



Brussels, 26.11.2018
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COMMISSION IMPLEMENTING DECISION

of 26.11.2018

on the annual action programme in favour of the Republic of Armenia for 2018

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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 1046/2018 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union¹ ('the Financial Regulation'), and in particular Article 110 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) In order to ensure the implementation of 'EU4Armenia: Regional Development' and 'EU4Citizens – Deepening Democracy in Armenia', it is necessary to adopt an annual financing Decision, which constitutes the annual work programme, for 2018. Article 110 of Regulation (EU) 2018/1046 establishes detailed rules on financing Decisions.
- (2) The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The Commission has adopted the Single Support Framework in favour of Armenia⁴ for the period 2017-2020, which sets out the following priorities: economic development and market opportunities; strengthening institutions and good governance; connectivity, energy efficiency, environment and climate change and mobility and people-to-people contacts as well as complementary support for capacity development/institution building and strategic communication and for civil society development.

¹ Regulation (EU) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union and amending Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (EU) 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council and repealing Regulation (EU, Euratom) No 966/2012, OJ L 193.

² OJ L 77, 15.3.2014, p. 95.

³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

⁴ Decision C(2017)7838

- (4) The objectives pursued by the annual action programme to be financed under the European Neighbourhood Instrument⁵ are to encourage shared and inclusive private sector growth in Armenia and create a more enabling environment for participatory governance with particular focus on the three Northern regions of the country: Shirak, Lori and Tavush.
- (5) The action entitled ‘EU4Armenia -- Regional Development’ aims to empower entrepreneurs in Armenia with the tools, resources and enabling environment to start, grow and scale-up their businesses. It also aims to help reduce inequalities through ideation, incubation and acceleration of bottom-up, market-driven ventures in smart agriculture, innovative tourism, creative industries and technology industry. The action will be implemented under direct management through procurement of services and grants – direct awards, and indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Austrian Development Agency (ADA), and the European Bank for Reconstruction and Development (EBRD).
- (6) The action entitled ‘EU4Citizens – Deepening Democracy in Armenia’ will focus on supporting the organisation of National Assembly elections by improving civil participation, respect for fundamental human rights, advancing gender equality and principles of peaceful co-existence as well as strengthening independent and professional media. The action will be implemented under direct management through procurement of services and grants – call for proposals, and indirect management with the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF).
- (7) The Commission should acknowledge and accept contributions from other donors in accordance with: Article 21(2) of Regulation (EU) 2018/1046, subject to the conclusion of the relevant agreement. Where such contributions are not denominated in euro, a reasonable estimate of conversion should be made.
- (8) It is appropriate to authorise the award of grants without a call for proposals, pursuant to Article 195 of Regulation (EU) 2018/1046 for the Participation in the EU Framework Programme for Research and Innovation Horizon 2020 as the implementation of this component of the action programme EU4Armenia – Regional Development will take form of a reimbursement of up to 50% of Armenia's corresponding membership fees for Horizon 2020 awarded directly to the Institution that will pay the membership fee.
- (9) Pursuant to Article 4(7) of Regulation (EU) No 236/2014, indirect management is to be used for the implementation of the programme.
- (10) Entities and persons entrusted with the implementation of Union funds by indirect management shall ensure a level of protection of the financial interests of the Union as referred to in Article 154(3) of Regulation (EU) 2018/1046.
- (11) To this end, such entities and persons have been subject to an assessment of their systems and procedures in accordance with Article 154(4) of the Financial Regulation and appropriate supervisory measures are in place in accordance with Article 154(5) of the Financial Regulation.
- (12) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU) 2018/1046.

⁵ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27).

- (13) The actions provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee established under Article 15 of the financing instrument referred to in recital 4.

HAS DECIDED AS FOLLOWS:

Article 1
The programme

The annual action programme in favour of Republic of Armenia for 2018 as set out in the Annexes, is adopted.

The programme shall include the following actions:

- (a) Annex I: 'EU4Armenia: Regional Development'
- (b) Annex II: 'EU4Citizens – Deepening Democracy in Armenia'

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme for 2018 is set at EUR 46 million, and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

- (a) budget line 22 04 02 01: EUR 2.5 million
- (b) budget line 22 04 02 02: EUR 23.5 million;
- (c) budget line 22 04 03 03: EUR 10 million;

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

Article 3
Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annexes, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 5.3.1.4., 5.3.1.5., and 5.3.1.6. of Annex I and 5.3.1.4. and 5.3.1.5 of Annex II.

Article 4
Flexibility clause

Increases⁶ or decreases of up to EUR 10 million 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 110(5) of Regulation (EU) 2018/1046, where these changes 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.

⁶ These changes can come from external assigned revenue made available after the adoption of the financing Decision.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Article 5

Grants

Grants may be awarded without a call for proposals pursuant to Article 195 of Regulation (EU) 2018/1046 to the bodies referred to in point 5.3.1.2 of Annex I, in accordance with the conditions set out therein.

Done at Brussels, 26.11.2018

For the Commission

Johannes HAHN

Member of the Commission