



Brussels, 11.12.2017
C(2017) 8575 final

COMMISSION IMPLEMENTING DECISION

of 11.12.2017

**on the Annual Action Programme 2017 in favour of Georgia 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 Single Strategic Framework (SSF) for EU support to the Republic of Georgia for the period 2017-2020³. In line with the SSF, this Implementing Decision falls under the priority sectors of economic development and market opportunities, good governance and strengthening institutions, and mobility and people-to-people contacts.
- (2) The objectives pursued by the Annual Action Programme 2017 to be financed under the European Neighbourhood Instrument⁴ are: 1) to foster socio-economic development in Georgia and its regions; and 2) to enhance Georgia's economic resilience and sustainable growth through human capital development. The Annual Action Programme 2017 contains two actions.
- (3) To facilitate the implementation of the incentive-based approach of the European Neighbourhood Instrument, the Annual Action Programme 2017 is partially funded through the umbrella programme mechanism, on the basis of progress towards deep and sustainable democracy and implementation of agreed reform objectives contributing to the attainment of that goal.
- (4) The first action entitled "Economic and Business Development in Georgia" aims to make litigations in commercial matters faster and fairer, modernise the financial infrastructure, promote market-oriented and innovative business models for job creation and enhance the capacities of key institutions to deliver better services to businesses. The action will be implemented under direct management through budget support, grants and procurement of services; and under and under indirect

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 77, 15.3.2014, p. 95.

³ C(2017) 8160 of 07/12/2017

⁴ 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).

management with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), United Nations Development Programme (UNDP), European Bank for Reconstruction and Development (EBRD), Austrian Development Agency (ADA), and the World Bank.

- (5) The second action entitled “Skills Development and Matching for Labour Market Needs” aims to improve the employability of women and men in the selected regions. The action will be implemented under direct management through budget support, grants and procurement of services; and under indirect management with the United Nations Development Programme (UNDP).
- (6) 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 1268/2012⁵.
- (7) It is necessary to adopt a work programme for grants in accordance with Article 128(1) of Regulation (EU, Euratom) No 966/2012 and in Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is constituted by Annexes 1 and 2.
- (8) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in the Annexes to this Decision, subject to the conclusion of delegation agreements. 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.
- (9) The authorising officer responsible should be able to award grants without a call for proposals provided only in the exceptional cases set out in Article 190 of Delegated Regulation (EU) No 1268/2012.
- (10) 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.
- (11) 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.
- (12) The measures provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee set up by Article 15 of Regulation (EU) No 232/2014.

⁵ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

HAS DECIDED AS FOLLOWS:

Article 1
Adoption of the measure

The Annual Action Programme 2017 in favour of Georgia, as set out in the Annexes, is approved.

The programme shall include the following actions:

Annex 1: "Economic and Business Development in Georgia"

Annex 2: "Skills Development and Matching for Labour Market Needs"

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 96.5 million and shall be financed from the general budget of the Union for 2017 for an amount of:

- EUR 18.85 million from budget line 22 04 02 01;
- EUR 65.15 million from budget line 22 04 02 02;
- EUR 12.5 million from budget line 22 04 03 03.

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 the entities identified in the 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.

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 million 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.

Done at Brussels, 11.12.2017

For the Commission
Johannes HAHN
Member of the Commission