to the partner country identified in this Decision, subject to the conclusion of a financing agreement. In accordance with Article 60(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Articles 17 and 2(1) of the Annex to Regulation (EU) No 567/2014, the responsible authorising officer has made sure that measures have been taken to supervise and support the implementation of the delegated tasks. A description of these measures and the delegated tasks are laid down in Annex 2 to this Decision.
- (6) The maximum contribution of the European Union set by this Decision should cover any claims for interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012, applicable by virtue of Articles 29(1) and 2(1) of the Annex to Regulation (EU) No 567/2014⁷.
- (7) The Commission is required to define the term ‘non-substantial change’ within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012 to ensure that any such changes may be adopted by the authorising officer by delegation or, under his or her responsibility, by the authorising officer by subdelegation (the ‘responsible authorising officer’).
- (8) The measure provided for in this Decision is in accordance with the opinion of the EDF Committee⁸,

⁶ OJ L 362, 31.12.2012, p.1.

⁷ OJ L 362, 31.12.2012, p.1.

⁸ OJ L 247, 9.9.2006, p.32.

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The following individual measure, constituted by the actions identified in the second paragraph and attached as annexes, is hereby approved:

The actions constituting this measure are:

- Annex 1: Statebuilding contract (SBC) to consolidate public services in Madagascar
- Annex 2: ‘Ny Fanjakàna Ho an’ny Daholobe – NFD’ (‘an administration for all’)

Article 2

Financial contribution

The maximum contribution of the European Union authorised by this Decision for the implementation of the measure is set at EUR 95 000 000, of which EUR 82 000 000 is to be financed in 2014 from the EDF Bridging Facility and EUR 13 000 000 to be financed in 2015, subject to the availability of EDF funds.

Article 3

Methods of implementation

Budget-implementation tasks under indirect management may be delegated to the entities identified in Annex 2, subject to conclusion of the relevant agreements.

Section 4 of Annex 2, referred to in the second paragraph of Article 1, sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

The financial contribution referred to in Article 2 shall also cover any interest due for late payment.

Article 4

Non-substantial changes

Increases or decreases of up to EUR 10 million not exceeding 20 % of the contribution referred to in Article 2, or cumulated changes to the allocations of specific actions not exceeding 20 % of the contribution, shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, provided that they do not substantially affect the nature and objectives of the actions. The use of the contingency reserve shall be taken into account in the ceiling referred to in this Article.

The responsible authorising officer may adopt non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 19.11.2014

For the Commission

Member of the Commission