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ANNEX

Legal basis:

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

Work Programme for 2021:

Beneficiary	Turkish Cypriot community
CRIS/ABAC Commitment references	TCC/2021/XXX-XXX, SCR.DEC.XXXXXX.XX
Total cost	EUR 30 705 061.81
Union contribution	EUR 30 705 061.81
Budget line	05.04 01
Management Modes/ Entrusted Entities	Direct management by the European Commission Indirect management by entrusted entities: - United Nations Development Programme - Entities to be selected in accordance with the criteria set out in sections 1.4.2 and 1.4.6
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
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1.1. Introduction

This 2021 Annual Action Programme concerns the continuing implementation of the Aid Programme for the Turkish Cypriot community on the legal basis of Council Regulation (EC) No 389/2006, the “Aid Regulation”, which establishes an instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCc). Between 2006 and the end of 2020, approximately EUR 592 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 2021 as follows:

- for grants implemented under direct management (1.2): EUR 2 500 000
- for procurement implemented under direct management (1.3): EUR 14 305 061.81
- for actions implemented under indirect management modes (1.4): EUR 13 900 000

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 the Commission continues to hope for a breakthrough that will lead to a

comprehensive settlement of the Cyprus problem. 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 Council Regulation (EC) No 389/2006² allows for any necessary adaptations in this context.

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

The programme choices for the 2021 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 2021 programme provides a streamlined and compact set of actions, with 12 major project components and a needed degree of flexibility. It is focused on fostering confidence building, supporting civil society and bringing the TCc closer to the EU.

The 2021 programme takes into account views received from Turkish Cypriot stakeholders and from relevant evaluations and needs' assessments conducted prior to the programming exercise. The v input of the authorities of the Republic of Cyprus were also taken into consideration. In addition, the programme choices consider the findings of the works of the bi-communal Ad Hoc Committee on EU Preparation, within the framework of the settlement talks.

Objective 1: development and restructuring of infrastructure

Development and restructuring of infrastructure has been the major component of the Aid Programme, with more than a third of total resources allocated to this objective between 2006 and 2020. Investments in the local infrastructure have been financed in the sectors of

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."

environment, water and wastewater, architectural restorations, recreational areas, and other social infrastructure. The 2021 programme will continue supporting local infrastructure projects through the Local Infrastructure Facility (LIF), but with a reduced funding compared to previous years.

The total value of infrastructure investments planned under the 2021 programme amounts to EUR 800 000. As there is no up-front allocation provided for individual projects at this stage, the 2021 programme includes an indicative list of likely interventions with the planned environmental impact and in line with the European Green Deal priorities. The focus of the infrastructure envelope is put on energy efficiency. These investments will be channelled in indirect management through the United Nations Development Program (UNDP).

In parallel, the protection of the environment and the prevention of climate change will be facilitated through targeted actions following on from the previous successful EU interventions, with a widened scope to cover also circular economy, green growth, greenhouse gas emissions, and climate change. In addition, targeted assistance will be provided on air quality to support the beneficiary in operating the reference laboratory and linking it with air quality monitoring activities. The total amount of investment is EUR 2 600 000.

Objective 2: promotion of social and economic development

The promotion of social and economic development has received nearly a third of total Aid Programme resources since 2006. Further financial assistance is needed to support more efficient agricultural production as well as to improve food safety and veterinary support and help animal disease eradication.

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 health standards; however, the Green Line trade Decision allows such trade once Turkish Cypriot producers have aligned their production standards with those of the EU on animal health and food safety.

The TCc will need to make substantial investments to comply with the standards established by the two instruments, covering everything from increasing the number of 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 up to 2024 is necessary to help Turkish Cypriots to meet the relevant standards. As part of this multi-annual support programme, the 2021 programme specifically provides for three actions amounting to EUR 6 200 000.

Action 1 will support food business operators and dairy farmers to implement action plans to improve food safety and hygiene standards. Assistance of EUR 2 000 000 will specifically help those willing to invest in improvement of their production practices, but needing additional structural and operational support. This should, amongst others, enable a number of Turkish Cypriot producers to implement the Halloumi/Hellim PDO registration requirements. The intervention is planned to be implemented under indirect management, with an entity selected in accordance with the established criteria.

Action 2 will finance the development of Cyprus animal identification, registration and veterinary information management system, with an allocation of EUR 3 200 000. The system will identify and register different species of kept terrestrial animals to facilitate the effective application of the disease prevention and control requirements. The project is of island-wide scope as the same software will be used, thus making it technically possible to be applied across Cyprus in the future following reunification.

Action 3 will cover investments in the form of material supplies of EUR 1 000 000 to support animal disease surveillance, control and eradication. The project will provide diagnostic tests and laboratory and field consumables as well as veterinary medicinal products for the beekeeping treatments. This intervention links with the past, ongoing and planned EU actions in this field, having a positive impact on food safety and thereby on public health.

In the field of agriculture and rural development, further assistance of EUR 1 300 000 will be provided to increase the efficiency of production, but also to improve the quality of seedlings and breeding materials. The project will supply the identified and most needed equipment through two separate actions on climate controlled nursery greenhouse and solar energy system. The investment will have a positive environmental impact and build on the previous Aid Programme achievements in this field, such as the reuse of sludge for seed production.

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 *inter alia* 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 through the UNDP with an amount of EUR 2 500 000 under the 2021 programme. This significant contribution to island-wide restoration of monuments, civil buildings, mosques and churches includes a strong bi-communal and public awareness component. It raises the total budget dedicated to the TCCH to nearly EUR 20 000 000. This support has produced highly visible output and has allowed for the restoration of historically significant buildings for both communities. It has also facilitated an exemplary cooperation within the TCCH, constituting a strong platform for dialogue and mutual trust between the two communities.

Similarly, the Committee on Missing Persons (CMP) will benefit from EU funding through the UNDP with an additional amount of EUR 2 600 000 under the 2021 programme, which will allow the CMP to continue its activities until end-2022. In this way, the total EU contribution to the work of the CMP in the years 2006-2021 will reach over EUR 30 000 000 which amounts to 75% of the overall funding provided to the CMP during that period. The CMP's objective is to recover, identify and return to their families, the remains of 2002 persons. A high level of output has been achieved by the CMP to date as it has succeeded in exhuming 1 188 sets of remains, of which 994 were genetically identified (end-2020 figures).

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

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

In addition to the above, support for civil society will be reinforced through the eighth 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). An increased assistance of EUR 2 500 000 should contribute to a more active and vibrant civil society in the TCc, with stronger CSOs effectively promoting dialogue and reconciliation in Cyprus.

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, fourteen annual grant schemes have delivered nearly 1 700 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.

The 2021 programme includes an allocation of EUR 5 000 000 to cover two academic years, 2023-2024 and 2024-2025, and award scholarships to around 300 Turkish Cypriot students, graduates and professionals. This edition will further aim at targeting the needs and gaps within the TCc. An entity to manage the scholarship programme, under indirect management, will be selected in accordance with the established criteria.

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. The EU Info-point operates in close collaboration with the EC Representation in Cyprus. Maintaining this project remains vital for enhancing the visibility of the EU in the TCc and, accordingly, the 2021 programme foresees EUR 1 900 000 for its continuation.

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.

The replenishment of funds with EUR 2 000 000 was provided through the 2020 programme (Part I). This allocation ensures continuity of operations until end-2022.

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.

Support and Settlement Facility

The 2021 programme includes also a Support and Settlement Facility (EUR 4 305 061.81), 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.

1.2. Grants

The objective of the Aid Regulation, which is implemented through grants in the Action Programme 2021, is the following:

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

1.2.1. Support for civil society (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 Turkish Cypriot community 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 civil society organisations (CSOs) 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 12 CSO projects (many of them in bi-communal partnership) and 19 different CSOs across Cyprus supported by the funds under the Aid Programme.

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

their actions.

Against this background, the 2021 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 2021 programme will finance actions under a new, eighth 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 – including through research, evaluation and outreach;
- 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	1Q2022	EUR 2 500 000

Maximum possible rate of co-financing of the eligible costs

95%

1.3. Procurement

The objectives of the Aid Regulation, which are implemented through procurement procedures in the Action Programme 2021, are the following:

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

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

1.3.1. Capacity building for environment (Objective 1 of the Aid Regulation)

Subject matter of the contract envisaged

The protection of the environment and the prevention of climate change are one of the key priorities of the Commission under the European Green Deal. In order to be able to boost the efficient use of resources, restore biodiversity and cut pollution, a solid knowledge of the state of the environment is required first.

In this regard, the Commission has continuously provided support to the TCc through the Aid Programme in characterising the local environmental quality and taking remedial action in line with EU standards and best practice. Examples of the fields where support to local stakeholders has been provided include waste management, quality of air, water and fuels, noise control, chemicals, and nature protection.

Complying with EU standards requires the capacity of local environmental practitioners to be sufficiently strengthened so that they are able to design effective improvement actions. Such capacity not only includes the knowledge of the EU relevant standards to each sector, but also the ability to monitor the state of the environment, assess the impacts of such state, identify appropriate remedies, and quantify their costs and benefits.

In order to achieve this, two actions aimed at building and strengthening local capacity in the environment field are envisaged:

(1) Capacity building project for Turkish Cypriot environmental practitioners.

This project will expand on the capacity building to the water, wastewater and solid waste sectors financed under the previous annual programmes and will have an extended scope in

terms of the fields that will be supported. The new areas to cover, apart from waste and water, are circular economy, green growth, greenhouse gas emissions, climate change, noise, and chemicals. Equally, the use of environmental assessment tools (GIS, models, etc.) will be a priority. Through this project, the specific needs of beneficiaries are to be realised via on-demand technical support, preparation of plans, studies and guidelines, hands-on trainings and data consolidation amongst other actions.

(2) Capacity building project for air quality management.

The project's scope and priorities are well identified and focus on developing technical skills to monitor and assess air quality and producing action plans to reduce air pollution. An essential part of this project is to implement monitoring of heavy metals and facilitate the verification of measurements of particulate matter from local air quality stations according to relevant EU standards. The beneficiaries will also receive training in supplementary air quality assessment techniques (e.g. modelling) and compiling of emission inventories. The project is closely linked with and follows on the supply of air quality monitoring network financed under the 2018 programme.

Type of contract and type of procurement

Service contract

Overall indicative amount

EUR 2 600 000 (for a 24-month period of implementation)

Indicative number of contracts envisaged

2 service contracts

Indicative timeframe for launching the procurement procedure

1Q2022

Implementation

The action will be implemented directly by the Commission.

1.3.2. Increasing the efficiency of agricultural production (Objective 2 of the Aid Regulation)

Subject matter of the contract envisaged

Being amongst the key areas with horizontal impact and importance, agriculture is receiving continuous support through the Aid Programme. Phytosanitary is an element with significant influence on agriculture and food safety and thereby on the public's everyday life and well-being. The objective is to provide quality, healthy, well adapted and fruitful seedlings and breeding materials.

With the support of the previous Aid Programme financed projects, the reuse of sludge into the seed production has been made possible. Due to the dry climate and weather conditions in Cyprus, this is an important step in the agricultural production development with clear environmental impact.

Yet, it remains a struggle to fully achieve the above goal with the existing capacities of the local producers and with poor materials increasingly used. This situation does not only prevent bringing the nursery and fruit growing field up to EU standards, but there is also a serious concern about the material quality (not diseases and pesticides free, not fully adapted to the climate in Cyprus).

To continue supporting the improvement of efficiency and quality of the agricultural production processes, the following two actions are planned:

- (1) Supply of Climate Controlled Nursery Greenhouse; and
- (2) Solar Energy System (off-grid transformable to on-grid).

The following supplies are foreseen under these actions:

- Professional seed cleaning selector and packaging units;
- Warehouse;
- Fertilizer spreader trailer;
- Digger Loader;
- Off-grid solar 150 kw/h (transformable to on-grid);
- Inductively Coupled Plasma (ICP) lab equipment;
- Vehicle scale.

Type of contract and type of procurement

Supply contract

Overall indicative amount

EUR 1 300 000

Indicative number of contracts envisaged

1-3 supply contract(s)

Indicative timeframe for launching the procurement procedure

3Q2021

Implementation

The action will be implemented directly by the Commission.

1.3.3. Support to implementation of the Halloumi/Hellim package – Development of Cyprus Animal Identification, Registration and Veterinary Information Management System (Objective 2 of the Aid Regulation)

Subject matter of the contract envisaged

Efficient traceability is a key element of disease control policy. Therefore, identification and registration of different species of kept terrestrial animals should be in place in order to facilitate the effective application of the disease prevention and control requirements. In Cyprus, currently there is use of an electronic system to manage data on animal identification and registration (AIR), and in some cases other veterinary data. Due to outdated technology, current databases hardly allow for further maintenance or improvement.

The above requires developing a new Cyprus animal identification, registration and veterinary information management system (CY-AIRVET MS), which will serve the needs on an island-wide basis. CY AIRVET MS shall allow for greater use of new technologies to ensure capture and management of AIR and other veterinary data produced during the implementation of animal health and food safety standards and related controls. The EU-funded intervention will also be a confidence building tool in support to reunification.

The expected overall duration of the development of the CY-AIRVET MS is 60 months. The overall project activities include:

- CY-AIRVET MS business analysis and design (6 months since project inception);
- Data model and beta version of the product (12 months since project inception);
- Testing, second version of the product (12 to 20 months since project inception);
- Documentation, training materials, purchasing HW/or services and licenses, data migration, delivery, installation, tuning of HW/services and licenses, and organising of help-desk (20 to 24 months since project inception);
- Support, maintenance and training (25 to 60 months since project inception).

Type of contract and type of procurement

Supply contract

Overall indicative amount

EUR 3 200 000

Indicative number of contracts envisaged

1 supply contract

Indicative timeframe for launching the procurement procedure

4Q2021

Implementation

The action will be implemented directly by the Commission.

1.3.4. Support to implementation of the Halloumi/Hellim package – Continues support to animal disease surveillance, control and eradication (Objective 2 of the Aid Regulation)

Subject matter of the contract(s) envisaged

Diseases such as brucellosis, scrapie and maedi visna are highly prevalent in the TCc and have negative impacts on animal productivity and farmers' income. Brucellosis also presents serious risk for public health. In addition, due to the geographical proximity to countries (e.g. Turkey) highly infected with economically important animals diseases (such as foot and mouth disease, sheep and goats pox and pest des petites ruminants), the risk of introduction of such diseases in the TCc is high.

In such circumstances, continued implementation of multiannual programmes for surveillance, control and eradication of animal diseases in the TCc is of highest priority for the livestock producers. To contribute to the implementation of these programmes, EU shall continue supplying the TCc veterinary beneficiary with diagnostic tests and laboratory and field consumables. EU support to be provided under the 2021 programme will cover the needs over two consecutive years (presenting around 50% of the overall annual cost of sampling and testing for animal diseases).

In addition, bee diseases/infestations (such as varroosis) are widely spread among bee hives in the TCc. In order to reduce Varroa mite population (infestations) and bee colonies losses, coordinated action needs to be implemented on all bee colonies in the TCc. EU assistance will thus be mobilised to support TCc beekeepers to conduct the needed treatment and successfully control Varroa infestations. The planned intervention will provide sufficient quantities of an approved veterinary medicinal or other products against Varroa.

All the above components are aimed to provide effective support to identified priority animal disease surveillance, control and eradication. They complement and follow on the previous

and ongoing EU-funded animal disease eradication programmes.

Type of contract and type of procurement

Supply contract

Overall indicative amount

EUR 1 000 000

Indicative number of contracts envisaged

2-3 supply contracts

Indicative timeframe for launching the procurement procedure

3Q2021

Implementation

The action will be implemented directly by the Commission.

1.3.5. EU Info-point: providing information about EU policies (Objective 4 of the Aid Regulation)

Subject matter of the contract envisaged

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

Since its inception until the end of 2020, the EU Info-point has continuously provided EU-related policy information to thousands of people via events, website, social media and media in Turkish with 18 170 (online and physical) participants in 75 events and online activities, more than 20 249 Facebook followers, and 149 instances of local media coverage. The current allocation of about EUR 1.9 million was provided under the 2018 programme and covers the period from January 2020 until December 2022.

Maintaining the EU Info-point project remains vital as there is a great demand for information about the EU and the Aid Programme for the TCc, which has a positive impact on the lives of

Turkish Cypriots. To ensure a smooth continuation of the Info-point project, a fresh allocation in the 2021 programme is required.

Type of contract and type of procurement

Service contract

Overall indicative amount

EUR 1 900 000 (for a 36-month period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

1Q2022

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, and supplementary interventions. Depending on further progress made by the beneficiary, the latter may involve, amongst others, the works and supplies related to the establishment of slaughterhouses, support for animal waste disposal, and IT equipment to

increase the effectiveness of veterinary controls. The Facility may also finance an Integrated Urban Mobility study for a reunified Nicosia; such study will investigate the best and most sustainable mobility options for a reunified city, taking into consideration the existing services and infrastructure in both communities.

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

Type of contract and type of procurement

Works/supply/service contracts

Overall indicative amount

EUR 4 305 061.81

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

4Q2021 to 4Q2022

1.4. Actions implemented through indirect management

The objectives of the Aid Regulation, which are implemented through indirect management in the Action Programme 2021, 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);*
- *Reconciliation, confidence-building measures, and support to civil society (Objective 3 of the Aid Regulation);*

- *Bringing the Turkish Cypriot community closer to the European Union through inter alia information on the EU political and legal order, promotion of people to people contacts and Community scholarships (Objective 4 of the Aid Regulation).*

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

Amount

EUR 800 000 (for a 6-year period of implementation)

Implementing entity

<p>UNDP (United Nations Development Programme) according to Article 62(1)(c) of the Financial Regulation.</p>
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The UNDP is a well-established partner in Cyprus, with a proven track record and a solid on-the-ground expertise in implementing major infrastructure projects. The 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 Turkish Cypriot community.

The 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 the 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.

The 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 the UNDP involvement all the more pertinent.

The Commission has signed a Financial and Administrative Framework Agreement (FAFA)

with the UN for use of the Contribution Agreement form of contract.

Overall objective and purpose of the action

Investments in the local infrastructure (and 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 2006-2020, 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 recycling facilities (green/bio-waste, packaging, and construction/ demolition), waste transfer stations and waste collection equipment, dump site closure and rehabilitation, renewable energy and energy efficiency measures, and emergency support to the TCc.

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) Friendly energy systems in Lefka local community

With the renovation of three local community buildings utilised for social events, the project aims to greatly reduce energy consumption, water losses and maintenance costs. The scope of the project includes the application of energy efficient cladding, replacement of windows and doors, installation of energy efficient air conditioning systems and a grid connected photovoltaic system, and replacement of dated inefficient water pumps, motors and water tanks. The project is expected to result in savings to the local community of up to 80% in electricity consumption, 80% in water leakages and 60% in maintenance costs.

(2) Replacing existing wastewater pumps with smart pumps for energy efficiency in Kyrenia local community

The project aims to replace a number of dated conventional pumping stations with “smart” technology equipment and to install a SCADA system enabling remote monitoring. This is to lead to significant energy savings, providing safer working conditions, achieving more

effective pumping, and the ability to identify defects and alerts in order to intervene and resolve problems pro-actively (minimising system failures and potential overflows to the environment). The project is furthermore in line with EU relevant standards.

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

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 – Improving the food safety standards through support to food business operators and dairy farmers (Objective 2 of the Aid Regulation)

Amount

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

Implementing entity

This action may be implemented in indirect management according to Article 62(1)(c) of the Financial Regulation with an entity which will be selected by the Commission’s services using the following criteria:

- Presence on the ground;
- Previous experience in the subject field;
- Good working relations with a variety of partners and stakeholders as required by the action;
- Demonstrated ability to deliver work in a politically sensitive environment; and
- Financial and operational capacities of the entity.

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.

Overall objective and purpose of the action

Being the largest and most important economic area in the TCc, agriculture has been a priority both for the Turkish Cypriot beneficiary and the Commission since the inception of the Aid Programme. Numerous EU interventions in the form of grants, services and supplies have been implemented to help Turkish Cypriot farmers and food operators to improve the conditions along the food production chain (in particular dairy value chain) for the implementation of EU standards. However, the improvement of the situation is sluggish. Food safety standards remain underdeveloped or poorly implemented by the local actors, which negatively affects their performance and competitiveness.

The current intervention is designed to complement the EU-funded technical assistance on food safety and crisis preparedness (FSCP) initiated in 2021. It shall contribute to implementation of action plans (APs) by dairy food businesses and farmers, who will take part in the “milk-channelling scheme” delivered by the FSCP, for improvement of structural, operational and hygiene conditions in their establishments.

The initiative is a logical and complementary next step to ensure a maximum outcome of the FSCP project. FSCP will bring significant and widespread know-how, tools, best practices and experience from EU member states to Turkish Cypriot stakeholders on the implementation of EU food safety standards. It will in particular help on Halloumi/Hellim requirements and establishment of the so-called “milk channelling system” allowing the milk from “compliant” farms to be processed in “compliant” establishments.

The beneficiaries will be trained and technically supported by FSCP on the establishment of own checks and documentation on the implementation of measures to mitigate food safety risks. The APs will thus be prepared by FSCP and ready to be implemented under the new intervention.

The project will specifically help food businesses and farmers who will be willing to invest in improvement of their production practices, but need additional support to be able to fully implement the required structural and operational changes along their production processes, so that they can fully meet EU food safety and hygiene standards. Capacity will be built and assistance provided to Halloumi/Hellim producers on how to effectively implement EU food safety requirements in the chain of production of Halloumi/Hellim.

The action will bring the long desired change/motivation for further improvement in the dairy production field and make it more competitive and sustainable.

The support will be delivered through manifold modalities (e.g. advice/technical assistance, grants/supply, financial support) and shall cover:

- structural upgrade in the food establishments, farms, or similar (including upgrade of milk production or processing lines to contribute channelling milk from farms fulfilling the requirements to the “approved” dairy processing establishments);

- implementation of Halloumi/Hellim animal and public health standards and PDO requirements;
- procurement of equipment (e.g. for milk transportation, testing).

Expected results:

- Structurally improved establishments, production processes and farms enabled to apply the required risk reduction measures;
- Fully implemented Action Plans for improvements by approx. 30-50 dairy producers;
- At least 5 Halloumi/Hellim producers “certified” as implementing EU requirements for trade of dairy products, in particular those applicable to Halloumi/Hellim;
- Improved indicators of hygiene of raw milk.

1.4.3. 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

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

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

The UNDP has considerable expertise on the CMP. Up to and including 2020, allocations were made for 12 Delegation Agreements (DAs) with the UNDP. The UNDP has a good track record in the implementation of these DAs and has built up a high level of efficiency, considering the particular circumstances of the project implementation. Contributions to the CMP have yielded results over the last years, with 25 identifications of remains for the year 2020 and reaching a total of 994 remains identified so far (December 2020 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 2021 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 the UNDP will all be implementation activities including: procurement, payments, project management, monitoring and ensuring visibility.

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

Expected results:

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

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

The budget allocated to the CMP is to a great extent dedicated to the core of its bi-communalism: it finances part of the salaries of young Greek 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, 46% of the funds are devoted to the exhumation of remains of missing persons (excavation, exhumation and transfer of remains), 22% for anthropological analyses (associating individual bones with larger skeletal remains, estimating gender, age and looking for particular identifying features), and 32% for the genetic identification of remains (including DNA extraction and analysis). The remaining funds cover the identification of location of excavation sites, investigations, and review of

archives.

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

Amount

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

Implementing entity

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

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

The UNDP has considerable expertise on cultural heritage protection in Cyprus. Up to and including 2020, allocations have been made for 7 Contribution Agreements (CAs) with the UNDP for providing support to the preservation of cultural heritage. The UNDP has a good track record in the implementation of these CAs and has built up a high level of efficiency considering the particular circumstances. Contributions to the TCCH have yielded great results since 2012, with an impact on 79 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 organized for each site intervention and the press coverage has been positive overall, generating increased programme visibility.

Overall objective and purpose of the action

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

The bi-communal TCCH created a platform for work on the protection of the rich and varied cultural heritage island-wide. The Committee is composed of an equal number of Greek

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

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

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

The EU will continue to support the TCCH: the 2021 programme includes a continued allocation for the TCCH, considering the remarkable success in implementation of this project, its high appreciation by the local communities, and its significant reconciliation dimension. This allocation is to cover a nominal 2-year period of implementation.

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

Expected results:

- Completed conservation designs for at least 10 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 4 capacity-building and community-involvement events implemented; and
- Increased awareness amongst the general public and respect for the heritage sites of both communities in Cyprus.

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

Amount

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

Implementing entity

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

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

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

Overall objective and purpose of the action

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

The facility supports the work of the Technical Committees, established by the two leaders in the context of the talks, to improve the everyday lives of Cypriots, through encouraging and facilitating greater interaction and understanding between the two communities. This effort seeks to enable cooperation and to build confidence with a view to contributing to a future reunification of the island. In consultation with the relevant stakeholders, including the UN, this facility contributes to this aim through the provision of capacity-building and project-enabling support to the Technical Committees. Beyond the above, the facility is available for assisting the Technical Committees in carrying out their activities on a substantiated request basis and as needs arise.

Depending on the interest of the Technical Committees, the facility may also operate and fund activities in the interest of the Technical Committees but outside their control, in those cases

that the Commission and the UNDP will deem necessary.

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

Expected results:

- The Technical Committees enabled to adopt island-wide and intercommunal solutions for issues of common concern and to implement these in a strategic manner;
- Strengthened capacity of the Technical Committees as effective inter-communal mechanisms for identifying, planning and implementing projects/initiatives that foster mutual understanding and cooperation;
- Enhanced visibility of the impact of the work and successes of the Technical Committees through public outreach campaigns, including press releases, social media, awareness-raising, and other audio-visual and written communication products.

1.4.6. *Scholarship programme for bringing the Turkish Cypriot community closer to the Union (Objective 4 of the Aid Regulation)*

Amount

EUR 5 000 000 (for a 2-year period of implementation)

Implementing entity

This action will be implemented in indirect management according to Article 62(1)(c) of the Financial Regulation with an entity which will be selected by the Commission's services using the following criteria:

- Presence on the ground;
- Previous experience in the subject field;
- Good working relations with a variety of partners and stakeholders as required by the action;
- Demonstrated capacity to deliver work in a politically sensitive environment; and
- Financial and operational capacities of the entity.

Overall objective and purpose of the action

With a consistently strong level of appreciation, one of the ever-present features of the Aid Programme is the scheme awarding scholarships for university study or professional programmes elsewhere in the EU. These scholarships both provide experience and a route to qualifications abroad and contribute to a positive image of the EU among Turkish Cypriots.

The Scholarship Programme is addressed to individual beneficiaries and not to "universities" as such. The programme is conceived as a "sending programme", which means that studies of EU citizens at "universities" in the Turkish Cypriot community are not covered. Applicants must have proven sufficient knowledge of the language in which the studies in another EU Member State are being offered. Applicants are free to apply for any course or placement that supports the overall aims of the Aid Regulation.

The Scholarship Programme, by its nature, involves small grants to a large number of beneficiaries. Since 2007, 14 annual grant schemes have delivered nearly 1 700 awards for study in EU places of learning. There is always a considerable interest in these scholarship grants and the demand for places significantly outstrips supply (in the year 2020-2021 there were 632 applications and 127 awards). The application process has been consistently refined since 2007.

The grant categories covered are: (i) 1 academic year in an undergraduate programme of study; (ii) 1 academic year of post-graduate study (Master, PhD, Post-doctoral); (iii) short-term programmes of 2 to 6 month's duration for study, academic research or professional courses; and (iv) training programmes of 2 to 6 month's duration, including language studies.

Given its enormous success and the need to offer equal chances to Turkish Cypriot youth for personal development and education, as well as exposure to European values and culture, the EU will continue to support the Scholarship Programme. The 2021 programme includes an allocation to cover 2 academic years (2023-2024 and 2024-2025) and to award scholarships to around 300 Turkish Cypriot students, graduates and professionals.

Expected results:

- Level of technical/professional skills raised;
- Better targeted needs/gaps within the TCc ;
- Positive impact on job interview performance;
- Improved understanding by TCs of the EU;
- TC contacts established with other EU citizens; and
- Improved knowledge of EU languages by beneficiaries.

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> <i>Capacity building for environment</i>	2 600 000		800 000	3 400 000	11
Objective 2: Promotion of social and economic development <i>Increasing the efficiency of agricultural production</i> <i>Improving the food safety standards</i> <i>CY AIRVET Management System</i> <i>Continues support to animal disease eradication</i>	1 300 000 3 200 000 1 000 000		2 000 000	7 500 000	25
Objective 3: Reconciliation, confidence building, and civil society <i>Support to CMP</i> <i>Support to cultural heritage</i> <i>Support to civil society</i> <i>Facility for the bi-communal Technical Committees</i>		2 500 000	2 600 000 2 500 000 1 000 000	8 600 000	28
Objective 4: Bringing the TCc closer to the EU <i>EU Info-point</i> <i>EU Scholarships</i>	1 900 000		5 000 000	6 900 000	22
Support and Settlement Facility	4 305 061 .81			4 305 061 .81	14
TOTAL	14 305 061 .81	2 500 000	13 900 000	30 705 061 .81	100

1.6. Assumptions and accompanying actions

There are several specific issues that must be resolved and agreed by relevant Turkish Cypriot community stakeholders before the 2021 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 Turkish Cypriot community 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 agriculture, food safety and veterinary, and education will require particularly committed and continuous involvement of the beneficiary and fulfilment of responsibilities by all involved actors;
- The development of Cyprus Animal Identification, Registration and Veterinary Information Management System requires 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;
- It is assumed that monuments renovated in the Turkish Cypriot community are subsequently maintained and accessible to the public, and returned to proper use;
- It is assumed that Technical Committees will continue to meet regularly and keep up their efforts to bring contributions to reunification;
- It is assumed that grant applications of sufficient quality will be generated by civil society organisations.
- It is assumed that all human rights will be respected during the implementation.

Objective 4: Bringing the TCc closer to the EU

- It is assumed that high interest amongst the public in the activities of the EU Info-point will be maintained;
- It is assumed that high interest in studying and upgrading qualifications at EU Member States' academic institutions will be maintained amongst Turkish Cypriots and that applications of sufficient quality with required profiles will be submitted.

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

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

DIRECT MANAGEMENT:

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

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

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

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

INDIRECT MANAGEMENT:

Part of this programme shall be implemented by indirect management with entrusted entities other than the beneficiary in accordance with Article 62(1)(c) and Article 154 of the Financial Regulation.

The general rules for procurement and grant award procedures shall 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 Council Regulation 389/2006 shall be subject to ex ante evaluations, as well as interim and/or, ex post evaluations. The results of evaluations shall be taken into account in the programming and implementation cycle. The Commission may also carry out strategic evaluations.

1.8. *Special conditions*

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

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

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