COMMISSION IMPLEMENTING DECISION


on the Annual Action Programme 2017 Part 1 and Special Measure 2016 in favour of Sri Lanka 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 action\(^1\) and in particular Article 2(1) thereof,


Whereas:

(1) The Commission has adopted the Multiannual Indicative Programme for Sri Lanka for the period 2014-2020\(^3\) which provides for the following priority: Support to Integrated Rural Development.

(2) The objectives pursued by the Annual Action Programme 2017 Part 1 and the special measure, under the Development Cooperation Instrument\(^4\) are respectively to contribute to promoting a more productive, diversified, climate resilient, market oriented and equitable agricultural development in Sri Lanka (Annex 1); and establish an effective coordinated mechanism to address key-elements of the reconciliation process by the Government, non-governmental and grassroots organisations as well as build confidence and social cohesion (Annex 2).

(3) In line with the Council' conclusions of October 2015 on Sri Lanka, the EU shall review its assistance programme for Sri Lanka and therefore modify the Multiannual Indicative Programme 2014-2020.

(4) Until the Multiannual Indicative Programme is reviewed and in line with the Council conclusions on Sri Lanka mentioned above, activities financed under a Special Measure will allow the EU to engage with the Government of Sri Lanka in making further progress on reconciliation, strengthening good governance and tackling corruption, promoting respect for human rights and the rule of law, and fostering inclusive economic growth and sustainable development, while continuing work to reduce poverty and addressing global issues such as climate change and sustainable development. The EU actively supports the new reform-oriented dynamism in Sri

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\(^1\) OJ L 77, 15.3.2014, p. 95.
\(^3\) C(2014) 5655 final, 12.08.2014.
Lanka in order to overcome underlying causes of the past conflict. In this spirit, they will review their respective assistance programmes to support these objectives, including ensuring coordination with other donors. The use of Special Measure will allow for immediate support to the government and civil society and address the challenges of the post-conflict situation requiring urgent actions to strengthen the reconciliation processes and promote social cohesion and confidence.

(5) The Action entitled "Support to the modernisation of the agricultural sector in Sri Lanka" will seek to increase the participation and competitiveness of the most vulnerable smallholder farmers in value chains in agriculture and to improve the governance of the agriculture sector at the national and sub-national levels. The objectives are to lead to increase of the participation and competitiveness of the most vulnerable smallholder farmers in value chains in agriculture and to improve the governance of the agriculture sector at the national and sub-national levels. The action will be implemented under indirect management with the World Bank and under direct management for the procurement of services.

(6) The Action entitled "Strengthening Reconciliation Processes in Sri Lanka" will advance the reconciliation processes through the achievement of the specific objective: "Government, non-governmental and grassroots organisations take joint action and responsibility in addressing key-elements of the reconciliation process through an effective and coordinated mechanism". This objective will be achieved by means of two outputs 1) More effective and accountable institutional arrangements within and between stakeholders of State and civil society support reconciliation processes and 2) Strategic initiatives to support the non-recurrence pillar of reconciliation (intra-communal, inter-communal and north-south) are systematically facilitated. The action will be implemented under indirect management modality with Gesellschaft für Internationale Zusammenarbeit (GIZ) and the British Council.

(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 1268/2012.

(8) 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 World Bank for Action in Annex I 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 entities’ positive assessment under Council Regulation (EC, Euratom) No 1605/2002 and on the long-standing and problem-free cooperation with them, budget-implementation tasks can be entrusted to this entity.

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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 4,

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The Annual Action Programme 2017 Part 1 and Special Measure 2016, in favour of Sri Lanka, as set out in the Annexes, are approved.

The programme shall include the following actions:

– Annex 1: Support to the modernisation of the agricultural sector in Sri Lanka;

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 42 000 000 and shall be financed for an amount of EUR 12 000 000 from budget line 21.02 0200 of the general budget of the European Union for 2016 and for an amount of EUR 30 000 000 from budget line 21.02 0200 of the general budget of the European Union for 2017.

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 2017 after the adoption of the budget for that financial year or as provided for in the system of provisional twelfths.

Article 3

Implementation modalities

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

The section "Implementation" of the Annexes to this Decision sets out the elements required by Article 94(2) 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 authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.


For the Commission
Neven MIMICA
Member of the Commission