



Brussels, 16.8.2011
C(2011) 5791 final

COMMISSION IMPLEMENTING DECISION

of 16.8.2011

**on the Annual Action Programme 2011 in favour of Egypt to be financed under Article
19 08 01 01 of 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 the Regulation (EC) n°1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (ENPI)¹, and in particular Article 12 thereof,

Whereas:

- (1) The Commission has adopted the Country Strategy Paper for Egypt² and the Multiannual Indicative Programme for the period 2011-2013³, points 2.3 and 2.4 and 2.5 of which provide for the following priorities :
 - Reforms in the areas of democracy, human rights and justice;
 - Competitiveness and productivity of the Egyptian economy;
 - Sustainability of the development process with better management of human and natural resources.
- (2) The objectives pursued by the Annual Action Programme are to respond to the pressing socio-economic challenges that Egypt is facing and to support the country in this phase of transition towards democracy. The specific actions will tackle the strategic energy sector reform, support Egypt in the area of trade enhancement and provide substantial support to improve living conditions and to upgrade informal areas. All three actions are fully in line with the priorities set out in the Joint Communication "A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean" issued 8 March 2011.
- (3) The present Decision constitutes a Financing Decision within the meaning of Article 75 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget⁴ (hereafter 'the Financial Regulation') and Article 90 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the

¹ OJ L 310, 9.11.2006, p. 1-14.

² C(2007)672 of 27.02.2007.

³ C(2010)1144 of 02.03.2010.

⁴ OJ L 248 of 16.09.2002 p. 1.

Financial Regulation applicable to the general budget⁵ (hereafter 'the Implementing Rules').

- (4) The maximum contribution of the European Union set by the present Decision should cover any possible claims for interest due for late payment on the basis of articles 83 of the Financial Regulation and 106(5) of its Implementing Rules.
- (5) The Commission is required to define the term “substantial change” in the meaning of Article 90 (4) of the Implementing Rules to ensure that any substantial change in this decision shall follow the same procedure as the initial decision.
- (6) The Commission has ensured that the management system set up by the entities to which the Commission will entrust implementation of EU funds for the action "Upgrading of Informal Areas in the Greater Cairo Region" complies with the conditions for the delegation of tasks under indirect centralised management, as provided for in Articles 56(1) of the Financial Regulation and article 35 of its Implementing Rules with regard to the actions implemented under indirect centralised management.
- (7) The European Union contribution to be financed from the budget line 19 08 01 01 of the general budget of the European Union for 2012 is subject to the suspension clause of the adoption of the 2012 budget by the Budgetary Authority and the availability of the corresponding funds.
- (8) The measures provided for in this Decision are in accordance with the opinion of the ENPI Committee set up under Article 26 of Regulation (EC) No 1638/2006,

HAS DECIDED AS FOLLOWS:

Article 1

The Annual Action Programme in favour of Egypt, constituted by the actions “Energy Sector Policy Support Programme”, “Trade and Domestic Market Enhancement Programme” and “Upgrading of Informal Areas in the Greater Cairo Region” the text of which is set out in the attached Annexes, is approved.

Article 2

The maximum contribution of the European Union to the Annual Action Programme is set at EUR 70 million to be financed from budget line 19 08 01 01 of the general budget of the European Union for 2011, plus a further EUR 30 million to be financed from the same budget line of the general budget of the European Union for 2012, subject to the availability of budgetary resources.

This maximum contribution shall also cover any possible interests due for late payment.

⁵ OJ L 357 of 31.12.2002, p. 1.

Article 3

Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution of the European Union shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the Annual Action Programme. This may include an increase of the maximum contribution of the European Union up to 20%.

The relevant authorising officer may amend the present Decision to introduce non-substantial changes to the Annual Action Programme in accordance with the principles of sound financial management.

Article 4

The implementation of the programme depending on the commitment of EUR 30 million from the 2012 budget is conditional upon the adoption of the 2012 budget by the Budgetary Authority and the availability of the corresponding funds.

Done at Brussels, 16.8.2011

For the Commission
Štefan FÜLE
Member of the Commission

ANNEXES
Annual Action Programme Egypt 2011

Annex 1: Upgrading of Informal Areas in the Greater Cairo Region (EUR 20 million)

Annex 2: Trade and Domestic Market Enhancement Programme (EUR 20 million)

Annex 3: Energy Sector Policy Support Programme (EUR 60 million)