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**COMMISSION IMPLEMENTING DECISION**

**of 22.7.2015**

**on the Annual Action Programme 2015 in favour of Egypt to be financed from the  
general budget of the European Union**

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### on the Annual Action Programme 2015 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 European Commission has adopted has adopted the Single Strategic Framework in favour of Egypt for the period 2014-2015<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 2015 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 foster social protection; encourage and support Egypt's process towards good governance and social justice including through establishing an enabling environment for conducting business to ensure economic recovery, and improve the quality of life and the environment by facilitating the access to sanitation and other basic environmental services.
- (3) The Action entitled “Citizen Rights Project” will contribute to the provision of rights by the Government of Egypt to its citizens as provided for in the 2014 Constitution. It will be addressed through two main components: 1) Strengthening the National

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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(2014) 7170 of 08.10.2014.

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

Council for Human Rights, and 2) strengthening women's role in Egyptian society and increasing gender equality. It will be implemented by direct management.

The Action entitled “Promoting Inclusive Economic Growth in Egypt” will contribute to Egypt's economic recovery through 1) facilitating the development of Micro, Small and Medium-sized Enterprises (MSMEs) in sectors with high potential for inclusive growth, and ii) enhancing the protection of cultural heritage for it to become a real driver of local socio-economic development. It will be implemented by direct management.

The Action entitled “Upgrading Informal Areas Infrastructures” will contribute to local socio-economic development in the informal areas of the Greater Cairo Region (Governorates of Cairo, Giza and Qalyubeya) by enhancing the delivery of basic services through upgrading basic community infrastructures. It will be implemented by indirect management.

The Action entitled “Fostering Reforms in the Egyptian Renewable Energy and Water Sectors through Developing Capacity Building” aims to support the ongoing reform process of two key sectors of the Egyptian economy, the water and renewable energy sectors. The specific objective is to contribute to improve the management and the use of these resources by improving operational efficiencies of concerned stakeholders and beneficiaries. It will be implemented by 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 Commission Delegated Regulation (EU) No 1268/2012. The work programme is constituted by the Annexes 1 and 2 (sections 5.3.1 and 5.3.2).
- (6) The Commission should entrust budget-implementation tasks under indirect management to the entity specified in 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 Union equivalent to that required when the Commission manages EU 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
- (7) 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 Commission Delegated Regulation (EU) No 1268/2012 are fulfilled.
- (8) 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 Commission Delegated Regulation (EU) No 1268/2012.

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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).

- (9) Pursuant to Article 94(4) of Commission 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.
- (10) 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 2015 in favour of Egypt, as set out in the annexes, is approved.

The programme shall include the following actions:

- Annex 1: Citizen Rights Project
- Annex 2: Promoting Inclusive Economic Growth in Egypt
- Annex 3: Upgrading Informal Areas Infrastructures
- Annex 4: Fostering Reforms in the Egyptian Renewable Energy and Water Sectors through Developing Capacity Building

#### *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 59 million and shall be financed from:

- budget line 21.03.01.01 for an amount of EUR 10 million, and
- budget line 21.03.01.02 for an amount of EUR 49 million.

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 attached annex 3, subject to the conclusion of the relevant agreement.

The section “Implementation” of the annexes to this Decision sets out the elements required by Article 94(2) of Commission 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 Commission 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 Commission 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, 22.7.2015

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