COMMISSION IMPLEMENTING DECISION

of 12.7.2018

on the Annual Action Programme 2018 in favour of Lao PDR 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,

Whereas:

(1) The Commission has adopted the National Multiannual Indicative Programme for the period 2016-2020³, which prioritises Education, Governance and Nutrition.

(2) The objectives pursued by the annual action programme to be financed under the Development Cooperation Instrument⁴ are to contribute to sustainable, inclusive and equitable growth in Lao PDR through improving basic education quality, access and governance, and through the strengthening of PFM systems and the enabling governance environment for better service delivery.

(3) The action entitled "EU Action in Support of Economic Governance in Lao PDR" has the overall objective of sustainable and inclusive economic growth, social development and good governance in Lao PDR. The specific objective of the programme is to strengthen PFM systems and the enabling governance environment to improve the use of public resources for better service delivery at central and sub-national level. The action will be implemented in Indirect Management.

(4) The action entitled "Basic Education Support Programme in Lao PDR" aims to contribute to sustainable, inclusive and equitable growth in Lao PDR through achievement of the national poverty reduction and socio-economic development goals as set out in the 8th NSEDP 2016-20 by focusing on basic education. The action will be implemented with Budget Support (Sector Reform Contract) and Complementary Support.

² OJ L 77, 15.3.2014, p. 95.
³ C(2016)3802
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 1268/2012\(^5\).

The Commission should entrust budget-implementation tasks under indirect management to the entities specified in Annex 1 and Annex 2 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. The World Bank complies with the conditions set out in points (a) to (d) (except for procurement, subdelegation and financial instruments pillars which are not assessed in accordance with the FR 2012) 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. For the budget-implementation tasks not yet assessed, the World Bank is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management. UNICEF complies with the conditions set out in points (a) to (d) (except for financial instruments pillar which is not assessed) 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.

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.

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.

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 Annual Action Programme 2018**

The Annual Action Programme 2018 in favour of Lao PDR as set out in the Annexes, is adopted.

The programme shall include the following action:

– Annex 1: EU Action in Support of Economic Governance in Lao PDR;

– Annex 2: Basic Education Support Programme in Lao PDR.

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 67 000 000 and shall be financed 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.

Article 3

Methods of implementation

Budget-implementation tasks under indirect management may be entrusted to the entities identified in Annexes 1 and 2, 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.

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

Done at Brussels, 12.7.2018

For the Commission
Neven MIMICA
Member of the Commission