COMMISSION IMPLEMENTING DECISION


on the Annual Action Programme 2016 in favour of the Central Asia region to be financed from the general budget of the European 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) 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 action¹, and in particular Article 2(1) thereof,

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 1605/2002², and in particular Article 84(2) thereof,

Whereas:

(1) The Commission has adopted the Multiannual Indicative Programme for the period 2014-2020³, point 3.1 of which provides for the following focal sector: "Sustainable regional development". Under this focal sector the following priority areas for regional cooperation are set out: energy, environment/water and socio-economic development.

(2) The objectives pursued by the Annual Action Programme to be financed under the Development Cooperation Instrument⁴ are to contribute to sustainable regional development and economic growth in Central Asia in the areas of energy, environment/water and socio-economic development while: i) facilitating closer regional cooperation and assuring better effectiveness of implementation between EU funded regional and bilateral activities in the water-environment and climate change nexus; ii) promoting the development of the private sector development; and iii) providing funding for key infrastructures in Central Asia and addressing investment needs in critical areas for social economic development and increasing population living standards.

(3) Action entitled "Investment Facility for Central Asia (IFCA)" promotes investments in the sectors energy, environment, support to 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.

¹ OJ L 77, 15.03.2014, p. 95
³ C(2014) 5653
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 1268/2012. The Commission should entrust budget-implementation tasks under indirect management to the entities specified 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 authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. These entities comply with the conditions of 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. The European Bank for Reconstruction and Development (EBRD) is currently undergoing the assessment under Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity’s positive assessment under Council Regulation (EC, Euratom) No 1605/2002 and on the long-standing and problem-free cooperation with it, budget-implementation tasks can be entrusted to this entity.

It is necessary to allow 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.

Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not 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 Development Cooperation Instrument Committee set up by Article 19 of the financing instrument referred to in recital 2.

HAS DECIDED AS FOLLOWS:

Article 1
Adoption of the measure

The Annual Action Programme 2016 in favour of the Central Asia region to be financed from the general budget of the European Union, as set out in the Annex, is approved.

The programme shall include the following action:
– Annex: Investment Facility for Central Asia (IFCA)

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 20 000 000 and shall be financed for an amount of EUR 20 000 000 from budget line 21.020300 of the general budget of the European Union for financial year 2016.

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

**Article 3**

**Implementation modalities**

Budget-implementation tasks under indirect management may be entrusted to entities identified by the DCI blending governance structure described in the Annex during implementation of the action. The signature of agreements with these entities will be subject to a complementary Commission decision.

The section "Implementation modalities" of the Annex to this Decision sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

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 by 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 the non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 2.12.2016

*For the Commission*

*Neven MIMICA*

*Member of the Commission*