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**COMMISSION IMPLEMENTING DECISION**

**of 20.10.2016**

**on the Annual Action Programme 2016 (Part 2) and Annual Action Programme 2017  
(Part 1) in favour of Egypt to be financed from the general budget of the European  
Union**

# COMMISSION IMPLEMENTING DECISION

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## on the Annual Action Programme 2016 (Part 2) and Annual Action Programme 2017 (Part 1) in favour of Egypt to be financed from the general budget of the European Union

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<sup>1</sup>, and in particular Article 2(1) thereof,

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 1605/2002<sup>2</sup>, and in particular Article 84(2) thereof,

Whereas:

- (1) The Commission has adopted the Single Strategic Framework in favour of Egypt for the period 2014-2016<sup>3</sup>, point 3 of which provides for the following priorities:
  - Governance, Transparency and Business Environment (including Complementary support in favour of civil society and of EU Agreements);
  - Poverty Alleviation, Local socio-economic development and Social Protection;
  - Quality of life and environment.
- (2) The objectives pursued by the Annual Action Programme 2016 (Part 2) and Annual Action Programme 2017 (Part 1) in favour of Egypt to be financed under Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument<sup>4</sup> are to support Egypt's inclusive economic growth and the creation of decent jobs, as well as to encourage and support Egypt's process towards good governance and social justice.
- (3) The action entitled “EU Facility for Inclusive Growth and Job Creation” will contribute to stabilisation in Egypt by promoting sustainable economic development and hence improving the future prospects of its people. The specific objective is to facilitate inclusive economic growth and job creation through two complementary components focusing on: i) improving the enabling environment for business creation and economic development by supporting reforms which will lower the administrative burden on Small and Medium Enterprises (SMEs), facilitate financial inclusion among

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<sup>1</sup> OJ L 77, 15.3.2014, p. 95.

<sup>2</sup> OJ L 298, 26.10.2012, p. 1.

<sup>3</sup> C(2015) 9121 of 17.12.2015.

<sup>4</sup> OJ L 77, 15.3.2014, p. 27.

SMEs in a sustainable manner and strengthen the protection of intellectual property rights; and ii) investing in the potential of SMEs to add value in the economy and to generate jobs by supporting enterprise growth and competitiveness through facilitating SME access to long term financing and know-how and by facilitating business linkages, value chain development and fostering innovation among SMEs, including young entrepreneurs. The action will be implemented in direct management.

- (4) 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<sup>5</sup>.
- (5) It is necessary to adopt a work programme for grants the detailed rules on which are set out in 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 the Annex (sections 5.3.1 and 5.3.2).
- (6) The authorising officer responsible should be able to award grants without a call for proposals provided that the conditions for an exception to a call for proposals in accordance with Article 190 of Delegated Regulation (EU) No 1268/2012 are fulfilled.
- (7) 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.
- (8) 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.
- (9) 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 the financing instrument referred to in Recital 2,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### **Adoption of the measure**

The Annual Action Programme 2016 (Part 2) and Annual Action Programme 2017 (Part 1) in favour of Egypt, as set out in the Annex, is approved.

The programme shall include the following action:

- Annex: EU Facility for Inclusive Growth and Job Creation

#### *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 20 million and shall be financed for an amount of EUR 10 million from budget line 22.040102 of the general budget of the European Union for 2016 and for an amount of EUR 10 million from budget line 22.040102 of the general budget of the European Union for 2017.

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<sup>5</sup> 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).

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**

The section “Implementation” of the Annex to this Decision sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

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 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, 20.10.2016

*For the Commission*  
*Johannes HAHN*  
*Member of the Commission*