



Brussels, 17.10.2019
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COMMISSION IMPLEMENTING DECISION

of 17.10.2019

on the annual action programme in favour of the Republic of Moldova for 2019

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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) 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, amending Regulations (EU) No 1296/2013, (EU) No 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, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, 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 the Annual Action Programme 2019 in favour of Republic of Moldova, it is necessary to adopt a annual financing Decision, which constitutes the annual work programme, for 2019. Article 110 of Regulation (EU, Euratom) 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 (SSF) for EU support to the Republic of Moldova for the period 2017-2020⁴. In line with the SSF, this Implementing Decision falls under the following priority sectors: economic development and market opportunities, including sustainable and inclusive economic growth as well as connectivity, energy efficiency, environment and climate change. It also relates to the mobility and people-to-people contacts, developing stronger ties between labour market, education and training system and between private sector and research, creating smart and sustainable economic development.
- (4) The objectives pursued by the annual action programme to be financed under the European Neighbourhood Instrument⁵ are to (i) support inclusive economic development in Moldova by increasing the potential of the digital economy and

¹ OJ L 193, 30.7.2018, p.1.

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 C(2017)6091

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).

enhancing regional competitiveness and its business and investment environment; (ii) contribute to improved living conditions of the population households in the region of Cahul through a broader access to quality water supply and to sanitation and therefore the minimisation of health risks.

- (5) The action entitled ‘EU4MOLDOVA: Startup City Cahul (UE pentru Moldova: Startup Oraşul Cahul)’ aims at supporting inclusive economic development in Moldova by increasing the potential of the digital economy and enhancing regional competitiveness and its business and investment environment, supporting establishment of a Regional Innovation and Technology Center, promoting innovation and creative solutions in *Moldovan Science, Technology, Engineering and Math (STEM)* education and facilitating emergence of start-ups in innovative sectors. The action will be implemented under indirect management modality with an entrusted entity.
- (6) The action entitled ‘EU4MOLDOVA: Clean Water for Cahul (UE pentru Moldova: Apă Curată pentru Cahul)’ aims at improving the living conditions of the population of the Cahul Region through a broader access to quality water supply and to sanitation, and therefore the minimisation of health risks, and also targeting the local public administration authorities (Municipality of Cahul, Rayon Cahul), Apa Canal Cahul, RDA South, civil society organisations to improved environmental protection and smarter use of natural resources. reducing the water pollution and preserving the ground water in the south of Moldova. This action will be implemented under indirect management with a Member State Organisation - the Kreditanstalt fur Wiederaufbau (KfW).
- (7) Pursuant to Article 4(7) of Regulation (EU) No 236/2014, indirect management is to be used for the implementation of the programme.
- (8) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046.
- (9) To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of Regulation (EU, Euratom) 2018/1046 and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom 2018/1046) before a contribution agreement can be signed.
- (10) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (11) In order to allow for flexibility in the implementation of the programme, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.
- (12) 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 the Republic of Moldova for 2019 as set out in the Annexes, is adopted.

The programme shall include the following actions:

- (a) Annex I: “EU4MOLDOVA: Startup City Cahul (UE pentru Moldova: Startup Oraşul Cahul)”;
- (b) Annex II: “EU4MOLDOVA: Clean Water for Cahul (UE pentru Moldova: Apă Curată pentru Cahul)”;

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme for 2019 is set at EUR 18,000,000.00, and shall be financed from the appropriations entered in the following line of the general budget of the Union:

- (a) budget line 22.04.02.02: EUR 18,000,000.00;

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 of Annex 1 and point 5.3.1 of Annex 2.

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, Euratom) 2018/1046, where these changes do not significantly affect the nature and objectives of the actions.

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.

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

Done at Brussels, 17.10.2019

For the Commission
Johannes HAHN
Member of the Commission