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ANNEX

Legal basis:

Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community and amending Council Regulation (EC) No 2667/2000 on the European Agency for Reconstruction.

Work Programme for 2018:

Beneficiary	Turkish Cypriot community
CRIS/ABAC Commitment references	TCC/2018/XXX-XXX, SCR.DEC.XXXXXX.XX
Total cost	EUR 34 473 000
Union contribution	EUR 34 473 000
Budget line	13 07 01
Management Modes/ Entrusted Entities	Direct management by the European Commission Indirect management by entrusted entities: United Nations Development Programme Northern Ireland Co-operation Overseas
Final date for concluding procurement and grant contracts	3 years following the date of validation of the budgetary commitment
Final date for contract implementation	6 years following the date of validation of the budgetary commitment, with the following exception: 7 years following the date of validation of the budgetary commitment for the Local Infrastructure Facility , where the works concerning infrastructures justify a longer implementation period
Final date for programme implementation (date by which this programme should be de-committed and closed)	10 years following the date of validation of the budgetary commitment
Programming and Implementing Unit	SRSS.05 Cyprus Settlement Support

1.1. Introduction

This 2018 Annual Action Programme concerns the continuing implementation of the Aid Programme for the Turkish Cypriot community on the legal basis of Council Regulation (EC) No 389/2006, the "Aid Regulation", which establishes an instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCc). Between 2006 and the end of 2017, approximately EUR 485 million was programmed for operations under this Regulation.

On the basis of the objectives, as laid down in Article 2 of the "Aid Regulation", this Action Programme contains the actions to be financed and the budget breakdown for the year 2018 as follows:

- for grants implemented under direct management (1.2): EUR 230 000
- for procurement implemented under direct management (1.3): EUR 15 443 000
- for actions implemented under indirect management modes (1.4): EUR 18 800 000

The overall objective of the Aid Programme is to facilitate the reunification of Cyprus by encouraging the economic development of the TCc, with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the *acquis communautaire*, as per the objectives below, which are laid down in Article 2:

1. *The development and restructuring of infrastructure, in particular in the areas of energy and transport, the environment, telecommunications and water supply;*
2. *The promotion of social and economic development including restructuring, in particular concerning rural development, human resources development and regional development;*
3. *Reconciliation, confidence-building measures, and support to civil society;*
4. *Bringing the Turkish Cypriot community closer to the Union, through inter alia information on the European Union's political and legal order, promotion of people to people contacts and Community scholarships;*
5. *Preparation of legal texts aligned with the *acquis communautaire* for the purpose of these being immediately applicable upon the entry into force of a comprehensive settlement of the Cyprus problem; and*
6. *Preparation for implementation of the *acquis communautaire* in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession.*

The Aid Programme is intended only to be an instrument of an exceptional and transitional nature and the Commission continues to hope for a breakthrough that will lead to a comprehensive settlement. In this event, assistance of a different form will be required. Council Regulation No 1311/2013, laying down the Multi-Annual Framework 2014-2020,

allows for its own revision¹ and Article 11 of Council Regulation (EC) No 389/2006² allows for any necessary adaptations in this context.

The Commission has been pursuing the six objectives of the Aid Regulation since 2006, but subject to a comprehensive settlement, reunification may have a more immediate and far-reaching impact on some sections of the Turkish Cypriot community than on others. However, it is not possible, at this point in time, to fully anticipate settlement related needs in the planning of the Aid Programme. Some changes may be foreseen within the remit of the current programming – notably through a specifically dedicated Support and Settlement Facility – but it is likely that most needs would have to be addressed through future amendments or interventions in the event of a settlement.

The programme choices for 2018 continue to reflect an established programming approach based on key principles of maturity, policy relevance and past track record. The underlying aim is to bring about more tangible and visible impacts in the priority areas, in line with the island-wide planning principle, where appropriate, and the overall objective of reunification. Hence, the 2018 programme provides a streamlined and compact set of actions, with 12 major project components and a needed degree of flexibility.

The 2018 programme takes into account input received from Turkish Cypriot stakeholders and from relevant evaluations and needs' assessments conducted prior to the programming exercise. The views of the authorities of the Republic of Cyprus were also taken into consideration. In addition, the programme choices consider the findings of the works of the bi-communal Ad Hoc Committee on EU Preparation, within the framework of the settlement talks.

Aside from the EU-financed Aid Programme under Council Regulation 389/2006, support from other international donors such as USAID and the United Kingdom has been or is being wound down.

Objective 1: development and restructuring of infrastructure

Development and restructuring of infrastructure has been the major component of the Aid Programme, with more than a third of total resources allocated to this objective from 2006 to the end of 2017. Investments in the local infrastructure have been financed in the sectors of

¹ Council Regulation No 1311/2013 Art. 22: "In the event of the reunification of Cyprus between 2014 and 2020, the MFF shall be revised to take account of the comprehensive settlement of the Cyprus problem and the additional financial needs resulting from the reunification."

² Article 11: "**Event of a settlement.** In the event of a comprehensive settlement of the Cyprus problem, the Council shall, on the basis of a proposal from the Commission, decide unanimously on the necessary adaptations to this Regulation.

environment, water and wastewater, architectural restorations, recreational areas, and other social infrastructure, such as local community facilities.

The key priority of the 2018 programme is to continue supporting this type of infrastructure projects through the Local Infrastructure Facility (LIF), as introduced in the Action Programme 2017. These investments, comprising both actual infrastructure works and works supervision, will be channelled in indirect management through the UNDP³, which is a well-established partner with a proven track record and a solid on-the-ground expertise in implementing major infrastructure projects. The UNDP is also a natural partner for cooperation on infrastructure projects of bi-communal dimension.

The 2018 programme will include infrastructure investments for a total value of EUR 9 700 000. As there is no up-front allocation provided for individual projects at this stage, the 2018 programme includes an indicative list of likely interventions in the areas of sewerage infrastructure, wastewater, and green waste composting.

In addition to the Local Infrastructure Facility, the 2018 programme will cover the supply of *stationary* equipment to renew and increase the capacity of the existing air quality monitoring network (EUR 1 250 000). This intervention is complementary to the provision of *mobile* equipment for air quality monitoring programmed under the Action Programme 2017, and will help achieve full compliance with the relevant EU *acquis*.

Furthermore, the 2018 programme provides support for the enhanced control, containment and collection of water pollutant materials in the event of emergency situations such as oil spillages, thus limiting the negative environmental impacts on human health and animals (EUR 1 500 000).

Objective 2: promotion of social and economic development

The promotion of social and economic development has received nearly a third of total Aid Programme resources since 2006. Further financial assistance is needed to support rural development, education and labour, and the private sector in particular.

EU funding in the rural development sector to date has comprised, amongst others, a series of support actions to improve the TCc alignment with EU food safety standards as well as the capacity of veterinary services to plan and implement animal disease surveillance, control and eradication. However, deficiencies in these critical areas still exist and further support is necessary with a view to ensuring a high level of human and animal health and consumer protection. The 2018 programme embraces comprehensive actions towards establishing capacity and resources for prevention, detection and rapid elimination of emerging animal diseases as well as an instrument of official controls in the food safety area (EUR 4 750 000).

³ The Commission will initiate a substantial change to the Financing Decision 2017 in order to amend the management mode and secure that the LIF will be fully implemented by the UNDP.

The private sector will be supported by measures contributing to the development of a more conducive entrepreneurship ecosystem and improved innovation culture. The 2018 programme will finance the first wide-ranging programme of this kind in the TCc aimed at leading to the establishment and growth of more innovative young businesses. Linkages between research and business community will be improved, thus allowing the TCc to benefit from and link up to complementary projects in Nicosia and the EU, such as RISE⁴. The project totalling EUR 3 000 000 will be implemented through indirect management by the Northern Ireland Co-operation Overseas (NI-CO), which is a well experienced partner in bi-communal and innovation-based undertakings.

According to the strategic framework for European cooperation in education and training 2020, high quality education and training and the creation of lifelong learning opportunities are fundamental to Europe's success. Improving education and enhancing training opportunities are likewise critical factors for the social and economic development of the TCc. The 2018 programme will specifically support the preparation of a new modularised curriculum based on the revised Occupation Standards (OS) for all occupations delivered at the VET schools, with the aim of increasing knowledge, skills and competences of young people and their employability, and thus better linking education programmes with labour market needs (EUR 1 350 000).

In addition, the 2018 programme will introduce a holistic programme to inspire the next generation of scientists and engineers for enhanced innovation and research. Funding of EUR 2 000 000 will be combined with the same amount initially envisaged for the school grant scheme under the 2017 programme to equip schools with stationary and/or mobile mini-labs and specialised labs, thereby familiarising pupils with science and raising their skills and capacity for innovation. It will ensure a more focused and coherent approach in supporting schools in the TCc, while increasing the impact of EU support and the overall EU visibility.

Objective 3: reconciliation, confidence-building measures, and support to civil society

Support for reconciliation and confidence-building measures has been a successful and well-received element of the Aid Programme. The Commission has shown particular readiness to continue promoting these measures, including through substantial resources under the previous programmes, which included *inter alia* the support for the opening of new Green Line crossing points.

For the continuation of its activities, the bi-communal Technical Committee on Cultural Heritage (TCCH) will benefit from EU funding through the UNDP with an amount of EUR 2 500 000 under the 2018 programme. This significant contribution to island-wide restoration of

⁴ The EU co-funded "Research Centre on Interactive Media, Smart Systems and Emerging Technologies" (RISE) is the first research centre of this kind in Cyprus – located in the old town of Nicosia – aiming to become a centre of excellence empowering knowledge and technology transfer and designed to act as an integrator of academic research and industrial innovation.

monuments, civil buildings, mosques and churches includes a strong bi-communal and public awareness component. It raises the total budget dedicated to the TCCH since 2012 to over EUR 17 000 000. This support has produced highly visible output and allowed for the restoration of historically significant buildings for both communities. It has also facilitated an exemplary cooperation within the TCCH, constituting a strong platform for dialogue and mutual trust between the two communities.

Similarly, the Committee of Missing Persons (CMP) will benefit from EU funding through the UNDP with an additional amount of EUR 2 600 000 under the 2018 programme, which will allow the CMP to continue its activities until end 2019. In this way, the total EU contribution to the work of the CMP will reach EUR 25 000 000.

In addition to the above, overall support to the bi-communal Technical Committees will be reinforced through a dedicated facility with an amount of EUR 1 000 000. This will help the Committees carry out their activities more effectively, thereby bringing positive impact to the process of reunification. It will also provide a sustainable system for maintenance of cultural heritage sites.

The delivery method in support of the above-mentioned actions, through indirect management by the UNDP, is well-tested and has proved efficient. The tasks entrusted to UNDP include procurement, payments, project management, monitoring and ensuring visibility.

Confidence-building measures will be complemented by a bi-communal pilot scholarship programme for high-potential Greek Cypriot and Turkish Cypriot scholars, who will jointly attend the United World College (UWC) for the two International Baccalaureate years 2019-2021. This action of EUR 230 000, which aims at educating future civic leaders from both communities, also foresees setting up of an alumni network.

Objective 4: *Bringing the Turkish Cypriot community closer to the European Union*

A successful vehicle in reaching the objective of bringing the TCc closer to the Union has been the EU Infopoint project, which aims at raising the awareness about the European Union through information and communication activities. The EU Infopoint operates in close collaboration with the EC Representation in Cyprus. Maintaining this project remains vital for enhancing the visibility of the EU in the northern part of Cyprus and, accordingly, the 2018 programme foresees EUR 1 900 000 for its continuation.

The implementation of the scholarship programme, which provides opportunities given to students and professionals to study abroad, has been outsourced through indirect management to the British Council. Earlier allocations from the Aid Programme provide coverage up to the academic year 2020-2021. For this reason, no further allocation is required under the 2018 Programme.

Objectives 5/6: preparation of legal texts aligned with the acquis communautaire for the purpose of these being immediately applicable upon the entry into force of a comprehensive settlement of the Cyprus problem / preparation for implementation of the acquis communautaire in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession

The Aid Regulation specifically provides for assistance for preparing the implementation of the EU *acquis* and for preparing legal texts aligned with the EU *acquis* to be immediately applicable upon the entry into force of a comprehensive settlement of the Cyprus problem. In addition, the Commission is required to provide continued support for the implementation of Council Regulation 866/2004⁵ (the Green Line Regulation) and Commission Regulation 1480/2004⁶, thereby supporting economic integration of the island.

The main instrument used by the Commission for preparing the implementation of the EU *acquis* is the Technical Assistance and Information Exchange instrument (TAIEX). This instrument enables experts to be sent from EU Member States to the TCc to explain the *acquis*, hold awareness seminars, prepare draft legal texts to be applicable after settlement, and provide technical assistance.

The resources allocated to TAIEX in the previous years are sufficient to cover the needs until 2020. Therefore, there is no need for an additional allocation under the 2018 programme.

Support and Settlement Facility

The 2018 programme includes also a Support and Settlement Facility (EUR 2 693 000) from which resources can be mobilised to take advantage of new emerging opportunities and to facilitate new initiatives that may arise from the settlement process. This may include the financing of supporting studies, supplementary actions, and highly relevant preparatory work for future-but-not-yet-mature interventions. Support interventions may be necessary at short notice in any of the objectives covered by the Aid Programme and the availability of resources for this purpose is essential. Given the nature of these initiatives, they cannot be clearly identified at this programming stage.

⁵ Council Regulation (EC) No 866/2004 of 29 April 2004 on a regime under Article 2 of Protocol 10 to the Act of Accession.

⁶ Commission Regulation (EC) No 1480/2004 of 10 August 2004 laying down specific rules concerning goods arriving from the areas not under the effective control of the Government of the Republic of Cyprus in the areas in which the Government exercises effective control.

1.2. Grants

The objective of the Aid Regulation, which is implemented through a direct grant in the Action Programme 2018, is the following:

- *Reconciliation, confidence-building measures, and support to civil society (Objective 3 of the Aid Regulation).*

1.2.1. *Bi-communal scholarship programme for Cyprus (Objective 3 of the Aid Regulation)*

Priorities of the year [1], objectives pursued [2] and expected results [3]

[1] Bringing Greek Cypriot and Turkish Cypriot youth closer together;

[2] Increased interactions and shared learning experiences between the youth from both communities;

[3] Positive and meaningful contribution to inter-community dialogue and bridge building.

Description of the activities to be funded

This pilot bi-communal scholarship programme aims to select and enrol six high-potential scholars from Cyprus to jointly attend the United World College (UWC) in Mostar, Bosnia-Herzegovina, for the two International Baccalaureate years 2019-2021. The six will comprise three Greek Cypriots and three Turkish Cypriots.

The programme aims at educating future civic leaders from both communities and at creating an alumni network to ensure sustained contacts between the ex-scholars, including those of all past bi-communal scholarships. This pilot could be subsequently expanded to include greater numbers of scholars in the future, providing also the foundations for the establishment of UWC short courses in Cyprus.

The programme will be administered by UWC International and implemented locally through the UWC National Committee for Cyprus (UWC Cyprus), covering both communities. The bulk of outreach and selection activity will be conducted by volunteers.

Selection will be competitive and based on merit, independent of the scholars' socio-economic background. Student selections run by UWC are renowned for their thoroughness and unique approach to identifying talented and aspiring young leaders based on their potential and aptitudes. The Commission will be invited to take part in the UWC Cyprus selections.

Essential eligibility, selection and award criteria

Direct award

The Financial Regulation allows directly awarded grants for actions with specific characteristics, which require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.

- Name of the beneficiary: UWC International.

Justification for the use of an exception to calls for proposals: In line with the Article 195(f) of the Financial Regulation (Regulation (EU) No 2018/1046), a directly award grant is provided for. UWC is renowned for providing a diverse group of young people from all backgrounds with a challenging and transformational educational experience to inspire them to become agents of positive change and to create a more peaceful and sustainable future. UWC is renowned for its thoroughness and unique approach to identifying talented and aspiring young leaders based on their potential and aptitude.

UWC is organising its education programme in targeted post conflict areas presenting similarity with the situation prevailing in Cyprus. The college set up in Bosnia/Hercegovina (in Mostar) with the particular objective of overcoming divisions created between communities by conflict may serve as a model for a Cyprus and demonstrates that the UWC model is appropriate and has a unique position and knowledge for conflict situations and will be of a direct benefit to the scholars to enhance their inter-community peace building values.

This particular school offers a tailor-made programme for young scholars with a mission to make education a force to unite people, nations and cultures that will help reaching objective 4 of the Aid Regulation ("Reconciliation and confidence building measures") and the specific needs of this action. Preliminary analysis have evidenced that there is no other institution that provides programmes focusing on peacebuilding and reconciliation activities for young students between 16 to 19 years old. UWC is organised through National Committees that are responsible for selection from their countries, including the Republic of Cyprus.

UWC is a unique body of respected international standing that has the required technical competence and high degree of specialisation to fulfil the purpose of the action.

- The essential selection criteria: Financial and operational capacity of the applicant (sufficient capable staff).
- The award criteria: Relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.

Implementation

Grant awarded without a call for proposals

Indicative timetable and indicative amount of the call for proposals

Reference	Date	Amount
Bi-communal scholarship programme for Cyprus	4Q2018	EUR 230 000

Maximum possible rate of co-financing of the eligible costs

100%

Full financing is essential for the action to be feasible and carried out with maximum EU visibility.

1.3. Procurement

The objectives of the Aid Regulation, which are implemented through procurement procedures in the Action Programme 2018, are the following:

- *The development and restructuring of infrastructure, in particular in the areas of energy and transport, the environment, telecommunications and water supply (Objective 1 of the Aid Regulation);*
- *The promotion of social and economic development including restructuring, in particular concerning rural development, human resources development and regional development (Objective 2 of the Aid Regulation); and*
- *Bringing the Turkish Cypriot community closer to the Union, through inter alia information on the European Union's political and legal order, promotion of people to people contacts and Community scholarships (Objective 4 of the Aid Regulation).*

In addition, under the Aid Regulation, assistance may also be used to cover in particular the costs of support and settlement-related activities.

1.3.1. Renovating and increasing the capacity of the existing air quality monitoring network (Objective 1 of the Aid Regulation)

Subject matter of the contract envisaged

The TCc stands ready to implement the requirements of the relevant EU directives (2008/50/EC and 2004/107/EC) for monitoring the ambient air pollutants. An air quality monitoring network was already established in 2009 and 2010 through EU funding; however, it is not sufficiently advanced to fully achieve compliance with the above directives. In addition, some parts of the system need to be replaced as their normal lifetime is coming to an end. In particular, measurement of As, Hg, Ni, Cd, PAHs and Ozone precursors has not yet been carried out and measurement of NO₂, O₃, SO₂ and of particulate matter concentrations at

the existing monitoring network stations are interrupted due to malfunctioning of some instruments and difficulties in repairing them because of their wear.

Considering the above and in order to fully comply with the EU directives requirements, the existing air quality monitoring network needs to be renovated and its capacity increased. Concretely, the TCc should be provided with additional specialised devices for the measurement and assessment of specific pollutants, and relevant parts of the existing monitoring network which are obsolete by now should be replaced. Training of relevant staff will also be needed.

Together with the renewal and expansion of the monitoring network, the system and tools for sharing data and information with the public should also be completed and reinforced. This measure will contribute to a better awareness of the public about the air pollution, including providing data on the basic measured concentrations of specific pollutants.

This action complements the supply of specialised equipment to increase the ability to perform air quality checks on-site under the 2017 programme. Ultimately, both actions aim at contributing to protecting the environment and inhabitants from the harmful influence of pollutants.

The air quality sector has already benefited from EU expertise in the framework of TAIEX assistance and the planned actions are fully compatible with the EU *acquis*.

Type of contract and type of procurement

Supply contract

Indicative amount per contract

EUR 1 250 000

Indicative number of contracts envisaged

1 supply contract

Indicative timeframe for launching the procurement procedure

Q1 2019

Implementation

The action will be implemented directly by the Commission

1.3.2. Emergency response for prevention of water pollution (Objective 1 of the Aid Regulation)

Subject matter of the contract(s) envisaged

The MARPOL (Marine Pollution) Convention for the Prevention of Pollution from Ships (1973) considers the Mediterranean Sea as a special area where higher level of protection is needed due to its oceanographical and ecological condition and its sea traffic. Due to intense sea traffic around Cyprus, the risk of accidental oil spills around the coasts of the island is relatively high. In case of accident, it is therefore necessary to intervene in the fastest way possible to detect and contain the oil spills, which may arise from possible vessels or terminals, and eventually cause damage to sea life and pollution of coastal areas.

The action aims at supporting the TCc for enhanced control, containment and collection of water pollutant materials in the event of emergency situations, thus limiting the negative environmental impacts on human health and animals. In particular, the action will include provision of emergency response equipment for containing oil spills (solid and inflatable boom barriers, sorbent boom), specialised barges equipped with sufficient on-board tank capacity, and specialised staff training.

Overall, the benefits of the project should embrace an increase in the sea population, clean sea and coast, and prevention of ecological erosion.

Type of contract and type of procurement

Supply contract

Overall indicative amount

EUR 1 500 000

Indicative number of contracts envisaged

1 supply contract

Indicative timeframe for launching the procurement procedure

Q2 2019

Implementation

The action will be implemented directly by the Commission

1.3.3. Animal disease crisis preparedness and improvement of health and food safety standards (Objective 2 of the Aid Regulation)

Subject matter of the contract(s) envisaged

Technical assistance projects, funded under the Aid Programme since 2015, have improved the capacities of the veterinary services to plan and implement animal disease (AD) surveillance, control and eradication programmes. The EU support has also enabled mapping and clarification of the animal health situation in the northern part of Cyprus and elimination of priority animal diseases (such as brucellosis). Currently, veterinary services are being supported in drafting contingency plans and operational manuals for relevant emerging AD. However, additional assistance is needed to improve AD prevention, early detection and rapid response resources and mechanisms to effectively eliminate new AD outbreaks. Experiences and expertise of community services and relevant stakeholders on the operational aspect of implementation of contingency plans, i.e. exercising their roles and responsibilities; procedures/arrangements for biosecurity, depopulation and carcass disposal, outbreak investigation, epidemiological analysis and risk assessment, are insufficient. Stakeholders' vigilance against trans-boundary AD and contributions to passive surveillance and early detection of new AD outbreaks is weak. There is no technical capacity/skill to organise simulation exercises to test/assess whether contingency plans and coordination mechanisms are adequate for rapid and effective response in a real AD crisis situation in the TCc.

The support to improve alignment with EU food safety standards, alongside an integrated agri-food chain, has been provided through a range of assistance tools including TAIEX experts, technical assistance projects, supply of laboratory equipment, and grant schemes to support rural development. However, planning, implementation and evaluation of controls throughout the food chain according to the EU standards are not yet in place. This is largely associated with insufficient technical capacity, tools and conditions to ensure effective implementation of new food safety rules. Sources and trends of foodborne zoonotic pathogens are insufficiently investigated and monitored. As implementation of new food safety rules and in particular of monitoring and surveillance programmes throughout the food chain generates a lot of data, it needs to be ensured that these data are properly collected, collated and analysed.

Having examined the outstanding needs in the crucial areas as above, the action will aim at the following outcomes:

- (i) Improved capacities and resources for early detection and rapid elimination of emerging AD; contingency plans suitable/applicable in real AD crisis situations; minimised losses to Turkish Cypriot farmers and Farmer Based Organisations (FBOs) in case of new AD outbreaks; and reduced risk of spread of emerging animal diseases to wider areas of Cyprus and the rest of the EU;
- (ii) Improved capacities to implement/enforce new food safety rules; harmonised, proactive, proportionate to risk and effective controls throughout the food chain; improved

accountability of both veterinary services and FBOs to consumers; greater awareness among the FBOs of biological, chemical and environmental contamination throughout the food chain and better exercise of their responsibilities for the safety of food they produce; and increased transparency on food associated risks.

Ultimately, the action should contribute to social development and stability, economic growth of farming/food sector, public and animal health, as well as consumer protection and confidence in food safety.

The action will be implemented through a service contract to be provided for both animal disease crisis preparedness and improvement in health and food safety standards. Having two teams of experts under 1 service contract will help create the needed complementarity and synergies, in particular in the context of overlapping actors on the beneficiary side (e.g. veterinary services, farmers, FBOs). The supply component will support the TA action and include *inter alia* equipment, tools and consumables required to implement the contingency plans and electronic information system to collect data to support a food safety risk assessment.

Type of contract and type of procurement

Service and Supply contract(s)

Indicative amount per contract

Service contract: EUR 3.2 million (for a 3-year period of implementation)

Supply contract(s): EUR 1.55 million

Indicative number of contracts envisaged

1 service and 1-7 supply contracts

Indicative timeframe for launching the procurement procedure

Q3 and Q4 2019

Implementation

The actions will be implemented directly by the Commission

1.3.4. Curriculum development in vocational education and training schools (Objective 2 of the Aid Regulation)

Subject matter of the contract envisaged

Improving education and enhancing training opportunities are fundamental factors for the social and economic development of the TCc. Since 2008, the Aid Programme has directly supported schools and financed vocational training and lifelong learning programmes in order to contribute to inclusive economic growth in the TCc. In particular, technical assistance funded by the Aid Programme, including provision through the World Bank, is supporting the TCc in improving the qualifications framework as well as in developing and implementing a vocational education strategy, a lifelong learning strategy and an employment strategy, all of which are produced under previous actions funded by the EU.

In parallel to the above, the Aid Programme funded a technical assistance project for facilitating the revision of Occupational Standards for all 56 occupations taught in 12 vocational education and training (VET) schools in the TCc, with active participation of businesses. In addition, the project supported standardisation of teaching and learning practices and contributed to a better alignment of skills to labour market needs.

The 2018 Action Programme will continue to support the implementation of the above-mentioned strategies and actions. In particular, it will focus on supporting the preparation of a new modularised curriculum for the VET schools based on the revised Occupational Standards. The action is designed to build upon the results produced as part of other EU-funded projects and support linking skills and competences provided in VET schools in line with the needs of the private sector, thereby enhancing the employability of youth graduating from VET schools.

The action will also contribute to developing the capacity of all VET teachers to utilise the newly developed modularised curriculum and a selected number of teachers to further update the curriculum/modules based on the future updates to occupational standards. In addition, two resource centres for learning materials based on the modularised curriculum will be developed and start their operations.

Type of contract and type of procurement

Service contract

Indicative amount per contract

EUR 1 350 000 (for a 2.5-year period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

Q2 2019

Implementation

The action will be implemented directly by the Commission

1.3.5. Modernising schools with science laboratories (Objective 2 of the Aid Regulation)

Subject matter of the contract envisaged

Knowledge of science, research and creativity are fundamental for preparing the next generation to be actively engaged and responsible citizens, and to be creative and innovative. Enhancing science education will not only develop the competencies for problem-solving and innovation, but will also inspire students of all ages to aspire to careers in science and research hence contributing to the improvement of the innovation and entrepreneurial capacity in an economy.

Since 2008, the Aid Programme has directly supported schools via grant programmes and financed vocational training and lifelong learning programmes in order to contribute to inclusive economic growth and to raise the quality of primary and secondary education up to EU standards in the TCc. As part of these efforts, a draft vision and strategy paper for an improved Turkish Cypriot education system was prepared with the help of an EU-funded project. Among a set of policies suggested by the paper was to introduce methods in line with child/student-centred teaching and learning in all schools as well as the need to provide an education based on integrated skills, critical thinking and problem-solving activities.

The 2018 Action Programme will continue to support the efforts for the provision of an education, which encourages innovation and creativity capacity in the TCc through establishing science laboratories in primary and secondary schools. The action is a holistic programme designed to inspire the next generation of scientists and engineers to pursue enhanced innovation and research – equipping schools with stationary and possibly mobile mini-labs (primary schools) and specialised labs (secondary schools), thereby familiarising pupils with science and raising their skills and capacity for innovation.

The action will supply science laboratory equipment, materials, and software for the primary and secondary schools. Science laboratory manuals and reporting systems will also be provided, along with sustainability plans for an effective utilisation and maintenance of the science laboratories. The action will also focus on developing the capacity of teachers on innovative and interactive science teaching in order to advance their teaching techniques and thus maximise the positive impact on pupils.

Type of contract and type of procurement

Supply contract

Indicative amount per contract

EUR 2 000 000

Indicative number of contracts envisaged

1 supply contract

Indicative timeframe for launching the procurement procedure

Q2 2019

Implementation

The action will be implemented directly by the Commission

1.3.6. Infopoint project: providing information about EU policies (Objective 4 of the Aid Regulation)

Subject matter of the contract envisaged

Objective 4 requires Bringing the Turkish Cypriot community closer to the Union. The EU Infopoint project, managed in close collaboration with the Representation of the European Commission in Cyprus, carries out a range of communication and visibility functions. It provides information about EU policies and actions in support of the TCc, promotes European policies, programmes and culture, and provides information about funding opportunities. It also maintains a website and ensures strong social media presence. The activities to date have considerably enhanced the visibility of the EU and its Aid Programme for the TCc in the northern part of Cyprus.

To ensure the continuation of the EU Infopoint project, two allocations of about EUR 1.5 million each were provided under the 2012 and 2016 programmes for the period from January 2014 to January 2020. Since its inception until the end of 2017, the EU Infopoint has continuously provided EU-related policy information to thousands of people via events, website, social media and media in Turkish with 11 614 participants in 135 events, more than 12 523 Facebook followers, and 1 381 instances of local media coverage.

Maintaining the EU Infopoint project remains vital as there is a great demand for information about the EU and the Aid Programme for the TCc, which has a positive impact on the lives of Turkish Cypriots. To ensure a smooth continuation of the Infopoint project, which is run through a service contract, an allocation in the 2018 programme is required.

Type of contract and type of procurement

Service contract

Indicative amount per contract

EUR 1 900 000 (for a 2-year period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

4Q2018

Implementation

The action will be implemented directly by the Commission

1.3.7. Support and Settlement Facility

Subject matter of the contracts envisaged

Under the Aid Regulation: *assistance may also be used to cover in particular the costs for supporting activities such as preliminary and comparative studies, training, activities linked to preparing, appraising, managing, implementing, monitoring, controlling and evaluation of assistance, activities linked to information and visibility purposes and costs for supporting staff, renting of premises and supply of equipment.*

The Support and Settlement Facility can play an important role by providing additional resources for unforeseeable needs and activities which may facilitate the settlement process. The range of topics on which the two communities engage is very wide and will eventually encompass the whole of the *acquis*. Support actions may be necessary at short notice and the availability of resources for the purpose will be essential.

The Support and Settlement Facility may also provide resources for visibility actions, evaluations, monitoring (including Results-Oriented Monitoring), and audits, as well as other supporting studies, supplementary actions and highly relevant project preparatory actions.

The major component of the Support and Settlement Facility will be a renewal of the service contract for the provisions of office premises and other logistics for the EU Programme Support Office (EUPSO) in the northern part of Nicosia, which houses the Commission staff implementing the Aid Programme in the field.

Type of contract and type of procurement

Works/supply/service contracts

Overall indicative amount

EUR 2 693 000

Indicative number of contracts envisaged

5-10 works/supply/service contracts including Framework Contracts

Indicative timeframe for launching the procurement procedure

Q4 2018 to Q4 2019

Implementation

The actions will be implemented directly by the Commission

1.4. Actions implemented through indirect management

The objectives of the Aid Regulation, which are implemented through indirect management in the Action Programme 2018, are the following:

- *The development and restructuring of infrastructure, in particular in the areas of energy and transport, the environment, telecommunications and water supply (Objective 1 of the Aid Regulation);*
- *The promotion of social and economic development including restructuring, in particular concerning rural development, human resources development and regional development (Objective 2 of the Aid Regulation); and*
- *Reconciliation, confidence-building measures, and support to civil society (Objective 3 of the Aid Regulation).*

1.4.1. Local Infrastructure Facility (Objective 1 of the Aid Regulation)

Amount

EUR 9 700 000 (for a 6-year period of implementation)

Implementing entity

UNDP (United Nations Development Programme) according to Article 62(1)(c) of the Financial Regulation.

The UNDP is a well-established partner in Cyprus, with a proven track record and a solid on-the-ground expertise in implementing major infrastructure projects.

The Local Infrastructure Facility (LIF) encompasses three major components: i) dedicated technical assistance to help assess the needs and, based on the call for expression of interest addressed to local communities, develop a pipeline of shortlisted and ready-to-tender projects;

ii) actual infrastructure works; and iii) works supervision. The Facility will thus help identify, screen, develop, prepare for tender, and implement local infrastructure investments, targeting funding on a competitive basis to ensure best value for money and providing support also to those communities with lower technical and administrative capacities.

The UNDP will take charge of the implementation of the LIF including project maturation (feasibility studies, design and tender dossier), works contracts, procurement procedures, works implementation (including ancillary services and supply contracts which may arise from the project design), and supervision of works contracts.

Delegating the implementation of the Facility to the UNDP will allow for faster procurement, less burdensome procedures, and more flexibility in recruiting the necessary resources for running the LIF, whereas the Commission will maintain control over the Facility through decision-making powers on the selection of projects to be funded, overall steer of programmes, impact on the ground, and strong EU visibility.

The UNDP is also a natural partner for cooperation on bi-communal projects which should constitute a large part of the LIF investments. Some of these projects would touch the buffer zone which makes the UNDP involvement all the more pertinent.

The Commission has signed a Financial and Administrative Framework Agreement (FAFA) with the UN for use of the (PAGODA) Delegation Agreement form of contract.

Overall objective and purpose of the action

Investments in the local infrastructure have been a cornerstone of the Aid Programme since the start of its implementation; they aim at developing and restructuring the infrastructure for the benefit of the local communities in line with relevant EU *acquis*. During 2006-2016, more than EUR 160 million was allocated to infrastructure development projects, backed up by technical assistance, in the areas of: Water (65%), Solid Waste (18%), Energy and Telecom (13%), and Nature protection (4%).

Infrastructure projects have been and will still be prioritised. High priority will be given to infrastructures such as sewerage and storm-water drainage networks and wastewater treatment plants. Further priority, depending on specific urgency, will be given to other infrastructures related to treated wastewater and sludge reuse, recycling facilities (green/bio-waste, packaging, and construction/demolition), waste transfer stations and waste collection equipment, dump site closure and rehabilitation, and energy efficiency measures.

The Local Infrastructure Facility (LIF) is to become a framework mechanism, which will continue to support such infrastructure projects, whilst bringing coherence and streamlining any infrastructure actions financed by the Aid Programme. It will also ensure that only prioritised and fully merited projects will be implemented. Furthermore, this mechanism will address the currently-faced operational challenges, which are further exacerbated by the lack

of capacity and resources on the beneficiary side, leading to serious delays in the preparation of projects and in bringing them to maturity.

Overall, the Facility will finance prioritised and shortlisted infrastructure projects, based on objective assessment criteria and ready in the pipeline. However, by the time the system with all of its components is in place and fully operational, the LIF may finance certain already identified and highly relevant projects submitted by the local communities under the framework of the 2018 programming exercise and beyond.

This list of projects is only indicative and non-exhaustive; other mature infrastructure projects, which meet the relevant criteria, may also be considered exceptionally for financing. The ultimate investment amount and precise project scope will be established in the final stage of project preparation.

(1) Construction of sewerage infrastructure in Mandres/Hamitköy

The population of Mandres/Hamitköy area has rapidly increased in the last few years. Due to the lack of modern sewage infrastructure in the region, the wastewater is collected in septic tanks and seepage wells. Because of the density of the area, the provision of sewage trucks service is not sufficient and seepage wells are old. This leads to spillages, which compromise the quality of groundwater aquifers as well as public health.

The newly designed and built sewer network, estimated at around 50km and benefitting around 10,000 citizens, will be connected with the Northern Nicosia Trunk Sewer (NNTS) and the Nicosia Wastewater Treatment Plant. The new modern network will allow the amount of septic waste generated in Nicosia to be reduced.

This project is considered essential for the TCc to comply with the EU Urban Wastewater Directive.

(2) Extension of Morphou/Güzelyurt wastewater treatment plant

The Morphou/Güzelyurt Waste Water Treatment Plant was designed for a daily maximum capacity of as 1 347 m³/day. However, the future increase of capacity was already projected, the necessary land reserved and a concept project prepared accordingly.

The daily average inflow of the plant has reached approximately 950 m³/day. Since the beginning of its operation, additional sewer network was built and wastewater will be progressively diverted to the existing plant as long as connections to households are activated.

Considering this trend, the Wastewater Treatment Plant will exceed its capacity within the next three years. Therefore, it is of critical importance to extend the plant to reach up to 2 694 m³/day, as already foreseen in the initial design.

(3) Establishment of green waste composting facility in Nicosia and supporting solid waste management

The quantities of green waste in the TCc comprise 10-15% of the total quantities of generated municipal solid waste. An Integrated Waste Management Plan (IWMP 2017-2037), developed through EU funded technical assistance, identified as a matter of priority a measure to divert green waste from the landfill and to be managed separately from the municipal solid waste through a network of decentralised green waste composting facilities. The Plan identified that one of these facilities should treat green waste generated in Nicosia and other surrounding local communities.

The implementation of such a composting facility will ultimately lead to:

- Establishment of a system for recycling and reuse of significant quantities of the overall waste generated and use of the generated compost for different purposes (landscaping activities, agriculture, land regeneration, etc.);
- Implementation of the first step in the establishment of an integrated waste management system in Nicosia and the neighbouring local communities;
- Diversion of reusable materials from landfill and extension of the lifetime of the central landfill.

The facilities may include:

- Composting plant for separately collected green and bio waste;
- Sorting facility for packaging waste;
- Recycling facility for construction and demolition waste;
- Facilities for other waste managed through Extended Producer Responsibility schemes.

In the framework of the 2030 Agenda for Sustainable Development, the priorities of this programme as outlined above shall also contribute to the reaching of SDG 6 Ensure availability and sustainable management of water and sanitation for all and SDG 12 Ensure sustainable consumption and production patterns.

Expected results:

- A resource-efficient and result-effective framework for implementing local infrastructure projects put into operation;
- Prioritised and best value for money projects selected for financing;
- Support provided to those local communities with a lower technical and administrative capacity;
- Increased impact on the ground through close monitoring of the Facility operations and ensured focus on best practices and lessons learned; and
- High EU visibility in the TCc through wide-ranging and targeted communication

activities on the LIF and its results on the ground.

1.4.2. Innovative entrepreneurship (Objective 2 of the Aid Regulation)

Amount

EUR 3 000 000 (for a 3-year period of implementation)

Implementing entity

NI-CO (Northern Ireland Co-operation Overseas) according to Article 62(1)(c) of the Financial Regulation.

NI-CO, as a not for profit, public body is the international outreach body of the Northern Ireland Government and part of the economic development agency Invest NI. NI-CO is an EC pillar-assessed body and currently implementing a number of large international capacity building projects under the EC PAGO DA framework agreement.

Due to the very specific experiences made in Northern Ireland following the Good Friday agreement in 1998, NI-CO is in a unique position for the implementation of this project. Across a number of new Member States, NI-CO has successfully shared the Northern Ireland model to support social and economic growth and promote stability, growth and reconciliation. In establishing links between the "Research centre on Interactive media, Smart systems and Emerging Technologies" (RISE), currently under development in Nicosia Old Town, and the planned action, it will draw upon previous experiences in the creation of social partnerships and innovative mechanisms to address economic issues through a bottom up and bi-communal approach.

More specifically, NI-CO has been involved in setting-up the so-called "Innovation Factory" in Belfast: a bi-communal incubation hub, offering office space and shared facilities as well as access to (business) partners and other services needed by young companies with an ambition to grow. The bi-communal character of the project planned in the TCc, as well as its physical location close to the buffer zone, will benefit greatly from this know-how.

NI-CO has considerable experience in the implementation of projects in Cyprus through providing support to TCc, medium term assistance to the social services institutions in the TCc through the TAIEX programme as well as support to the Ministry of Health in the Republic of Cyprus with a Twinning Light project.

Overall objective and purpose of the action

The overall objective of the project is to contribute to the development of a more conducive entrepreneurship ecosystem and improved innovation culture in the TCc leading to the establishment and growth of more innovative, young businesses. Particular emphasis will be put on improving linkages between research and business community, allowing the TCc to benefit from and link up to complementary projects in Nicosia and the EU, such as RISE. The project entails a strong bi-communal dimension through close physical proximity to RISE and an attempt will be made to also create platforms for inter-communal dialogue and a common virtual space to connect the two communities through new technologies.

The Commission considers small and medium enterprises (SMEs) and entrepreneurship as key for ensuring economic growth, innovation, job creation and social integration. The Turkish Cypriot economy is dominated by SMEs, a majority of which are micro-enterprises, which are concentrated in low-tech/ low innovation and added-value sectors such as trade and services. The industrial sector is made up of small, low-tech and relatively old firms. Compared to the European average, the ICT sector plays only a negligible role. Public and private funding of Research and Development activities is low, and cooperation between business and research sector is limited, contributing to only few innovations being commercialized. While first initiatives to create a more conducive entrepreneurial culture are taking off, being an entrepreneur and starting a business is not regarded as a desirable career opportunity by many young Turkish Cypriots. Therefore, improving the conditions for entrepreneurship is one of five strategic goals of the draft SME strategy 2016-2020 which the Turkish Cypriots produced with EU assistance.

This action will complement the support provided towards private sector development through the Aid Programme so far. Up until now, this has consisted of direct support to businesses in form of grants, which *inter alia* give enterprises the opportunity to take the risk of investing into innovation. Technical assistance, with the aim of building capacities of local stakeholders and enhance the capacities of the private sector, is also being provided and has led to an increased understanding of innovation and entrepreneurship in the TCc. Together with EBRD, the Aid Programme works on improving access to finance and business consultancy services for SME.

The tasks entrusted to NI-CO will all be implementation activities including: procurement, technical assistance, project and grant management, monitoring and ensuring visibility.

In the framework of the 2030 Agenda for Sustainable Development, the priorities of this programme as outlined above shall also contribute to the reaching of SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Expected results:

- A pre-incubation and co-working physical hub, which provides services to

entrepreneurs, innovators and researchers is established in the walled city of Nicosia;

- Accelerator units and other initiatives supporting businesses in their growth stage and innovation process are set up;
- Public-private dialogue on framework conditions for innovation and entrepreneurship is enhanced and a common vision is developed;
- Capacities of public/private institutions to foster entrepreneurship are increased;
- Opportunities for TC research and business community to collaborate with RISE are identified and realised;
- Awareness amongst young people about self-employment as career path is increased; and
- A virtual space project connecting both communities is created and facilitated by way of a pilot project.

1.4.3. Support to the Committee of Missing Persons (CMP) (Objective 3 of the Aid Regulation)

Amount

EUR 2 600 000 (for a 1-year period of implementation)

Implementing entity

UNDP (United Nations Development Programme) according to Article 62(1)(c) of the Financial Regulation.

The UNDP, as a UN agency, has a unique, trusted, neutral role and is a facilitator of the settlement process. The Technical Committees, through which the Confidence-Building projects are steered, were set up under the auspices of the UN. The project on support to the Committee of Missing Persons (CMP) involves dealing with delicate sensitivities of both communities.

The UNDP has considerable expertise on the CMP. Up to and including 2018, allocations were made for 9 Delegation Agreements (DAs) with the UNDP. The UNDP has a good track record in the implementation of these DAs and has built up a high level of efficiency, considering the particular circumstances of the project implementation. Contributions to the CMP have yielded great achievements over the last years, with 117 identifications for the year 2017 and reaching a total of 861 remains identified so far.

Overall objective and purpose of the action

The EU supports the CMP in establishing the fate of those persons declared missing by both communities as a consequence of the tragic events of 1963-64 and 1974. The Committee has no mandate to establish the cause of death or attribute responsibility. Bi-communal scientific teams participate in all stages of the process: archaeological phase, anthropological phase and genetic phase. The CMP is an important and high-profile bi-communal activity.

With the passing of time, it is increasingly difficult to obtain precise information to determine the location of the burial sites, including relocation of remains. This is a key challenge to be addressed now by renewed efforts in researching civil and military archives in Cyprus and abroad, accessing military areas, as well as with a stronger use of IT tools in order to facilitate the investigation, excavation and exhumation phases. To this end, a billboard campaign was put up in both communities in December 2017 in order to encourage them to come forward with any information they may have. The CMP members also conducted research directly on UN archives in New York in May 2017.

The EU will continue to support the CMP and the 2018 Action Programme includes an allocation for the CMP that is in line with the previous years. This allocation is to cover a nominal 1-year period of implementation.

The tasks entrusted to the UNDP will all be implementation activities including: procurement, payments, project management, monitoring and ensuring visibility.

In the framework of the 2030 Agenda for Sustainable Development, the priorities of this programme as outlined above shall also contribute to the reaching of SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Expected results:

- Built trust by bringing the two communities to work together;
- Reduced number of missing persons by locating and returning the remains of missing persons to their families; and
- Increased awareness and local capacities.

The above translates into the following activities: a) Support to the bi-communal teams; b) Investigations, Excavations, Exhumations, DNA Analysis, Return of remains; and c) Events, training, and awareness raising.

The budget allocated to the CMP is to a great extent dedicated to the core of its bi-communalism: it finances part of the salaries of young Greek and Turkish Cypriots working as archaeologists, anthropologists, investigators, geologists, and geneticists, contracted by the respective communities.

The costs are largely covered by the EU funds as well as by the funds of the two communities

and other international donors. More specifically, 50% of the funds are devoted to the exhumation of remains of missing persons (excavation, exhumation and transfer of remains) and 32% to the analysis and identification of remains (including anthropological, genetic analysis and DNA extraction and analysis). The remaining funds cover the identification of location of excavation sites, investigation, and review of archives.

1.4.4. Support to the Technical Committee on Cultural Heritage (Objective 3 of the Aid Regulation)

Amount

EUR 2 500 000 (for a 2-year period of implementation)

Implementing entity

UNDP (United Nations Development Programme) according to Article 62(1)(c) of the Financial Regulation.

The UNDP, as a UN agency, has a unique, trusted, neutral role, which is recognised by the two sides and enables the smooth implementation of the planned activities. The Technical Committee on Cultural Heritage (TCCH), through which the confidence-building measures are steered, was set up by the two leaders under the auspices of the UN. The project involves dealing with delicate sensitivities of both communities.

The UNDP has considerable expertise on cultural heritage protection in Cyprus. Up to and including 2017, allocations have been made for 6 Contribution Agreements (CAs) with the UNDP for providing support to the preservation of cultural heritage. The UNDP has a good track record in the implementation of these CAs and has built up a high level of efficiency considering the particular circumstances. Contributions to the TCCH have yielded great results since 2012, with an impact on 72 initiatives island-wide, increasing heritage-site visitation and intra-island exchanges, and engaging more than 6 000 Greek Cypriots and Turkish Cypriots, thus improving the perceptions of the general public vis-à-vis the other community. Events have been organized for each site intervention and the press coverage has been positive overall, generating increased programme visibility.

Overall objective and purpose of the action

The overall objective of the project is to support the reconciliation process and to increase trust between the Greek Cypriot and Turkish Cypriot communities through the implementation of confidence-building measures agreed by the bi-communal TCCH. Confidence-building measures should be further encouraged by the important participation of bi-communal teams and other stakeholders during the implementation of the projects. The specific objective is to preserve the cultural heritage of Cyprus by supporting conservation

and/or emergency measures for highly important cultural-heritage sites agreed by the TCCH.

The bi-communal TCCH created a platform for work on the protection of the rich and varied cultural heritage island-wide. The Committee is composed of an equal number of Greek Cypriot and Turkish Cypriot experts. The work of the TCCH constitutes an important platform for building confidence between the Turkish Cypriots and the Greek Cypriots. The TCCH is dedicated to the identification and safeguarding of the rich immovable cultural heritage of all Cyprus and all of its communities; and it works towards providing a mutually acceptable mechanism for the implementation of practical measures for proper maintenance, preservation, physical protection and restoration of this immovable cultural heritage.

A 2010 study, requested by the European Parliament, examined conditions and estimated restoration costs, and an inventory of approximately 2 800 sites was established. Around 250 sites were ranked and about 120 detailed technical assessments were made. EU contributions under the Aid Regulation started in 2011 and, as the speed and achievements of the programme have increased, its value for reconciliation has become more apparent. Not only are historic sites salvaged and restored, but they have been brought back to life and the level of interest and bi-communal engagement has been high.

The TCCH agreed in 2011 on a list of 23 priority monuments (churches, mosques and others) to be renovated. The assistance programme started working according to this list, but the choice of projects depends on the conditions of the monument at the relevant time and the priorities of the TCCH. In 2016, and given the initial success of the programme, a new list with 86 priority interventions was agreed by the two communities. The cultural heritage project also includes bi-communal activities and a strong public awareness component.

The EU will continue to support the TCCH: the 2018 programme includes a continued allocation for the TCCH considering the remarkable success in implementation of this project, its high appreciation by the local communities, and its significant reconciliation dimension. This allocation is to cover a nominal 2-year period of implementation.

The tasks entrusted to UNDP will all be implementation activities including: procurement, payments, project management, monitoring and ensuring visibility.

Expected results:

- Completed conservation designs for at least 6 sites ready for future implementation;
- Completed conservation works for at least 4 sites (number of sites will depend on budget availability and type of project);
- At least 6 capacity building and community-involvement events implemented; and
- Increased awareness amongst the general public and respect for the heritage sites of both communities in Cyprus.

1.4.5. Support facility to the bi-communal Technical Committees (Objective 3 of the Aid Regulation)

Amount

EUR 1 000 000 (for a 2-year period of implementation)

Implementing entity

UNDP (United Nations Development Programme) according to Article 62(1)(c) of the Financial Regulation.

The UNDP, as a UN agency, has a unique, trusted, neutral role, which is recognised by the two sides and enables the smooth implementation of the planned activities. The Technical Committees, through which the confidence-building measures are steered, was set up by the two leaders under the auspices of the UN. The UN is involved in the role of a facilitator in these Technical Committees, which are composed of representatives of the two communities.

The UNDP has an excellent knowledge of the works of the Technical Committees, including for environment and cultural heritage, and the sensitivities on both sides. Therefore, it is a well suited partner to deliver financial support aiming at increasing the Technical Committees' operational capacities and their effectiveness. In addition, as the UNDP is the implementing entity for the Cultural Heritage project, it will ensure complementarity and help create synergies with the planned component of creating a sustainable system for maintenance of cultural heritage sites.

Overall objective and purpose of the action

The bi-communal Technical Committees operate mainly on a voluntary basis and are in need of financial support in order to ensure continuous and effective cooperation between the two communities. A dedicated support facility to the Technical Committees will help overcome structural and practical obstacles, which they face in their daily operations. In particular, the Technical Committees on Environment and Cultural Heritage have been identified as most in need of such assistance, although the facility will be open to support all the Technical Committees, as requested.

The support to the Technical Committee on Environment will embrace the organisation of regular meetings of the Committee and bi-communal events on environmental topics of island-wide interest. It will facilitate the implementation of exchange visits to environmental infrastructures, natural areas and/or other sites of common interest in both communities. It will also provide funds for conducting pre-feasibility and feasibility studies for bi-communal environmental projects as well as any organisational support, for instance in preparation and translation of technical documents.

The facility will also assist in setting up a sustainable system for maintenance of Cultural Heritage sites restored with the help of EU funds. Through a capacity-building approach

targeting the current caretakers, support will be provided for the implementation of basic maintenance operations. Good practices will be developed and knowledge shared on roles and responsibilities and effective methodologies for ensuring adequate caretaking, maintenance and use of all EU funded Cultural Heritage sites in Cyprus. Depending on the situation of each site, on-the-job training will be carried out and financially supported for a number of sites. Also, manuals on maintenance measures for identified pilot projects will be prepared.

Beyond the above, the facility will be available for assisting other Technical Committees in carrying their activities on a substantiated request basis and as needs arise.

Strengthening the Technical Committees through a comprehensive mechanism in support of their actions and hands-on cooperation should have a strong positive impact in the process of reunification.

Expected results:

- Enhanced exchange of experience and information between experts from both communities, rendering the EU *acquis* a common platform for cooperation (e.g. 13 environmental concept notes were agreed between the two Leaders);
- Increased and more efficient daily collaboration between the members of the Technical Committees;
- Reinforced mobility through common visits resulting in identification of possible synergies and specific bi-communal projects;
- Increased dissemination as joint work conducted by the leading scientists of both communities show broader acceptance and thus higher chances of being widely published;
- Strategies for solving island-wide challenges identified; and
- A sustainable system for maintenance of Cultural Heritage sites set up.

1.5. *Indicative budget table by Objective*

Aid Regulation Objective	Procurement	Direct Grant Award	Indirect Management with IOs/MS Body	Totals	
	EUR	EUR	EUR	EUR	%
Objective 1: Development and restructuring of infrastructure <i>Local Infrastructure Facility</i> <i>Renovating and increasing the capacity of existing air quality monitoring network</i> <i>Emergency response for water pollution prevention</i>	 1 250 000 1 500 000		 9 700 000	12 450 000	36
Objective 2: Promotion of social and economic development <i>Animal disease crisis preparedness and health and food safety standards</i> <i>Innovative Entrepreneurship Curriculum Development</i> <i>Modernising schools with science laboratories</i>	 4 750 000 1 350 000 2 000 000		 3 000 000	11 100 000	32
Objective 3: Reconciliation and confidence building <i>Support to CMP</i> <i>Support to cultural heritage</i> <i>Support facility to Technical Committees</i> <i>UWC scholarships</i>		 230 000	 2 600 000 2 500 000 1 000 000	6 330 000	18
Objective 4: Bringing Turkish Cypriots closer to the Union <i>EU Infopoint</i>	 1 900 000			1 900 000	6
Support and Settlement Facility	2 693 000			2 693 000	8
TOTAL	15 443 000	230 000	18 800 000	34 473 000	100

1.6. Assumptions and accompanying actions

There are several specific issues that must be resolved and agreed by relevant Turkish Cypriot community stakeholders before the 2018 programme can be fully implemented:

Objective 1: Development and restructuring of infrastructure

- All potential property-related issues must be identified, including site-access issues, planning consents and methods of working;
- It is assumed that relations with contractors in the northern part of Cyprus will be sufficiently smooth. Infrastructure investments remain a risk for the Commission, in terms of both implementation and sustainability. The Commission remains committed to infrastructure development as required by the Aid Regulation, but relies on the cooperation of beneficiaries for full commitment and absorption of funds;
- It needs to be ensured that bi-communal infrastructure projects in Nicosia are facilitated through necessary passages with access to civilians in the buffer zone in case of implementation of such projects.

Objective 2: Promotion of social and economic development

- The actions leading to the prevention, detection and rapid elimination of emerging animal diseases as well as establishment of an instrument of official controls in the food safety area will require particularly committed and continuous involvement of the beneficiaries and fulfilment of responsibilities by all involved actors;
- It is assumed that good cooperation with the local community of Nicosia will continue in order to facilitate the implementation of the innovative entrepreneurship programme.

Objective 3: Reconciliation and confidence building measures

- The bi-communal Technical Committee on Cultural Heritage will meet to provide clear guidance on preferred priorities agreed by the two communities;
- It is assumed that monuments renovated in the northern part of Cyprus are subsequently maintained and accessible to the public, and returned to use where possible;
- It is assumed that Technical Committees will continue to meet regularly and keep up their efforts to bring contributions to reunification;
- It is assumed that applications of sufficient quality will be generated by the Greek Cypriot and Turkish Cypriot scholars to participate in the bi-communal scholarship programme for studying at the UWC.

Objective 4: Bringing Turkish Cypriots closer to the Union

- It is assumed that high interest amongst the public in the activities of the EU Infopoint will be maintained.

Data necessary for monitoring purposes will be made available by the Turkish Cypriot community, allowing the Aid Programme to contribute to the ultimate goal of reunification of the island.

1.7. Implementation modalities and general rules for procurement and grant award procedures

DIRECT MANAGEMENT:

Part of this programme shall be implemented through direct management by the Commission in accordance with article 62(1)(a) of the Financial Regulation.

Procurement shall follow the provisions of Part One, Title VII of the Financial Regulation No 2018/1046.

Grant award procedures shall follow the provisions of Part One, Title VIII of the Financial Regulation No 2018/1046.

The Commission may also use services and supplies under its Framework Contracts concluded following Part One of the Financial Regulation No 2018/1046.

INDIRECT MANAGEMENT:

Part of this programme shall be implemented by indirect management with entrusted entities other than the beneficiary in accordance with Article 62(1)(c) of the Financial Regulation.

The general rules for procurement and grant award procedures shall be defined in the relevant delegation agreements between the Commission and the entrusted entity implementing such action.

The change of management mode from indirect management to direct management, whether partially or entirely, is not considered a substantial change provided that all essential elements of the actions have been specified in the initial text of the financing decision.

MONITORING

The Commission may undertake any actions it deems necessary to monitor the programmes concerned.

EVALUATION

Programmes financed under Council Regulation 389/2006 shall be subject to ex ante evaluations, as well as interim and/or, ex post evaluations. The results of evaluations shall be taken into account in the programming and implementation cycle. The Commission may also carry out strategic evaluations.

1.8. Special conditions

In the implementation of actions financed under this Financing Proposal, the rights of natural and legal persons, including the rights to possessions and property shall be respected in line with Art. 7 of Council Regulation 389/2006.

Nothing in this financing proposal is intended to imply recognition of any public authority in the areas, other than the Government of the Republic of Cyprus.

As regards participation in the award of procurement or grant contracts, the term "all natural and legal persons of Member States of the European Union in Article 9 paragraph 1 of Council Regulation 389/2006" includes all genuinely existing domestic legal persons residing or established in the areas. This will be specified in the calls for tenders and proposals.