



Brussels, 30.11.2017
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COMMISSION IMPLEMENTING DECISION

of 30.11.2017

**on the Annual Action Programme 2017 in favour of the Republic of Armenia 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, 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 Support Framework (SSF) for the period 2017-2020 for Armenia³, which provide for the following priorities:

- 1) Economic development and market opportunities,
- 2) Strengthening institutions and good governance,
- 3) Connectivity, energy efficiency, environment and climate change,
- 4) Mobility and people-to-people contacts,

Complementary support for civil society development and

Complementary support for capacity development/institution building and strategic communication.

(2) Regulation (EU) No 232/2014⁴ lays down the objectives and main principles for assistance to beneficiaries listed in Annex I to that Regulation.

(3) The overall objectives pursued by the Annual Action Programme 2017 to be financed under the European Neighbourhood Instrument (ENI)⁴ are:

i) to support shared and balanced growth through addressing constraints linked to innovation and education with focus on STEM;

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 77, 15.3.2014, p. 95.

³ Decision C(2017)7838, 28.11.2017

⁴ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, OJ L77, 15.03.2014, p27.

ii) to support Armenia justice reform process and strengthening the independence, transparency, predictability, accountability and efficiency in the Armenian justice system in line with EU's best practices; and

iii) to support key economic reforms in areas that have been identified as economic growth constraints or opportunities.

- (4) The first action entitled "EU4Innovation in Armenia: Enhanced Education focusing on science, technology, engineering and mathematics" will support growth of Armenia focusing on the quality of STEM (science, technology, engineering and mathematics) education throughout different levels of education system. In particular, it will seek to

i) further develop the human capital,

ii) bridge the gap between the labour market needs and the output of country's education system, and

iii) pilot EdTech (education and learning technology) and modern teaching approach in a pilot region of Armenia.

The action will be implemented under direct management through grants and procurement of services.

- (5) The second action entitled "Consolidation of the Justice System in Armenia" will support Armenia's justice reform process and strengthen the independence, transparency, predictability, accountability and efficiency of the Armenian justice system in line with EU's best practices. In particular, it will seek

i) to support Armenia's justice reform process and

ii) to increase the independence, accountability, predictability and efficiency of justice in line with EU Peer Review recommendations.

The action will be implemented under direct management through grants and procurement of services and of supplies.

- (6) The third action entitled "Armenia Technical Cooperation Facility" has been developed jointly with the World Bank and the European Bank for Reconstruction and Development. The areas of intervention are clustered in four pillars:

i) Economic governance: Attracting public and private investment

ii) Business and investment climate

iii) Trade and market opportunities/access

iv) Connectivity and energy

In addition, a twinning facility to support the implementation of the new Comprehensive and Enhanced Cooperation Agreement and the Partnership Priorities with Armenia is included in the action.

The action will be implemented under direct management through grants and procurement of services; and under indirect management with the European Bank for Reconstruction and Development.

- (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 1268/2012⁵.
- (8) It is necessary to adopt a work programme for grants in accordance with Article 128(1) of Regulation (EU, Euratom) No 966/2012 and Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is set out in the Annexes.
- (9) The Commission should entrust budget-implementation tasks under indirect management to the entity specified in the Annex 3 to 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 this entity guarantees a level of protection of the financial interests of the European Union equivalent to that required when the Commission manages Union funds. This entity complies 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.
- (10) The authorising officer responsible should be able to award grants without a call for proposals only in the exceptional cases set out in Article 190 of Delegated Regulation (EU) No 1268/2012.
- (11) 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.
- (12) 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.
- (13) The measures provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee established under Article 15 of Regulation (EU) No 232/2014,

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the programme

The Annual Action Programme 2017 in favour of the Republic of Armenia, as set out in the Annex, is adopted.

The programme shall include the following actions:

- i) Action 1: EU4Innovation in Armenia: Enhanced Education focusing on science, technology, engineering and mathematics;
- ii) Action 2: Consolidation of the Justice System in Armenia;
- iii) Action 3: Armenia Technical Cooperation Facility.

⁵ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation 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).

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 34.5 million and shall be financed from budget line 22 04 02 01 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.

Article 3

Implementation modalities

Budget-implementation tasks under indirect management may be entrusted to the entity identified in the Annex 3, subject to the conclusion of the relevant agreement.

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 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 use of contingencies shall be taken into account in the ceiling set by this Article.

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

Done at Brussels, 30.11.2017

For the Commission
Johannes HAHN
Member of the Commission