



Brussels, 16.12.2022  
C(2022) 9730 final

**COMMISSION IMPLEMENTING DECISION**

**of 16.12.2022**

**on the financing of the annual action plan in favour of Georgia for 2022**

# COMMISSION IMPLEMENTING DECISION

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## on the financing of the annual action plan in favour of Georgia for 2022

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 2018/1046<sup>1</sup> 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 966/2012, and in particular Article 110 thereof,

Having regard to Regulation (EU) 2021/947<sup>2</sup> of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument - Global Europe, amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009 , and in particular Article 23(2) thereof,

Whereas:

- (1) In order to ensure the implementation of the annual action plan in favour of Georgia for 2022, it is necessary to adopt an annual financing Decision, which constitutes the annual work programme, for 2022. Article 110 of Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') establishes detailed rules on financing decisions.
- (2) The envisaged assistance should comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU<sup>3</sup>.
- (3) The actions provided for in this Decision contribute to climate and biodiversity mainstreaming in line with the European Green Deal<sup>4</sup> and the inter-institutional agreement.
- (4) The Commission has adopted the Multiannual Indicative Programme for Georgia<sup>5</sup> for the period 2021-2027, which sets out the following priorities: Resilient, sustainable and integrated economy; Accountable institutions, the rule of law and security;

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<sup>1</sup> OJ L 193, 30.7.2018, p.1.

<sup>2</sup> OJ L 209, 14.6.2021, p.1.

<sup>3</sup> [www.sanctionsmap.eu](http://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.

<sup>4</sup> COM(2019)640 final of 11.12.2019.

<sup>5</sup> Commission Implementing Decision C(2022)5658 of 09/08/2022 on adopting a multiannual indicative programme for Georgia for the period 2021-2027.

Environmental and climate resilience; Resilient digital transformation; and Resilient, fair and inclusive societies.

- (5) The objectives pursued by the annual action plan to be financed under the Neighbourhood geographic programme of Regulation (EU) 2021/947 should further strengthen the regulatory approximation in line with the Deep and Comprehensive Free Trade Area (DCFTA) and its implementation, as well as ensuring the financial stability and socio-economic welfare of the country at both national and local level.
- (6) The action entitled “Support to the Implementation of the Deep and Comprehensive Free Trade Area and Small and Medium Enterprise development in Georgia (DCFTA-SMEs)” will promote inclusive and sustainable growth in Georgia through support to conformity assessment, facilitation of exports and trade, green transition, skills and training as well as DCFTA implementation.
- (7) The action entitled “EU 4 Sustainable Governance and Resilience (EU4SGR)” aims at improving governance with a more comprehensive, transparent and accountable system of state finances; and to contribute to sustainable living conditions, increased resilience and development in small and medium cities and communities.
- (8) Pursuant to Article 26(1) of Regulation (EU) 2021/947 and Article 62(1)(c) of the Financial Regulation, indirect management is to be used for the implementation of the action plan.
- (9) 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 the Financial Regulation.  
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)<sup>6</sup> of the Financial Regulation and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) thereof 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 the Financial Regulation.
- (11) In order to allow for flexibility in the implementation of the action plan, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (12) The action plan provided for in this decision is in accordance with the opinion of the Committee established under Article 45 of Regulation (EU) 2021/947.

HAS DECIDED AS FOLLOWS:

*Article 1*  
*The action plan*

The annual financing Decision, constituting the annual work programme for the implementation of the annual action plan in favour of Georgia for 2022, as set out in the annexes, is adopted.

The action plan shall include the following actions:

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<sup>6</sup> Except for the cases referred to in Article 154(6) of the Financial Regulation, where the Commission may decide, not to require an ex-ante assessment.

- (a) Support to the Implementation of the Deep and Comprehensive Free Trade Area and Small and Medium Enterprise development in Georgia (DCFTA-SMEs) set out in Annex I;
- (b) EU 4 Sustainable Governance and Resilience (EU4SGR) set out in Annex II.

*Article 2*  
*Union contribution*

The maximum Union contribution for the implementation of the action plan for 2022 is set at EUR 54 000 000, and shall be financed from the appropriations entered in budget line 14.020111 of the general budget of the Union.

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 Annex I, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 4.3.3. of Annex I.

*Article 4*  
*Flexibility clause*

Increases<sup>7</sup> or decreases of up to EUR 10 million and 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 the Financial Regulation, provided that 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 acting in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 16.12.2022

*For the Commission*  
*Olivér VÁRHELYI*  
*Member of the Commission*

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<sup>7</sup> These changes can come from external assigned revenue made available after the adoption of the financing Decision.