COMMISSION DECISION

of 24.11.2017

on the annual action programme 2017 in favour of the Federal Democratic Republic of Ethiopia to be financed from the 11th European Development Fund
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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 11th European Development Fund\(^1\), and in particular Article 9(1) thereof,

Having regard to Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund\(^2\), and in particular Article 26 thereof,

Whereas:

(1) The Commission has adopted the National Indicative Programme for the Federal Democratic Republic of Ethiopia for the period 2014 to 2020\(^3\), which prioritises Sustainable Agriculture and Food Security, Health, and Roads and transition to energy as focal sectors and Civil Society and synergistic governance and Support measures as cross-cutting issues. The National Indicative Programme is in line with the Government's Growth and Transformation Plan 2, that intents to make Ethiopia a low-middle income country by 2025.

(2) The objectives pursued by the annual action programme to be financed under the 11th European Development Fund (EDF) Internal Agreement ("Internal Agreement")\(^4\) are to increase the participation of citizens in the development and democratization of the country by supporting the Civil Society Organisations, by expanding the agriculture based economy, specifically related to coffee and the livestock sectors, and to support the implementation of the EDF programme by supporting the office of the National Authorising Officer and making resources available for studies, audits, and evaluations.

(3) The action entitled "Technical Co-operation Facility VI" will contribute to the progressive achievement of the Growth and Transformation Plan II goals by improving the effectiveness of development cooperation programmes in Ethiopia in general and those of the EDF and the Development Cooperation Programmes of the EU, the EU member states, and like-minded countries in particular. The action will be implemented in direct management through grants (direct award), in indirect

\(^1\) OJ L 58, 3.3.2015, p. 1.

\(^2\) OJ L 58, 3.3.2015, p. 17.

\(^3\) Commission Decision on the adoption of the National Indicative Programme between the European Union and the Federal Democratic Republic of Ethiopia C(2014)3679 final of 10.06.2014

\(^4\) 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).
management with an international organisation, and in indirect management with the partner country.

(4) The action entitled ‘Civil Society Fund III’ will increase participation of citizens and CSOs in the development and democratisation process of the country. The action will be implemented in direct management – grants (calls for proposals), and procurement of services.

(5) The action entitled ‘HEARD - Health of Ethiopian Animals for Rural Development’ will increase sustainable livestock productivity and improve the marketing of livestock products. This action will be implemented in direct management through grants (direct award) and in indirect management with the partner country.

(6) The action entitled ‘EU-Coffee Action for the Federal Democratic Republic of Ethiopia (EU-CAFE)’ will sustainably increase incomes among Ethiopian smallholder coffee growers and processors through enhanced productivity, quality, and market integration, with special attention to environmentally and climate change sustainable practices. The action will be implemented in indirect management with the partner country.

(7) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁵, applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323.

(8) 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 EDF applicable in accordance with Article 2(1) and Article 37(1) of Regulation (EU) 2015/323. The work programme is set out in the Annexes 1, 2, and 3.

(9) The Commission should entrust budget-implementation tasks under indirect management to the entity specified in the Annex 1 to this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1)(c) and (2) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 2(1) and Article 17 of Regulation (EU) 2015/323, the authorising officer responsible needs to ensure that this entity guarantees a level of protection of the financial interests of the European Union equivalent to that required when the Commission manages European Union funds. This entity 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.

(10) The Commission should entrust budget-implementation tasks under indirect management to the Federal Democratic Republic of Ethiopia as specified in the Annexes 1, 3 and 4 to 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 in accordance with Article 2(1) and Article 17 of Regulation (EU) 2015/323, the authorising officer responsible needs to ensure that measures are taken to supervise and support the implementation of the entrusted tasks. A description of those measures and the entrusted tasks are laid down in the Annexes 1, 3 and 4 to this Decision.

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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, applicable in accordance with Article 2(1) and Article 37(1) of Regulation (EU) 2015/323.

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, applicable in accordance with Article 2(1) and Article 29(1) of Regulation (EU) 2015/323.

Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323, 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.

The measures 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

Adoption of the programme

The Commission Decision on the annual action programme 2017 in favour of the Federal Democratic Republic of Ethiopia to be financed from the 11th European Development Fund, as set out in the Annexes, is adopted.

The programme shall include the following actions:

– Annex 1 : Technical Co-operation Facility VI;
– Annex 2 : Civil Society Fund III;
– Annex 3 : HEARD - Health of Ethiopian Animals for Rural Development
– Annex 4 : EU-Coffee Action for the Federal Democratic Republic of Ethiopia (EU- CAfE)

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 54 000 000 and shall be financed from the 11th European Development Fund.

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

Article 3

Methods of implementation

Budget-implementation tasks under indirect management may be entrusted to the entities identified in Annexes 1, 3 and 4, subject to the conclusion of the relevant agreements.
The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012 applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323, 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, applicable in accordance with Article 2(1) and Article 37(1) of Regulation (EU) 2015/323.

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, applicable in accordance with Article 2(1) and Article 26 of Regulation (EU) 2015/323, 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, 24.11.2017

For the Commission
Neven MIMICA
Member of the Commission