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COMMISSION IMPLEMENTING DECISION

of 15.9.2017

**on the Annual Action Programme 2017 Part II and 2018 Part I in favour of the Asia
region to be financed from the general budget of the Union**

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THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002¹, and in particular Article 84(2) 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 action², and in particular Article 2(1) thereof,

Having regard to 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 period 2014-2020, and in particular Article 16 thereof,

Whereas:

- (1) The Commission has adopted the Multiannual Regional Indicative Programme for Asia for the period 2014-2020³, which provides for the following priorities: enhance the Association of Southeast Asian Nations (hereunder ASEAN) integration process, contribute to trade, poverty reduction and sustainable economic growth, as well as to preserving peace and stability in South East Asia; encourage increased regional integration and co-operation in South and North-East Asia; provide support to reintegrate or integrate uprooted people, including support to local communities and resettlement areas; promote a green economy by the adoption of Asian manufacturers and service providers of sustainable consumption and production techniques, and to leverage green investment funding to limit the emission of CO₂ and equivalents and increase resilience to climate change and environmental protection in vulnerable countries as well as to promote additional investments in SMEs and social infrastructure.
- (2) The Commission has adopted the Multiannual Indicative Programme for Vietnam for the period 2014-2020⁴ in which point 3.1.1 clarifies that the overall specific objective of the Sustainable Energy Sector is to contribute to a more sustainable energy sector by promoting efficient, clean and renewable energy to all citizens. An amount of EUR

¹ OJ L 298, 26.10.2012, p. 1

² OJ L 77, 15.03.2014, p. 95

³ C(2014)6112

⁴ C(2014)5824

26 000 000 is allocated from the above mentioned programme to Action 1 Asian Investment Facility⁵.

- (3) The objectives pursued by the Annual Action Programme in favour of Asia Region 2017 part II and 2018 part I to be financed under the Development Cooperation Instrument⁶ are to enhance regional integration in South East, South and North East Asia, assist developing countries through trade related assistance and contribute to economic prosperity and the development of a green economy.
- (4) Action 1, entitled “Asia Investment Facility” is to contribute to the promotion of a green economy in Asia, by leveraging additional investments for key infrastructure, with a priority focus on climate change relevant and "green" investments in areas of environment, energy and transport as well as in Small and Medium-Sized Enterprises and social infrastructure. This action will be implemented in indirect management by entities to be indicated in complementary financing decisions to be adopted at the end of the Regional Blending Facilities award procedure.
- (5) Action 2, entitled “EU-Bhutan Trade Support” is to contribute to Bhutan’s economic growth and poverty reduction, through increasing exports and export diversification, by improving the capacities of trade and investment policy formulation and implementation, and increasing exports in selected value chains. This action will be implemented in indirect management with the International Trade Centre (ITC).
- (6) Action 3, entitled “ASEAN Regional Integration Support – Cambodia Trade-Related Assistance (ARISE Plus – Cambodia)” is to support greater connectivity and economic integration between Cambodia and the rest of ASEAN. The Action aims to accelerate the Cambodian Government’s implementation of the WTO Trade Facilitation Agreement; achieve a more transparent, predictable and competitive trade environment and enhance private sector engagement, notably Small and Medium-Sized Enterprises for a better preparedness for ASEAN’s single economic space. This action will be implemented in indirect management with The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).
- (7) Action 4, entitled “ASEAN Regional Integration Support – Viet Nam Trade-Related Assistance (ARISE Plus – Viet Nam)” is to promote inclusive economic growth and poverty reduction in Viet Nam, by seeking to maximize Viet Nam's benefits from preferential trade regimes, with a focus on regional agreements and the EU-Viet Nam Free Trade Agreement. This action will be implemented in direct management via procurement of services and call for proposals.
- (8) Action 5, entitled “ASEAN Regional Integration Support – Indonesia Trade-Related Assistance (ARISE Plus – Indonesia)” is to contribute to employment creation and sustainable inclusive economic growth in Indonesia, by enhancing Indonesia's capacity to boost trade performance and competitiveness. This action will be implemented in direct management via procurement of services.
- (9) Action 6, entitled “Integrated Programme in Enhancing the Capacity of AHA Centre and ASEAN Emergency Response Mechanisms (EU-SAHA)” is to contribute to achieve a substantial reduction of disaster losses in lives and in the economic, social,

⁵ The reference to this financial contribution is also made in the Commission Implementing Decision on the Annual Action Programme 2017 in favour of Vietnam.

⁶ 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).

physical and environmental assets of ASEAN Member States, and to jointly respond to disaster emergencies through concerted national efforts and intensified regional and international cooperation. This action will be implemented in direct management via calls for proposals and an award of a direct grant. In line with the EU Development Cooperation Instrument (DCI) Regulation (233/2014), notably its Article 16, the project is of a regional nature, fostering regional cooperation with ASEAN as direct beneficiary and as DAC-listed ODA-eligible international organisation. The project's objective and design fulfil the criteria for ODA established by the OECD/DAC, as per the requirements of Article 2 (3) of the DCI Regulation, contributing to the sustainable development of partner countries and the implementation of the 2030 agenda by strengthening ASEAN's capacities to respond to disaster emergencies. Due to the project's nature and the importance to ensure complete regional coverage of ASEAN, the eligibility of the action extends exceptionally to all ASEAN Member States, notably also to Brunei Darussalam and the Republic of Singapore.

- (10) Action 7, entitled “Support to Enhanced Cooperation in Sustainable Transboundary Water Management in the Lower Mekong Region” is to assist an integrated and sustainable management of natural resources in the Lower Mekong to contribute to poverty reduction and sustainable development in the sub-region. This action will be implemented in indirect management with Mekong River Commission (MRC).
- (11) It is necessary to adopt a financing decision the detailed rules on which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁷.
- (12) It is necessary to adopt a work programme for grants in accordance with Article 128(1) of Regulation (EU, Euratom) No 966/2012 and Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is set out in the Annexes 4 and 6.
- (13) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in the Annexes 1, 2, 3 and 7 to this Decision, subject to the conclusion of delegation agreements. In accordance with Article 60(1)(c) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the European Union equivalent to that required when the Commission manages European Union funds. GIZ complies with the conditions set out in points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary. MRC and ITC are currently undergoing the assessment provided for in Article 61 of Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entities' positive assessment prior to the entry into force of Regulation (EU, Euratom) No 966/2012 and on the long-standing and problem-free cooperation with it, budget-implementation tasks can be entrusted to the MRC and to ITC.
- (14) The authorising officer responsible should be able to award grants without a call for proposals only in the exceptional cases set out in Article 190 of Delegated Regulation (EU) No 1268/2012 are fulfilled.

⁷ 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 Union (OJ L 362, 31.12.2012, p. 1).

- (15) It is necessary to allow for the payment of 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.
- (16) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, any substantial change to a financing decision that has already been adopted should follow the same procedure as the initial decision. It is therefore appropriate that the Commission defines the changes to this Decision that are considered non substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (17) 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

Adoption of the programme

The Annual Action Programme 2017 Part II and 2018 Part I in favour of the Asia region, as set out in the Annexes, is adopted.

The programme shall include the following actions:

Annex 1: Asia Investment Facility;

Annex 2: EU-Bhutan Trade Support;

Annex 3: ASEAN Regional Integration Support – Cambodia Trade-Related Assistance (ARISE Plus – Cambodia);

Annex 4: ASEAN Regional Integration Support – Viet Nam Trade-Related Assistance (ARISE Plus – Viet Nam);

Annex 5: ASEAN Regional Integration Support – Indonesia Trade-Related Assistance (ARISE Plus – Indonesia);

Annex 6: Integrated Programme in Enhancing the Capacity of AHA Centre and ASEAN Emergency Response Mechanisms (EU-SAHA);

Annex 7: Support to Enhanced Cooperation in Sustainable Transboundary Water Management in the Lower Mekong Region.

Article 2

Financial contribution

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 113 500 000 and shall be financed for an amount of EUR 81 500 000 from budget line 21.020200 of the general budget of the European Union for 2017 and for an amount of EUR 32 000 000 from budget line 21.020200 of the general budget of the European union for 2018.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft budget for 2018 following the adoption of that budget by the budgetary authority or as provided for in the system of provisional twelfths.

Article 3

Methods of implementation

Budget-implementation tasks under indirect management may be entrusted to the entities identified in the Annexes 1, 2, 3, and 7 subject to the conclusion of the relevant agreements.

The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012 are set out in the Annexes to this Decision.

Grants may be awarded without a call for proposals by the authorising officer responsible in accordance with Article 190 of Delegated Regulation (EU) No 1268/2012.

Article 4

Non-substantial changes

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 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 within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012 provided that they 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 adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 15.9.2017

For the Commission
Neven MIMICA
Member of the Commission