

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 2023:

Beneficiary	Turkish Cypriot community
CRIS/ABAC Commitment references	TCC/2023/XXX-XXX, SCR.DEC.XXXXXX.XX
Total cost	EUR 31 761 557.68
Union contribution	EUR 31 761 557.68
Budget line	05.04 01
Management Modes/ Entrusted Entities	Direct management by the European Commission Indirect management by entrusted entities: - United Nations Development Programme (UNDP) - Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)
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	REFORM.A3 Cyprus Settlement Support
------------------------------------------	-------------------------------------

1.1. Introduction

This 2023 Annual Action Programme concerns the continuing implementation of the Aid Programme for the Turkish Cypriot community (TCc) on the legal basis of Council Regulation (EC) No 389/2006 (hereafter the “Aid Regulation”), which establishes an instrument of financial support for encouraging the economic development of the TCc. Between 2006 and the end of 2022, approximately EUR 656 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 2023 as follows:

- for grants implemented under direct management (1.2): EUR 4 500 000
- for procurement implemented under direct management (1.3): EUR 11 811 557.68
- for actions implemented under indirect management modes (1.4): EUR 15 450 000

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 exceptional and transitional nature and to prepare and facilitate, as appropriate, the full application of the EU *acquis* in the TCc

following a solution to the Cyprus problem. The Commission continues to hope for a breakthrough that will lead to a comprehensive settlement of the Cyprus problem, in line with relevant UNSC Resolutions. In this event, assistance of a different form will be required. Council Regulation (EU, Euratom) No 2020/2093, laying down the Multiannual Financial Framework 2021-2027, allows for its own revision¹ and Article 11 of the Aid Regulation² 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 TCc 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 the 2023 programme continue to reflect an established programming approach based on key principles of maturity, policy relevance and track record of past implementation. 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 2023 programme provides a streamlined and compact set of actions, with 13 major project components and a needed degree of flexibility. It is focused on supporting the implementation of the Halloumi/Hellim package, boosting trade across the Green Line and improving standards, as well as fostering confidence-building and supporting civil society.

The 2023 programme takes into account views received from Turkish Cypriot stakeholders and from relevant evaluations and needs assessments conducted prior to the programming exercise. The input of the authorities of the Republic of Cyprus was 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.

Objective 1: development and restructuring of infrastructure

Development and restructuring of infrastructure has been the major component of the Aid Programme, with a third of total resources allocated to this objective between 2006 and 2022. Investments in the local infrastructure have been financed in the areas of environment, water and wastewater, architectural restorations, recreational areas, and other social infrastructure.

¹ Council Regulation (EU, Euratom) No 2020/2093 Article 17: "**Revision in the event of the reunification of Cyprus.** In the event of the reunification of Cyprus, 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 Council Regulation (EC) No 389/2006 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."

The 2023 programme will continue supporting local infrastructure projects through the Local Infrastructure Facility (LIF), though to a limited extent.

The total value of infrastructure investments planned under the 2023 programme amounts to EUR 600 000. As there is no up-front allocation provided for individual projects at this stage, the 2023 programme includes an indicative list of likely interventions with the planned climate and environmental impact and in line with the European Green Deal priorities. These interventions include the introduction of energy efficiency and renewable energy measures, which may be extended to joint initiatives in the energy field.

These investments will be implemented in indirect management through UNDP.

Objective 2: promotion of social and economic development

The promotion of social and economic development has received nearly a third of the total Aid Programme resources since 2006. Further financial assistance is needed to improve food safety and veterinary assistance, support private sector development and product safety, and promote vocational education and training. These measures are necessary for supporting the implementation of the Halloumi/Hellim package, increasing trade across the Green Line, and improving standards and skills.

In 2021, the Commission adopted (i) Commission Implementing Regulation (EU) 2021/591 entering a name in the register of protected designations of origin and protected geographical indications ('Χαλλούμι' (Halloumi)/'Hellim' (PDO)) (the "PDO Regulation") and (ii) Commission Implementing Decision (EU) 2021/586 amending Decision 2007/330/EC lifting prohibitions on the movement of certain animal products on the island of Cyprus under Council Regulation (EC) No 866/2004 and laying down conditions for the movement of those products with regard to 'Χαλλούμι' (Halloumi)/'Hellim' (PDO) (the "Green Line trade Decision").

In consequence, only Halloumi/Hellim made in Cyprus according to the traditional recipe can be placed on the EU market under that name. For the time being, Halloumi/Hellim produced in the TCc cannot be traded across the Green Line as it does not meet EU animal health and food safety standards; however, the Commission Implementing Decision (EU) 2021/586 allows such movement of Halloumi/Hellim once Turkish Cypriot producers have aligned their production standards with those of the EU.

The TCc will need to continue making substantial investments to comply with the standards established by the two instruments, covering everything from increasing milk yields from sheep and goats to improving hygiene standards throughout farms and dairies. With a view to support the implementation of the Halloumi/Hellim package, targeted multi-annual support for the years 2021-2024 was designed to help Turkish Cypriots to meet the relevant standards. A significant effort was made to assist food business operators to prepare for the first PDO inspections. The Commission also launched an informal Working Group on Halloumi/Hellim bringing together stakeholders from both Cypriot communities.

As part of the multi-annual support programme, the 2023 programme specifically provides for three actions amounting to EUR 10 250 000 which will build, amongst others, on the results achieved and recommendations for the way forward of the ongoing technical assistance project “Technical assistance to improve implementation of food safety standards and disease crisis preparedness”, and cover:

Action 1 with an allocation of EUR 3 000 000 aims to improve the implementation of food safety standards and disease crisis preparedness. It is a continuation of an ongoing project in support of public and animal health standards in the TCc. The action will provide know-how, tools and best practices from EU member states. Improved food safety in line with EU standards is required to enable trade in food products across the Green Line, including PDO compliant Halloumi/Hellim.

Action 2 with an allocation of EUR 1 500 000 will support fully-fledged animal health and food safety controls to be performed by a delegated body under the Halloumi/Hellim scheme. These controls are a prerequisite for the PDO compliant Halloumi/Hellim produced in the TCc to cross the Green Line.

Action 3 with an allocation of EUR 5 750 000 will continue to provide advisory services and training to farmers and other operators in the rural development sector. The action will also finance accompanying measures for supporting the implementation of the Halloumi/Hellim package. The measures are intended to help improve animal health, implement laboratory tests for residue monitoring for food of animal origin and upgrade the technical capacity of the local food laboratory for raw milk analysis.

The above set of actions reflects the identified and most urgent needs, follows the established sequential approach and responds to the absorption capacity of the beneficiary. The actions will be partly implemented in direct management and partly in indirect management through GIZ.

The 2023 programme also continues the ongoing efforts to support private sector development and increase trade across the Green Line. A wide-ranging intervention of EUR 4 000 000 is planned to provide business support, with tailored advice and focus on innovation. Technical assistance will aim to improve the business support ecosystem and to provide a model for supporting enterprises with commercialisation of products which feature high potential for trade across the Green Line. The action will also provide tailored grants to local businesses that will help put this into practice. This intervention is long-awaited by the business community in the TCc and should result in boosting trade across the Green Line. It will involve a multitude of stakeholders and be implemented in indirect management through GIZ.

In addition, the 2023 programme will provide specialised testing equipment to improve product safety in the TCc. The supply of equipment for EUR 550 000 will specifically contribute to strengthened market surveillance and ensure that goods comply with EU standards. This will help to improve competition, increase the volume of trade across the Green Line and protect consumers in the TCc and beyond. This is a sequential and complementary step in the efforts

to improve product safety in the TCc. The action represents the first phase of a larger intervention and includes the most urgent equipment needs to enforce and monitor the required product standards.

Building on the results of previous and ongoing support to vocational education and training (VET), the next phase of technical assistance with EUR 1 800 000 is planned under the 2023 programme. As part of the structured approach and following the curriculum development, tailored support will be provided to design, introduce and implement the system of quality assurance. The overall aim is to improve the quality of VET in the TCc with a view to align skills and competences with the needs of the private sector, thereby providing skilled labour and enhancing the employability of youth graduating from VET schools. This action may also support activities facilitating labour mobility across the Green Line.

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, also through the allocation of substantial resources under the previous programmes, which included supporting the opening of new Green Line crossing points and facilitating the technical solution for interoperability of mobile phones across the island.

For the continuation of its activities, the bi-communal Technical Committee on Cultural Heritage (TCCH) will benefit from EU funding with an amount of EUR 2 500 000 under the 2023 programme. This significant contribution to island-wide restoration, digitisation and maintenance of cultural heritage includes a strong bi-communal, youth engagement and public awareness component. It raises the total budget of EU support to the TCCH to the amount of EUR 27 400 000. This support has produced highly visible impact and has allowed for the restoration of historically important buildings for both communities. It has also helped to create a strong platform for dialogue and mutual trust between the two communities.

Similarly, the Committee on Missing Persons (CMP) will benefit from EU funding with an additional amount of EUR 2 600 000 under the 2023 programme, which will allow the CMP to continue its activities until end-2024. The total EU contribution to the work of the CMP between 2006 and 2023 will reach over EUR 38 000 000, constituting more than 75% of all funding for the CMP in this period. The CMP's objective is to recover, identify and return to their families, the remains of 2 002 missing persons. A high level of output has been achieved by the CMP to date as it has succeeded in exhuming 1 200 sets of remains, of which 1 030 were genetically identified (March 2023 figures).

The delivery method in support of the above-mentioned actions, through indirect management by 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 continuation of the bi-communal scholarship programme for high-potential Greek Cypriot and Turkish Cypriot scholars to jointly attend the United World College (UWC). The programme will be reinforced and expanded upon the success of the previous editions, with an increased scope and number of scholars to attend the International Baccalaureate in the period 2024-2026. The action of EUR 1 500 000 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.

Support for civil society will be reinforced through the ninth edition of the “Cypriot Civil Society in Action” grant scheme. It will support reconciliation and active citizenship through an enhanced Cyprus-wide cooperation of civil society organisations (CSOs). Assistance of EUR 2 250 000 should contribute to a more active and vibrant civil society in the TCc, with stronger CSOs effectively promoting dialogue and reconciliation in Cyprus. To date, the Aid Programme remains the only major source of funding for CSOs in the TCc.

In addition to the above, the 2023 programme will provide continuous support for human rights organisations and for expanding civic activism by the Human Rights Platform (HRP). The new action aims to reinforce the protection and promotion of human rights. In their work, HRP focuses on monitoring and documenting human rights issues, advocating alignment with international human rights standards and increasing collaboration between Greek Cypriot and Turkish Cypriot rights-based CSOs.

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 scholarship programme. Since 2007, fifteen annual grant schemes have delivered more than 2 000 awards to Turkish Cypriots for studying in EU places of learning. There is always a great interest in these scholarship grants and the demand significantly outstrips supply. The scholarship programme provides vital experience and a route to qualifications abroad, whilst contributing positively to the image of the EU among Turkish Cypriots. Earlier allocations from the Aid Programme provide coverage up to the academic year 2026-2027. Hence, no further allocation is required under the 2023 programme.

Another successful initiative has been the EU Info-point project, which aims at raising the awareness about the European Union through information and communication activities. It also carries out a range of visibility functions related to EU policies and actions in support of the TCc. The EU Info-point operates in close collaboration with the Commission Representation in Cyprus. Existing funding is sufficient until 2026.

*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 866/2004³ (the Green Line Regulation) and Commission Regulation 1480/2004⁴, 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 from EU Member States to explain the *acquis*, hold awareness seminars, prepare draft legal texts to be applicable after settlement, and provide technical assistance to the TCc. In addition, TAIEX independent experts carry out regular phyto-sanitary inspections of fruit and vegetable products, take honey samples for analysis, and produce an updated list of vessels whose catch can be traded across the Green Line. Most recently, TAIEX experts also ensure EU-level standards for certain processed foods and materials in contact with food, which have been allowed to cross the Green Line.

The resources currently allocated to TAIEX are sufficient till end-2023. The replenishment of funds with EUR 1 000 000 is necessary to ensure continuity of operations through 2024.

Support and Settlement Facility

The 2023 programme includes also a Support and Settlement Facility (EUR 3 961 557.68), 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, small-scale supplies or 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.

³ Council Regulation (EC) No 866/2004 of 29 April 2004 on a regime under Article 2 of Protocol 10 to the Act of Accession.

⁴ 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 grants in the Action Programme 2023, is the following:

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

1.2.1. UWC Cyprus Peace Education Programme (Objective 3 of the Aid Regulation)

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

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

[2] Increase interactions and share learning experiences between the youth from both communities and promote values of cooperation, sustainability and entrepreneurship that foster a culture of peace through the UWC educational model;

[3] Contribute positively and meaningfully to inter-community dialogue and bridge building.

Description of the activities to be funded

In 2019, a new scholarship scheme was established as a pilot programme, giving the opportunity to three Greek Cypriots and three Turkish Cypriots to attend the United World College (UWC) for two academic years for the International Baccalaureate (IB) diploma. After the successful implementation of this pilot scholarship scheme, two new agreements were signed with UWC and calls launched in 2021 and 2022, awarding scholarships to a total of 46 students from both communities to jointly study at UWC in Bosnia-Herzegovina, Italy, Germany and the Netherlands for the years 2021-2023, 2022-2024 and 2023-2025.

In 2023, a new grant will be signed with UWC to allow additional 16 students (at minimum) to attend the IB diploma in the period 2024-2026. The action will also include short courses, workshops and social impact awards to empower bi-communal groups of Cypriot youth.

This scholarship scheme aims at educating future civic leaders from both communities to become change-makers with a focus on peace, sustainability and entrepreneurship and at creating an alumni network to ensure sustained contacts between the ex-scholars, including those of all past bi-communal scholarships. The actions implemented by UWC also include cross-community youth engagement activities and short courses aiming at empowering the youth.

The programme will be administered by a body within the UWC Movement and implemented locally through the UWC Committee for Cyprus (UWC Cyprus), covering both communities.

Selection will be competitive and based on merit. 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 takes part in the UWC Cyprus selection committee.

Essential eligibility, selection and award criteria

Direct award

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 (hereafter 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 Movement.

Justification for the use of an exception to calls for proposals: In line with Article 195(f) of the Financial Regulation, a direct award of 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 set-up of UWC colleges, with the particular objective of overcoming divisions created between communities by conflict, may serve as a model for Cyprus. In this light, 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.

The UWC education model 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 3 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	4Q2023	EUR 1 500 000

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.

1.2.2. *Cypriot Civil Society in Action (Objective 3 of the Aid Regulation)*

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

[1] Support for civil society, reconciliation and active citizenship;

[2] Strengthen civil society in the TCc and their actions in order to develop a culture of dialogue, participation in community life and promotion of values of tolerance, peace, and active citizenship;

[3] Strengthened CSO networks in the TCc; enhanced engagement of CSOs and individuals; enhanced cooperation between CSOs from across Cyprus through bi-communal joint actions and links.

Description of the activities to be funded

The Treaty on the European Union (Article 2) states that “the Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail”. An empowered civil society can play an important role in ensuring these principles are upheld in practice. It is also in itself a crucial component of any democracy. By articulating citizens’ concerns, CSOs are active in the public arena and engage in initiatives that foster pluralism.

The extent of social and political engagement in the TCc remains limited and the effectiveness of advocacy is also low. In particular, the CSOs themselves have few resources and the impact of CSO activities lacks sustainability. Through the Aid Programme, the Commission has consistently tried to maintain contact with individuals and civil society groups in the TCc in order to consolidate and enhance the platforms that exist as well as to stimulate the adoption of EU values. It is particularly important in the context of the settlement process where the civil society needs to be heard.

There are currently 29 CSO projects (many of them in bi-communal partnership) as well as 31 different CSOs and 3 activists across Cyprus supported by the funds under the Aid Programme.

Given the lack of other major donors, continued access to EU funding for capacity building of civil society in the TCc is even more vital to ensure that CSOs are pursuing their actions.

Against this background, the 2023 programme will continue to support the development of a culture of dialogue, participation in community life and the promotion of values of tolerance, peace, and active citizenship. In particular, the 2023 programme will finance actions under a new, ninth edition of the “Cypriot Civil Society in Action” call for proposals to stimulate bi-communal activities and promote more active participation of individuals and volunteering, through:

- Promoting the benefits of bi-communal work;
- Supporting the development of good practice and strengthening of civil society initiatives, particularly those engaged in, or that have the potential to become engaged in, bi-communal or peace-building activity;
- Widening the base of those involved in civil society and in particular bi-communal work through supporting projects that are reaching out to underrepresented sections of the community.

Essential eligibility, selection and award criteria

Eligibility criteria: Applicants shall be established in Cyprus. Entities may be natural or legal persons or entities without legal personality.

Selection criteria: Financial and operational capacity of the applicant (sufficient capable staff and sound financial records).

Award criteria: Relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.

Implementation

The actions will be implemented directly by the Commission.

Indicative timetable and indicative amount of the call for proposals

Reference	Date	Amount
Support for civil society through CSO grants	1Q2024	EUR 2 250 000

Maximum possible rate of co-financing of the eligible costs

95%

1.2.3. Support for civil society through human rights platform (Objective 3 of the Aid Regulation)

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

<p>[1] Support for civil society and promotion of human rights;</p> <p>[2] Strengthen civil society in the TCc in order to develop a culture of dialogue, participation in community life and promotion of values of human rights, anti-discrimination, peace, and active citizenship;</p> <p>[3] Strengthened rights-based CSO networks in the TCc and enhanced engagement of CSOs and individuals.</p>

Description of the activities to be funded

<p>Building a resilient, inclusive and democratic society requires consistent promotion and implementation of human rights. In the TCc, before the set-up of the Human Rights Platform (HRP), the work of relevant human rights CSOs was carried out in a somewhat ad-hoc manner, which limited its impact. By channelling together the work of several entities, HRP has achieved concrete results in training, advocacy, legal aid, support to trafficked persons, human rights monitoring, legal analysis and strategic litigation.</p> <p>The ongoing EU grant will come to an end in September 2023. Given the human rights situation in the TCc and the lack of other donors, the 2023 programme will continue the support to strengthen civil society in the TCc with a view to develop a culture of dialogue, participation in community life and promotion of values of human rights, anti-discrimination, peace and active citizenship.</p> <p>The support will build on the achievements of the ongoing grant and ensure greater sustainability and local ownership, by gradually incorporating some of the activities implemented by the “Civic Space” technical assistance into the work of HRP. The major thematic areas will include anti-human trafficking, refugee rights, LGBTI+ rights and democratic participation in decision making.</p>

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 specialization 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: Human Rights Platform.

Justification for the use of an exception to calls for proposals: In line with Article 195(f) of the Financial Regulation, a direct award of grant is provided for. HRP is a unique registered association of CSOs in the TCc, bringing together seven human rights based CSOs: Turkish Cypriot Human Rights Foundation, Queer Cyprus Association, Refugee Rights Association and Civil Society Initiative, Universal Patient Rights, Third Community Forum and Think Positive Initiative. It serves as a vehicle to reach human rights organisations and to support their (collective) work. HRP is increasingly gaining acceptance in the TCc as a platform for human rights defenders and has developed systematic and continuous synergy and collaboration with counterparts from the Greek Cypriot community and the EU at large.

Currently there is no other organisation in the TCc that has the capacity, expertise and resources to efficiently implement the above mentioned activities.

- 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
Support for civil society through human rights platform	4Q2023	EUR 750 000

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 2023, are the following:

- *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*
- *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 (Objectives 5 and 6 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. Support to implementation of the Halloumi/Hellim package – Improving food safety standards and disease crisis preparedness (Objective 2 of the Aid Regulation)

Subject matter of the contract envisaged

The TCc is presently benefitting from the service contract “Technical assistance to improve implementation of food safety standards and disease crisis preparedness”, which aims to improve food safety, public health and animal health standards by providing know-how, tools and best practices from EU Member States. Significant progress is expected to be achieved by the end of the project. However, considering the complexity of establishing a fully-fledged control system of the food production chain, and taking into account the very limited human and financial resources of the TCc, further assistance is needed to achieve a functional system of controls. Likewise, the system of preventing, detecting and eliminating animal diseases will require additional support.

This action is designed to provide further assistance for the implementation of food safety standards and disease crisis preparedness in the TCc, in view of ensuring conditions favourable for stronger economic and social development. Improved food safety in line with EU standards is required to enable trade in food products across the Green Line, including PDO compliant Halloumi/Hellim. As such, this action complements the overall Aid Programme support for the implementation of the Halloumi/Hellim package.

The action will support the work of the veterinary services, while other local bodies and food business operators relevant for the food production chain will also be targeted. The action will

focus on supporting the planning, implementation and evaluation of controls. It will also help with the preparation and implementation of monitoring and surveillance programmes, including the collection and management of related data, throughout the food production chain according to EU standards.

In addition, the action seeks to raise awareness on food safety standards among the general public, local bodies and food business operators as well as to contribute to further extending the Halloumi/Hellim PDO compliant milk channelling scheme to include more farms and dairy establishments. The action will equally help with the enforcement of necessary measures, the development and implementation of animal disease emergency/response measures, and the management of animal disease crisis. It will also provide the needed support in monitoring of zoonosis, zoonotic agents, residues and antimicrobial resistance.

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

The action is planned to be implemented through a service contract in direct management. In duly justified circumstances and subject to developments in the implementation of the Halloumi/Hellim package, this action may be implemented in indirect management in accordance with the implementation modalities identified in section 1.7.

Expected results:

- Effective system of controls across the food production chain in place, in line with the EU standards;
- Effective system for animal disease prevention, detection and elimination in place, in line with the EU standards; and
- Increased awareness on EU food safety standards.

Type of contract and type of procurement

Service contract

Overall indicative amount

EUR 3 000 000 (for an indicative 36-month period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

4Q2023

Implementation

The action will be implemented directly by the Commission.

1.3.2. Support to implementation of the Halloumi/Hellim package – Animal health and food safety controls (Objective 2 of the Aid Regulation)

Subject matter of the contract(s) envisaged

This action forms part of the implementation of the Halloumi/Hellim package support measures and is necessary for the execution of the second phase of control tasks contributing to PDO compliant Halloumi/Hellim being traded across the Green Line into the EU single market. It is preceded by a parallel, first phase of control tasks focusing on PDO compliance funded under the 2022 programme.

The purpose of this action is to provide support for the implementation of the animal health and food safety standards set out in Annex III to Commission Decision 2007/330 in order to enable PDO compliant Halloumi/Hellim to be traded across the Green Line in due course. These standards comprise: establishment of favourable animal health status in the northern part of Cyprus, according to internationally agreed standards of the World Organisation for Animal Health; preparation and implementation of an annual programme for the monitoring of residues in milk; and implementation of all relevant EU animal health and food safety requirements at milk producing and processing establishments involved in Halloumi/Hellim production. The scope of the control tasks to be executed are to mirror those that will be defined by a delegation/licensing agreement between the Competent Authority and Bureau Veritas. Any changes thereto are to be reflected in the action.

Negotiated procedure

Under this action, a negotiated procedure with Bureau Veritas for the execution of the controls will be launched. The procedure is planned to be carried out with Bureau Veritas' branch – Bureau Veritas Exploitation SAS (France) – as the only European branch of Bureau Veritas which holds the EN ISO/IEC 17020 accreditation, within which the required accreditation certificate for the envisaged activities is included.

It is assessed that the legal conditions for a negotiated procedure as per the Financial Regulation, Article 164 (5)(f) and related provisions of the point 11.1 (b)(ii) and 11.3 of Annex I are met as follows:

- The Commission Implementing Regulation (EU) 2021/591 of 12 April 2021 entering a name in the register of protected designations of origin and protected geographical

indications ('Χαλλούμι' (Halloumi)/'Hellim' (PDO)) establishes a PDO scheme for Halloumi/Hellim across the whole island of Cyprus;

- The purpose of EU PDO schemes is to regulate trade in registered products in the EU single market and in third countries with which the EU has trade agreements protecting PDOs in place. As per the Regulation (EU) 2017/625 on Official Controls, control tasks for the purpose of PDOs shall be carried out by bodies with a specific character and competence;
- Pending reunification and given the exceptional condition of the Republic of Cyprus, the Commission Implementing Regulation (EU) 2021/591 of 12 April 2021 envisages the appointment of Bureau Veritas as the delegated body to execute control tasks across the island of Cyprus;
- This follows an offer procedure by the Republic of Cyprus, which recommended the award of the control tasks to the internationally recognised accreditation body Bureau Veritas, through its branch covering the Republic of Cyprus i.e. Bureau Veritas Hellas. The appointment of Bureau Veritas is further reflected in the Common Understanding on a temporary solution for Halloumi/Hellim to be implemented pending the reunification of Cyprus reached under the guidance of the President of the Commission on 16 July 2015;
- Bureau Veritas, through Bureau Veritas Hellas, has been contracted by the Competent Authority for the Halloumi/Hellim PDO – i.e. the Ministry of Agriculture, Rural Development and Environment of the Republic of Cyprus, Department of Agriculture – to undertake the PDO controls across the island. Hence, Bureau Veritas is the sole operator licenced to carry out inspections of Halloumi/Hellim PDO in the TCc on behalf of the Competent Authority. These controls are on-going;
- The subsequent and inter-linked step to reach the objective of trade in PDO compliant Halloumi/Hellim across the Green Line into the EU single market is the execution of animal health and food safety controls (second phase of implementation of EU support contributing to PDO compliant Halloumi/Hellim traded across the Green Line);
- The execution of PDO and animal health and food safety controls will require strong coordination between the Commission, Competent Authority and Bureau Veritas.

Expected results:

- Contribution to effective implementation of the bi-communal quality scheme for 'Χαλλούμι' (Halloumi)/'Hellim' protected designation of origin (PDO) by providing access to animal health and food safety controls required for PDO compliant Halloumi/Hellim to be traded across the Green Line into the EU single market.

Type of contract and type of procurement

Service contract through negotiated procedure, as per the Financial Regulation, Article 164 (5)(f) and related provisions of the point 11.1 (b)(ii) and 11.3 of Annex I

Overall indicative amount

EUR 1 500 000 (for an indicative 36-month period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

4Q2023

Implementation

The action will be implemented directly by the Commission.

1.3.3. Strengthening VET sector management and quality assurance system (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 education and training (VET) and lifelong learning (LLL) programmes in order to contribute to inclusive economic growth in the TCc. In particular, technical assistance has supported improvements in the curriculum for VET schools, introduction of a qualifications framework, and implementation of a continuous professional development and inspection mechanism for teachers, future teachers, headmasters and school leaders.

In terms of VET, an ongoing action has achieved substantial progress in supporting the preparation of a new modularised curriculum and linked training materials for all occupations delivered at VET schools, based on the revised Occupational Standards. The action has further improved the capacity of teachers to prepare and revise VET curriculum, linked VET with apprenticeship education and LLL, introduced monitoring, testing and evaluation aligned to the new curriculum and established resource centres with resources to support the revision and upgrade of education practices.

The further support to VET under the 2023 programme will build on the achievements of the ongoing action and consolidate its sustainability by designing, introducing and implementing a system of quality assurance in VET, drawing upon EU best practice. This includes piloting of

partnerships between VET providers and employers as part of quality assurance. The action will contribute to increasing the effectiveness of the VET system in terms of its set-up, qualification standards, provision, assessment, validation and certification.

The overall aim of support to the quality of VET under the Aid Programme is to ensure that skills and competences are in line with the needs of the private sector and the labour market, thereby enhancing the employability of youth graduating from VET schools.

This action may also support activities facilitating labour mobility across the Green Line.

Expected results:

- Strengthened quality assurance approach, aligning quality standards, procedures and measurements;
- Established quality assurance in VET comprehensively; and
- Improved capacity of VET teachers to implement quality assurance throughout curricula, assessment and certification processes.

Type of contract and type of procurement

Service contract

Indicative amount per contract

EUR 1 800 000 (for an indicative 30-month period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

4Q2023

Implementation

The action will be implemented directly by the Commission.

1.3.4. Improving product safety and standards (Objective 2 of the Aid Regulation)

Subject matter of the contract envisaged

Strengthened market surveillance in view of ensuring that goods comply with EU standards, thus contributing to fair competition, increased potential for trade across the Green Line and the

protection of consumers in the TCc and beyond, is a priority under the Aid Programme.

The ongoing technical assistance project on market surveillance “Capacity Development in Market Surveillance” aims to advance the readiness of the TCc economic operators to comply with EU single market requirements and to enhance the business environment for the TCc economic operators, notably through assessing needs of the sector, supporting the development of a market surveillance plan and IT infrastructure proposal, and improving technical capacities and awareness. The project has identified the need to boost access to specialised testing equipment for market surveillance purposes. Currently, there is a lack of equipment, such as measuring and testing devices, to carry out inspections to ensure product safety. Access to such equipment will be a sequential and complementary step in efforts to improve product safety in the TCc.

In parallel, TAIEX operations supported under the Aid Programme allowed for TCc stakeholders to get familiarised with the relevant EU *acquis* and transferred technical know-how in this area of work. The trade facilitation sub-component of the EU-funded World Bank programme also supports the simplification of trade procedures, which increases the need for a stronger market surveillance system.

The action will cover the supply of priority product safety and metrology equipment for testing of product groups where TAIEX assistance has been provided. It represents the first phase of a larger intervention to introduce EU standards into the TCc and includes the most urgent equipment needs to enforce the inspection of selected product standards, thus implementing market surveillance with a potential impact on increased trade across the Green Line. For subsequent phases of the intervention, equipment needs will also be identified in line with progress achieved in the TAIEX work. The total value of the intervention with its three phases is estimated at some EUR 1.7 million.

The action is planned to be implemented through a supply contract in direct management. In duly justified circumstances and subject to developments in the implementation of support to private sector development and trade across the Green Line, this action may be implemented in indirect management in accordance with the implementation modalities identified in section 1.7.

Expected results:

- Improved market surveillance through access to priority product safety and metrology testing and measuring equipment; and
- Increased compliance with EU standards requirements following a solution to the Cyprus problem.

Type of contract and type of procurement

Supply contract

Indicative amount per contract

EUR 550 000

Indicative number of contracts envisaged

1 supply contract

Indicative timeframe for launching the procurement procedure

1Q2024

Implementation

The action will be implemented directly by the Commission.

1.3.5. TAIEX support (Objective 5 and 6 of the Aid Regulation)

Subject matter of the contract envisaged

The Commission's Technical Assistance and Information Exchange (TAIEX) instrument is used to implement objectives 5 and 6 of the Aid Regulation and thus helps prepare the TCc for implementation of the *acquis* in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession, upon the entry into force of a comprehensive settlement of the Cyprus problem. The pace of and developments in the settlement process will determine the need and shape the priorities in this respect.

In addition, the Commission is required to provide continued support for trade across the Green Line (Regulation 866/2004). TAIEX independent experts carry out regular phyto-sanitary inspections of fruit and vegetable products, take honey samples for analysis, and produce an updated list of vessels whose catch can be traded across the Green Line. The experts working under the Green Line Regulation are first appointed by a Commission decision and only then deployed by TAIEX. The newly put in place inspection regimes require phyto-sanitary certificates for virtually all fruits and vegetables traded across the Green Line.

TAIEX experts are also mobilised to conduct pilot compliance checks of production facilities for certain processed foods and for materials in contact with food, which have been allowed to cross the Green Line. These checks help with ensuring the compliance with relevant EU standards.

The TAIEX instrument is used for the above activities and delivers: draft legal text; seminars and conferences; workshops; expert missions; study visits; provision of tools and information products for, amongst others, translation and interpretation activities; and coordination and monitoring, in close cooperation with Commission services and EU Member States.

TAIEX operations also support the achievement of the remaining objectives of the Aid Regulation, with activities in many fields including *inter alia* environment, transport, rural development, food safety, and phyto-sanitary and veterinary health. TAIEX transfers technical know-how and underpins and complements other actions of the Aid Programme.

TAIEX experts working in the TCc are EU public experts, principally selected under a three-year Medium Term Assistance scheme (MTA). The MTA sets an operational framework for TAIEX support for the TCc, with project action plans developed for the selected areas of EU *acquis*.

Continuing TAIEX assistance is particularly vital to facilitate the settlement and finding solutions in the technical topics related to EU *acquis* preparation, in line with the objective 5 of the Aid Programme. This requires flexibility to adjust the extent, quantity, format and content of EU-funded assistance.

Expected results:

- Prepared legal texts aligned with the EU *acquis* 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 EU *acquis* in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession;
- Increased awareness of the TCc with regard to EU standards.

Type of contract and type of procurement

Service contract

Indicative amount per contract

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

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

4Q2023

Implementation

The action will be implemented directly by the Commission.

1.3.6. *Support and Settlement Facility*

Subject matter of the contracts envisaged

As per 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 EU *acquis*. Support actions may be necessary at short notice and the availability of resources for this purpose will be essential.

The Support and Settlement Facility may also provide resources for visibility actions, evaluations, monitoring and audits, as well as for supporting studies, highly relevant project preparatory actions, small-scale supplies, supplementary interventions and any other priority actions. Depending on further progress made by the beneficiary and any identified urgent needs, the latter may involve, amongst others, actions in support of the implementation of the Halloumi/Hellim package, measures to promote EU standards and boost trade across the Green Line, supplementary infrastructure investments including in the area of energy efficiency and renewable energy, and/or emergency supplies (e.g. COVID-19 related).

Furthermore, the Support and Settlement Facility will provide resources for logistic support to the EU Programme Support Office (EUPSO), which houses the Commission staff implementing the Aid Programme in the field.

Expected results:

- Facilitated initiatives stemming from the settlement process;
- Prepared ground for future EU-funded projects;
- Provided complementarity to ongoing actions, as needed;
- Effective emergency interventions.

Type of contract and type of procurement

Works/supply/service contracts

Overall indicative amount

EUR 3 961 557.68

Indicative number of contracts envisaged

5-10 works/supply/service contracts including specific contracts stemming from framework contracts

Indicative timeframe for launching the procurement procedure

4Q2023 to 4Q2025

1.4. Actions implemented through indirect management

The objectives of the Aid Regulation, which are implemented through indirect management in the Action Programme 2023, 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 600 000 (for a 6-year period of implementation)

Implementing entity

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

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. UNDP has started implementing the Local Infrastructure Facility (LIF) since its introduction under the 2017 programme.

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 thus helps identify, screen, develop, prepare for tender, and implement local infrastructure investments, targeting funding on a competitive basis to ensure the best value for money and providing support also to

those communities with lower technical and administrative capacities. LIF also serves in assisting the implementation of emergency support to the TCc.

UNDP takes charge of the implementation of the LIF including project maturation (feasibility studies, design and tender dossier), works and supply 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 UNDP allows for fast procurement and flexibility in recruiting the necessary resources to support the project implementation. The Commission maintains 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.

UNDP is a well-established 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 UNDP involvement all the more pertinent.

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

Overall objective and purpose of the action

Investments in the local infrastructure, along with the related services and supplies, 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 EU standards. During 2006-2022, more than EUR 200 million has been allocated to infrastructure development projects, backed up by technical assistance.

The Local Infrastructure Facility (LIF) is a framework mechanism, which continues to support such projects, whilst bringing coherence and streamlining any actions financed by the Aid Programme related to this support. It aims to ensure that only fully merited projects are implemented. Furthermore, this mechanism addresses the past operational challenges, which led to serious delays in the preparation of projects and in bringing them to maturity.

Overall, the Facility finances, outside emergency actions, prioritised and shortlisted infrastructure projects, based on objective assessment criteria and ready in the pipeline. High priority is given to infrastructures supporting the European Green Deal such as promotion of renewable energy and energy efficiency measures.

This list of projects is only indicative and non-exhaustive; other mature or emergency 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) Energy efficient lighting and water dripping systems

A series of initiatives in the energy field are planned at the local community level with the aim to create a positive environmental impact and contribute to achieving the European Green Deal priorities. These initiatives include the introduction of energy saving measures, in some cases coupled with the use of renewable energy sources, mainly lightning and water dripping systems. The interventions should result in relevant energy and water savings, and consequently financial savings, thus promoting green investments and making them sustainable in the long-term. Funding could also be extended to relevant bi-communal initiatives linked to energy efficiency and renewable energy. Data generated by these initiatives will be used as a benchmark for the sector and will promote replication of similar initiatives in private companies and other local communities.

(2) Introduction of local energy management systems

This initiative aims to introduce energy management systems at the local community level, which will include energy saving measurements. It will be supported by existing and new projects under the LIF. This management system will allow local communities to measure their energy performances, including energy and financial savings achieved through EU-funded initiatives under the LIF, and to introduce a continuous improvement approach. In addition, energy management systems will improve sustainability of EU investments and generation of reliable data and lessons learnt promoting energy efficiency mainstreaming in the TCc.

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

Expected results:

- Successfully implemented local infrastructure projects through a resource-efficient and result-effective framework;
- Prioritised and best value for money projects selected for financing;
- Support provided to those local communities with a lower 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. Support to implementation of the Halloumi/Hellim package and rural development – Advisory services and accompanying measures (Objective 2 of the Aid Regulation)

Amount

EUR 5 750 000 (for an indicative 3-year period of implementation)

Implementing entity

Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) according to Article 62(1)(c) of the Financial Regulation.

Since 2014, GIZ has been providing field-based, hands-on technical and logistical support to the Commission team implementing the Aid Programme for the TCc. By doing so, GIZ has developed its knowledge of the local context and established a presence on the ground.

GIZ has an extensive experience in subject matters directly relevant to the task of support to the implementation of the Halloumi/Hellim package and beyond. Its experience in the agriculture, business and fisheries sectors amounts to over EUR 1.1 billion worth of projects. Given this experience, GIZ has access to a broad network of experts primarily from EU Member States who can add value to the expected work.

GIZ has an excellent track record of working closely with the Commission, as evidenced by its extensive cooperation implementing projects for the Commission. Given its broad thematic expertise and its work in around 120 countries, GIZ is assessed to be able to develop and maintain strong working relationships with partners and stakeholders relevant for supporting the implementation of the Halloumi/Hellim package and beyond, and to possess the ability to tailor support to different stakeholders.

As a German federal enterprise, GIZ has a strong financial and operational capacity. The GIZ project portfolio funded by the EU includes more than 200 projects worth over EUR 2 billion, attesting to the strong management capacity of GIZ.

Overall objective and purpose of the action

The agricultural sector is an important segment of the TCc economy with potential for trade across the Green Line. Numerous EU interventions in the form of grants, services and supplies have been implemented to assist farmers and food operators to improve the conditions along the food production chain (in particular the dairy value chain) for the implementation of EU standards.

The current Farm Advisory Services (FAS) project will end on 1 January 2024. There is a clear need in the sector for continued support to individuals and farmer organisations, including through advice, training and education. Farmers and farmer organisations have shown a high level of interest in the current FAS project, with a high level of participation in training activities

and the development of an extensive network of practitioners. This network is a relevant platform to consult, coordinate and cooperate on issues such as trade across the Green Line, Halloumi/Hellim PDO and the transition to more sustainable production practices. The implementation of the Halloumi/Hellim PDO scheme in the TCc will create significant and additional needs in the sector for professional advice, training and support services. The professionalisation of the sector will also allow better access to other EU support.

The full implementation of the Halloumi/Hellim package to enable PDO compliant Halloumi/Hellim to be traded across the Green Line into the EU single market requires meeting a number of conditions related to animal health and food safety standards. Some of these conditions are addressed by targeted support provided through accompanying measures to the PDO Halloumi/Hellim.

(1) Advisory services

Based on needs identified in the ongoing Farm Advisory Services (FAS) project, further assistance to farmers and other rural stakeholders is required to develop the sector and capitalise from new opportunities. Building on lessons learnt, the action will focus on assisting the relevant Turkish Cypriot stakeholders to maintain a strategic approach to local farm advisory services and extend the provision of services to a broader range of recipients covering diverse fields (crop, livestock, fisheries, etc.) while maintaining a strong focus and link to key opportunities (Halloumi/Hellim PDO, trade across the Green Line, sustainable practices, etc.). As such, the overall objective will be to capitalise from Green Line trade opportunities through demonstration, facilitation and mentoring/training on new practices, techniques and innovation, including in support of green agriculture.

The action will include a comprehensive training needs assessment, development of training modules and delivery of trainings. The latter will include a “train the trainers programme” to build local expert capacity for ensuring long-term sustainability. Raising of awareness and demonstration/offering of support is equally envisioned.

(2) Halloumi/Hellim package - Accompanying measures

The accompanying measures will contribute to further upgrade public and animal health standards in the TCc following a solution to the Cyprus problem. In addition, they will contribute directly and indirectly to ensuring the necessary conditions for PDO compliant Halloumi/Hellim to cross the Green Line.

Animal health component

Animal diseases such as Brucellosis (Bovine, and Ovine and Caprine) are causing significant economic losses in the farming sector in the TCc. All these zoonotic diseases also represent a

serious risk to public health. In addition, Brucellosis is a priority disease that still needs to be eradicated before the trade of PDO Halloumi/Hellim is allowed across the Green Line.

Through this component of the accompanying measures, supplies and services necessary for achieving the favourable animal health status according to internationally agreed standards of the World Organisation for Animal Health will be provided. The achievement of this status is required for trade across the Green Line of PDO Halloumi/Hellim as per Annex (III) of the Commission Implementing Decision (EU) 2021/586 of 12 April 2021 amending Decision 2007/330/EC lifting prohibitions on the movement of certain animal products on the island of Cyprus under Council Regulation (EC) No 866/2004 and laying down conditions for the movement of those products with regard to ‘Χαλλούμι’ (Halloumi)/‘Hellim’ (PDO).

The envisaged services will further support the TCc veterinary services in carrying out necessary sampling and testing activities which form part of the measures for eradication of priority animal diseases. The supply component will provide the necessary consumables and testing kits for the sampling and testing activities. After the favourable animal health status is achieved, the services and supplies provided under this component will enable the maintenance of the animal health status. It will also contribute to further strengthening the technical competence of the TCc veterinary services for the implementation of contingency plans in animal disease crisis management and will include necessary tools and consumables for diagnosis, rapid intervention and monitoring of exotic diseases.

Residue monitoring programme component

Under this component of the accompanying measures, laboratory checks of the residue control plan will be supported. The residue control plan for the TCc has been prepared by a complementary technical assistance project, following Council Directive 96/23/EC on measures to monitor certain substances and residues thereof in live animals and animal products. It includes data on commodities, sampling levels and frequency, and the substances and substance groups proposed for laboratory control. The residue control plan reflects also the provisions of the Commission Delegated Regulation (EU) 2022/1644 and Commission Implementing Regulation (EU) 2022/1646 concerning the procedure for the preparation of residue control plan regarding sampling frequencies, substance groups and similar. Implementation of a milk residue monitoring programme forms a requirement for trade across the Green Line of PDO Halloumi/Hellim.

Considering that the food laboratory of the TCc veterinary services is not yet accredited for the methods relevant to implement the residue control plan, the necessary services will be provided under this component of the accompanying measures. They include collecting samples and transporting them to a testing laboratory (one of the EU laboratories accredited according to ISO 17025 for the relevant methods), and the provision of results.

Raw milk laboratory component

The supply under this component of the accompanying measures will further increase the capacity of the TCc food laboratory, thus contributing to development of dairy sector and supporting market opportunities for dairy products, especially PDO Halloumi/Hellim. Relevant laboratory equipment and related consumables will be procured, contributing to the creation of in-house capacities for raw milk quality analysis and the implementation of the TCc residue control plan for milk. This will open the path for accreditation of the TCc food laboratory for additional necessary methods.

The tasks entrusted to GIZ will be implementation activities including: procurement, technical assistance, payments, project and grant management, monitoring and ensuring visibility.

Expected results:

- Improved farm advisory services, contributing to strengthened capacity and resources of farmers and other stakeholders;
- Preconditions for achieving favourable animal health status met through continued support to testing and sampling for animal diseases;
- Implemented residue control plan, including for milk supported through improved access to accredited laboratory test for residues; and
- Further strengthened laboratory capacities of the TCc food laboratory for raw milk quality analysis.

The action is planned to be implemented in indirect management. In duly justified circumstances and/or if negotiations with the above-mentioned entity fail, this action may be implemented in direct management in accordance with the implementation modalities identified in section 1.7.

1.4.3. Support to private sector development and trade across the Green Line (Objective 2 of the Aid Regulation)

Amount

EUR 4 000 000 (for an indicative 2-year period of implementation)

Implementing entity

Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) according to Article 62(1)(c) of the Financial Regulation.

Since 2014, GIZ has been providing field-based, hands-on technical and logistical support to the Commission team implementing the Aid Programme for the TCc. By doing so, GIZ has developed its knowledge of the local context and established a presence on the ground.

GIZ has an extensive experience in subject matters directly relevant to the task of support to private sector development. Its experience in the business, agriculture and fisheries sectors amounts to over EUR 1.1 billion worth of projects. Given this experience, GIZ has access to a broad network of experts including from EU Member States who can add value to the expected work.

GIZ has an excellent track record of working closely with the Commission, as evidenced by its extensive cooperation implementing projects for the Commission. Given its broad thematic expertise and its work in around 120 countries, GIZ is assessed to be able to develop and maintain strong working relationships with partners and stakeholders relevant for supporting private sector development, and to possess the ability to tailor support to different stakeholders.

As a German federal enterprise, GIZ has a strong financial and operational capacity. The GIZ project portfolio funded by the EU includes more than 200 projects worth over EUR 2 billion, attesting to the strong management capacity of GIZ.

Overall objective and purpose of the action

Boosting trade across the Green Line and ensuring compliance with EU standards is a key priority of the Aid Programme given its high reunification value and benefits to the economic development of the TCc. While trade across the Green Line significantly increased in 2022, there is need to optimise further this potential by increasing trade in locally produced, niche, innovative and value-added products which are compliant with EU standards. In this context, supporting small and medium enterprises (SMEs) and entrepreneurship is necessary. Lessons learnt from ongoing EU support point to continued needs in the sector.

The Turkish Cypriot community is dominated by SMEs, a majority of which are micro-enterprises, which are concentrated in low-tech/low innovation and value-added sectors such as trade and services. Industry is made up of small, low-tech and relatively old firms. Compared to the European average, the ICT sector plays only a negligible role. Funding of Research and Development activities is low, and cooperation between the business and research sector is limited, contributing to only few innovations being commercialised. 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.

In response, a wide-ranging intervention is planned mixing technical assistance with grant support to SMEs to upscale their businesses, including in view of trade across the Green Line. The overall objective of the action will be to contribute to increased trade across the Green Line

and economic development of the TCc through improved business support and entrepreneurship ecosystem.

The action will build on ongoing support provided mainly through the “Innovative entrepreneurship” programme, focusing on critical areas where continued support is deemed most strategic and needed. An evaluation of the “Innovative entrepreneurship” programme will provide additional guidance for the selection of the focus areas. The action forms the first phase of a larger, continued support to private sector development and trade across the Green Line to be programmed under subsequent annual action programmes of the Aid Programme, increasing the scope of the offered support.

(1) Technical assistance and support to businesses

The technical assistance and support to businesses component of the action will have two main objectives: assisting businesses that currently trade or plan to trade over the Green Line to understand and act on their market potential; and complementing and building on technical assistance and other support provided towards private sector development through the Aid Programme so far.

As concerns support for trade across the Green Line, businesses will be provided with technical assistance to be aware of the opportunities and analyse their business and products potential, including on how to comply with the relevant EU standards. The development of a pilot model for supporting enterprises with the commercialisation of their high potential products is anticipated. This could entail support to the entire chain from production until marketing and promotion, as well as addressing innovation through new equipment/technologies and the upskilling/training of labour force, including through deploying complementary resources through the grant scheme component. The technical assistance will work in close cooperation with the foreseen One-Stop-Shop on trade across the Green Line and with the EU-funded World Bank programme aiming to improve the enabling environment for businesses with respect to simplification of trade procedures based on a risk management approach, business registry, etc.

Regarding technical assistance and other support to private sector development, the focus will be on providing critical support to maintain the results achieved under ongoing Aid Programme support and leveraging them for increased trade across the Green Line and economic development.

Up until now, technical assistance and support has been mobilised to build capacities of the private sector, which has led to an increased understanding of innovation and entrepreneurship in the TCc. The Aid Programme has also supported improved access to finance and business consultancy services for SMEs and specific support for start-ups and innovation.

Outreach programmes such as the European “CodeWeek”, the international youth-oriented “Enterprise in Education”, the networking-focused “Entrepreneurs on the Road”, “IntoDigital”,

“Coding Camps”, workshops and seminars have been widely and successfully implemented or are under the final phase of implementation.

In addition to maintaining key results achieved, potential additional areas to be covered by technical assistance and support can include key identified measures for boosting entrepreneurship in the TCc.

(2) Grant support to local businesses

The Safeguarding and Creating Employment (S&CE) SME Grant Scheme, currently under implementation, aims at contributing to the stabilisation of the economy, preventing loss of employment, ensuring the sustainability of viable SMEs, creating new jobs, and encouraging growth by providing financial and technical support to SMEs. The S&CE scheme was delivered in two phases targeting sectors including industry and manufacturing, business-to-business and services sectors. Phase I has already been completed. Around 800 SMEs employing between 6 and 10 employees were granted EUR 1,500 each. For phase II, 100 SMEs in the same sectors employing 6 to 49 employees are receiving a much higher support (up to EUR 60,000) based on growth plans, as well as tailor-made in-kind support.

The new tailored grants to be implemented under this action will focus on sectors with high potential products for trade across the Green Line (GLT), replicating the successful approach of the current S&CE grant scheme, including equipment procurement, CE marking, standardisation, certifications, and technical assistance for green transition/digitalisation for businesses with high potential for trade across the Green Line, all implemented in close cooperation with relevant stakeholders. Grant funding may also be mobilised to complement the implementation of the specific pilot model for supporting enterprises with the commercialisation of their high potential products.

Any beneficiary will have to meet basic requirements and specific conditions related to trade across the Green Line potential and alignment with EU *acquis* (CE markings and other reunification promoting components), as well as being Turkish Cypriot owned. The initiative will be calibrated with other forms of assistance provided under the technical assistance.

The tasks entrusted to GIZ will be implementation activities including: procurement, technical assistance, payments, project and grant management, monitoring and ensuring visibility.

Expected results:

- Increased capacities of different actors to foster entrepreneurship;
- Increased awareness and knowledge by businesses of their potential and requirements for trade across the Green Line; and
- Improved capacity of small and medium-size enterprises to trade across the Green Line.

The action is planned to be implemented in indirect management. In duly justified circumstances and/or if negotiations with the above-mentioned entity fail, this action may be implemented in direct management in accordance with the implementation modalities identified in section 1.7.

1.4.4. Support for the Committee on Missing Persons (CMP) (Objective 3 of the Aid Regulation)

Amount

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

Implementing entity

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

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 providing support to the Committee on Missing Persons (CMP) involves dealing with delicate sensitivities of both communities.

UNDP has considerable expertise on the CMP. Up to and including 2022, allocations were made for 14 Contribution Agreements (CAs) with UNDP. 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 of the project implementation. Contributions to the CMP have yielded results over the last years, with 5 identifications of remains for the year 2022, reaching a total of 1 030 remains identified so far (March 2023 figures).

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 to attribute responsibility. Bi-communal scientific teams participate in all stages of the process: the archaeological phase, the anthropological phase and the 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 the relocation of remains. This is a key challenge to be addressed now by renewed efforts in researching relevant civil and military archives, accessing military areas, as well as with stronger use of IT tools in order to facilitate the investigation, excavation and exhumation phases.

The EU will continue to support the CMP and the 2023 programme includes an allocation for the CMP, which is in line with the previous years. This allocation is to cover a nominal 1-year period of implementation.

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

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 work of 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 Greek Cypriots 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, 36% of the funds are devoted to the investigation and the excavation phases. Also, 36% is spent on anthropological analyses (associating individual bones with larger skeletal remains, estimating gender, age and looking for particular identifying features) and genetic identification of remains (including DNA extraction and analysis). The remaining funds cover the communication and public awareness activities, training and capacity building, and the costs of project management.

1.4.5. 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

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

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.

UNDP has considerable expertise on cultural heritage protection in Cyprus. Up to and including 2022, allocations have been made for 8 Contribution Agreements (CAs) with UNDP to provide support to the preservation of cultural heritage. 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 over 120 conserved sites 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 organised 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.

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 Cyprus and of its communities; and it works towards providing a mutually acceptable mechanism for the implementation of practical measures for proper maintenance, preservation, physical restoration, protection and digital preservation of cultural heritage.

A 2010 study, requested by the European Parliament, examined conditions and estimated restoration costs, and provided an inventory of approximately 2 800 sites. 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 cultural heritage project also developed a digital platform with virtual tours of cultural heritage sites with a view to increase online accessibility and digital preservation for completed projects. This digital platform, including a 3D point cloud, a 360 virtual tour, a multiplayer Othello Tower game and 15 digitalized sites, aims at fostering interaction especially amongst the youth, while maximising the public awareness of the value of Cyprus’ rich and diverse cultural heritage. The project includes a bi-communal engagement strategy and a strong public awareness component.

The EU will continue to support the TCCH: the 2023 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 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 8 sites (the 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.

1.5. Indicative budget table by Objective

Aid Regulation Objective	Procurement	Grant	Indirect Management with IOs/MS Body	Totals	
	EUR	EUR	EUR	EUR	%
Objective 1: Development and restructuring of infrastructure <i>Local Infrastructure Facility</i>			600 000	600 000	2
Objective 2: Promotion of social and economic development				16 600 000	52

<i>Halloumi/Hellim package – Food safety standards</i>	3 000 000				
<i>Halloumi/Hellim package – Animal health and food safety controls</i>	1 500 000				
<i>Halloumi/Hellim package – Advisory services and accompanying measures</i>			5 750 000		
<i>Support to private sector development and GLT</i>			4 000 000		
<i>Improving product safety and standards</i>	550 000				
<i>VET sector management</i>	1 800 000				
Objective 3: Reconciliation, confidence-building, and civil society				9 600 000	30
<i>Support to CMP</i>			2 600 000		
<i>Support to cultural heritage</i>			2 500 000		
<i>UWC Cyprus Peace Education</i>		1 500 000			
<i>Cypriot civil society in action</i>		2 250 000			
<i>Human Rights Platform</i>		750 000			
Objective 5/6: Preparation of legal texts / preparation for <i>acquis</i> implementation				1 000 000	3
<i>TAIEX support</i>	1 000 000				
Support and Settlement Facility	3 961 557 .68			3 961 557 .68	13
TOTAL	11 811 557 .68	4 500 000	15 450 000	31 761 557 .68	100

1.6. Assumptions and accompanying actions

There are several specific issues that must be resolved and agreed by relevant TCc stakeholders before the 2023 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 TCc 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.

Objective 2: Promotion of social and economic development

- The actions in the area of food safety and veterinary, private sector, and education will require a particular commitment and continuous engagement of the beneficiary and fulfilment of responsibilities by all involved actors.

Objective 3: Reconciliation, confidence-building, and civil society

- The bi-communal Technical Committee on Cultural Heritage will meet to provide clear guidance on preferred priorities agreed by the two communities;
- Monuments renovated in the areas not under the effective control of the Government of the Republic of Cyprus are subsequently maintained and accessible to the public, preserving their scope and historic character;
- It is assumed that high interest in studying at the United World College will be generated in both communities and that applications of sufficient quality will be submitted;
- It is assumed that grant applications of sufficient quality will be submitted by civil society organisations.

Objective 5/6: Preparation of legal texts / preparation for *acquis* implementation

- It is assumed that the beneficiary will have sufficient absorption capacity and that working groups will function efficiently, helping with programming and implementing TAIEX assistance.

In the implementation of actions financed under this programme, the rights of natural and legal persons, including the rights to possessions and property, should be respected.

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.

Grant award procedures shall follow the provisions of Part One, Title VIII of the Financial Regulation.

The Commission may also use services and supplies under its Framework Contracts concluded following Part One of the Financial Regulation.

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) and Articles 154-157 of the Financial Regulation, or Title VI of the Financial Regulation, as applicable.

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

MONITORING

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

EVALUATION

Programmes financed under the Aid Regulation 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 Decision, the rights of natural and legal persons, including the rights to possessions and property shall be respected in line with Article 7 of the Aid Regulation.

Nothing in this Financing Decision is intended to imply recognition of any public authority in the said 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” is clearly defined therein. This will be specified in the calls for tenders and proposals.