



Brussels, 4.8.2020
C(2020) 5266 final

COMMISSION IMPLEMENTING DECISION

of 4.8.2020

on the financing of a special measure in favour of Iraq for 2020 part 2

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union (TFEU),

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 a special measure in favour of Iraq for 2020 part 2, it is necessary to adopt an annual financing decision for 2020. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing decisions.
- (2) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The effects of the COVID-19 crisis highlight various structural shortcomings in Iraq and exacerbate Iraq's grave political, social and economic deficits. This combined, multi-faceted crisis puts the socio-economic development of Iraq at serious risk and presents particular risks for socio-economic turmoil, as Iraq's reconstruction phase has only kick-started recently after the defeat of Da'esh. This is why an urgent and common EU response is needed. In this challenging context, Iraq is highly vulnerable and the drafting of a new multi-annual programming document has not been possible. Therefore, implementing special measures, to be financed under the Development Cooperation Instrument⁴, is a way to cope with the country's needs. As a result of the graduation of Iraq as an upper-middle income country by the Development Assistance Committee of the Organisation of Economic Cooperation and Development (OECD

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.3.2014, p. 95.

³ www.sanctionsmap.eu. 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, the OJ prevails.

⁴ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, OJ L 77, 15.3.2014, p. 44.

DAC) in 2012⁵, the measure provided for in this Decision is developed in the context of the application of the exception clause provided for in Article 5(2)(b)(ii) of the Regulation (EU) No 233/2014.

- (4) The action entitled ‘Support to socio-economic recovery and state building of Iraq’ aims to enhance the socio-economic recovery, stability and development of Iraq through social and labour protection opportunities for youth and the most vulnerable segments of the population, particularly women, and forcibly displaced people as well as through improved accountability, transparency and credibility of the justice system, including strengthened inclusive participatory decision-making.
- (5) Pursuant to Article 4(7) of Regulation (EU) No 236/2014 indirect management is to be used for the implementation of the measure.
- (6) 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.

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) 2018/1046⁶ 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.

- (7) 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.
- (8) In order to allow for flexibility in the implementation of the measure, 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.
- (9) The measures provided for in this Decision are in accordance with the opinion of the Development Cooperation Instrument Committee, established under Article 19 of Regulation (EU) No 233/2014.

HAS DECIDED AS FOLLOWS:

Article 1
The measure

The annual financing decision, constituting a special measure in favour of Iraq for 2020 part 2, as set out in the Annex, is adopted.

The measure shall include the following action:

“Support to socio-economic recovery and state building of Iraq”, as set out in the Annex.

⁵ <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519>.

⁶ Except for the cases of Article 154(6) of Regulation (EU, Euratom) 2018/1046, where the Commission may decide, not to require an ex-ante assessment.

Article 2
Union contribution

The maximum Union contribution for the implementation of the measure for 2020 is set at EUR 90 000 000, and shall be financed from the appropriations entered in the 21 02 04 00 budget line 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, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 5.3 of the Annex.

Article 4
Flexibility clause

Increases or decreases of up to EUR 10 000 000 not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated changes⁷ 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 for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046, 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, 4.8.2020

For the Commission
Jutta URPILAINEN
Member of the Commission

⁷ These changes can come from assigned revenue made available after the adoption of the financing decision.