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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.

Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 , and in particular Article 110 thereof.

Work Programme for 2020 (Part II):

Beneficiary	Turkish Cypriot community
CRIS/ABAC Commitment references	TCC/2020/042-935, SCR.DEC.042935.02
Total cost	EUR 31 620 575
Union contribution	EUR 31 620 575
Budget line	13 07 01
Management Modes/ Entrusted Entities	Direct management by the European Commission Indirect management by entrusted entities: - United Nations Development Programme - Northern Ireland Co-operation Overseas - Goethe-Institut
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 2020 Annual Action Programme (Part II) 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 2019, approximately EUR 555 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 (Part II) contains the actions to be financed and the budget breakdown for the year 2020 as follows:

- for grants implemented under direct management (1.2): EUR 2 700 000
- for procurement implemented under direct management (1.3): EUR 7 377 193 .73
- for actions implemented under indirect management modes (1.4): EUR 21 543 381 .30

in accordance with the implementation modalities and general rules for procurement and grant award procedures and with EU restrictive measures (1.7).

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. In this event, assistance of a different form will be required. Council Regulation No 1311/2013, laying down the Multi-Annual Framework 2014-2020, allows for its own revision¹ and Article 11 of Council Regulation (EC) No 389/2006² allows for any necessary adaptations in this context.

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

The Action Programme for the year 2020 has been split in two parts. A separate financing decision (Part I) is to ensure the timely contribution for emergency economic support to micro-businesses following the COVID-19 pandemic and the availability of fresh credits for the TAIEX instrument.

The programme choices for the 2020 programme (Part II) 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 2020 programme (Part II) provides a streamlined and compact set of actions, with 13 major project components and a

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

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

needed degree of flexibility. The package includes a complementary emergency economic support following the COVID-19 pandemic.

The 2020 programme (Part II) takes into account input received from Turkish Cypriot stakeholders and from relevant evaluations and needs' assessments conducted prior to the programming exercise. The views of the authorities of the Republic of Cyprus were also taken into consideration. In addition, the programme choices consider the findings of the works of the bi-communal Ad Hoc Committee on EU Preparation, within the framework of the settlement talks.

Objective 1: development and restructuring of infrastructure

Development and restructuring of infrastructure has been the major component of the Aid Programme, with more than a third of total resources allocated to this objective from 2006 to the end of 2019. Investments in the local infrastructure have been financed in the sectors of environment, water and wastewater, architectural restorations, recreational areas, and other social infrastructure, such as local community facilities.

The 2020 programme (Part II) will continue supporting this type of infrastructure projects through the Local Infrastructure Facility (LIF), as introduced in the 2017 programme and further supported in the 2018 and 2019 programmes. These investments, comprising both actual infrastructure works and works supervision, will be channelled in indirect management through the UNDP, which is a well-established partner with a proven track record and solid on-the-ground expertise in implementing major infrastructure projects. The UNDP is also the most suited partner for cooperation on infrastructure projects of bi-communal dimension.

The total value of infrastructure investments planned under the 2020 programme amounts to EUR 6 028 381 .27. As there is no up-front allocation provided for individual projects at this stage, the 2020 programme includes an indicative list of likely interventions with the planned environmental and social impact. The funding will also include preparatory actions, especially in the waste/circular economy sector. Part of the allocation may be used for covering possible funding gaps related to already approved indicative projects under LIF.

Finally, the infrastructure investments will support allocation of the 700 MHz frequency band for broadband wireless services, most notably 5G, in accordance with Decision (EU) 2017/899. Currently, some broadcasting activities in this band of the spectrum remain analogue in the TCc and special supplies of EUR 2 361 229 .67 are necessary to vacate this frequency band. Given its impact, the action should overall improve telecommunications services in the island of Cyprus.

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 the local economy and boost innovative entrepreneurship, continue providing farm advisory services and support to grant beneficiaries, help improve statistics, and support special needs education and lifelong learning.

The Turkish Cypriot community has been hard hit by the economic crisis following the COVID-19 pandemic. Businesses face a particular challenge of maintaining their operations and paying their staff. EU financial assistance is necessary to help avoid a deep and protracted socio-economic crisis, which could negatively affect the prospects of settlement. The 2020 programme (Part II) will therefore support creating growth and jobs through energy efficiency investments and tailored grants to small and medium-sized businesses.

The second action will target small and medium-sized companies to help “kick-start” the economy and save businesses from being forced to close. This intervention will have a total value of over EUR 7 200 000 and be implemented under indirect management with Northern Ireland Co-operation Overseas (NI-CO). The contribution from this 2020 programme (Part II) will be EUR 4 218 596 and the remaining funds will be allocated through the amended 2017 and 2018 programmes. In parallel, NI-CO will implement another grant scheme for the most affected micro-businesses, with EUR 3 000 000 under Part I of the 2020 programme.

At the same time, fresh funding is provided for Phase II of the “Innovative Entrepreneurship and Dialogue” action successfully implemented by NI-CO thus far, with a 2-year extension of current activities and new project components aimed at boosting entrepreneurship in the TCc. The latter includes, *inter alia*, a micro-finance scheme and one-stop-shop implementation. The total budget for this action is EUR 3 430 000, jointly covered by this Part II of the 2020 programme (EUR 1 196 404) and the amended 2019 programme (EUR 2 233 596).

In the field of rural development, a technical assistance contract on Farm Advisory Services (FAS) provides support for developing activities in the field of agriculture, taking into account EU standards and adopting good farming practices. This support needs to continue in order to implement the FAS strategy, support Rural Development IV grant beneficiaries in applying improved agricultural practices, and design and deliver a tailored training programme to build a local expert capacity (EUR 1 199 000).

Grant support remains an essential element of the Aid Programme and a dedicated technical assistance helps the Commission with monitoring the implementation of grant schemes, while also assisting grant beneficiaries in line with EU rules, including for secondary procurement. The Grant Support Team (GST) will continue its activities for two more years with an amount of EUR 1 199 900.

Improved statistics is essential for undertaking effective reforms and helping settlement preparations. To this end, the Commission has been supporting the production of reliable and objective statistics through the TAIEX instrument since 2007. Much progress has been made, and a follow-on action is timely and needed to further support statistics operations through technical assistance and supplies to upgrade the IT infrastructure (EUR 851 635).

Improving education and enhancing training opportunities are critical factors for the social and economic development of the TCc. The 2020 programme (Part II) will build on past and ongoing EU funded actions and support improving special needs education and enhancing training opportunities (EUR 514 800). The above actions will ensure a holistic approach in supporting schools and financing vocational training and lifelong learning programmes, thus contributing to inclusive economic growth in the TCc.

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* the support for the opening of new Green Line crossing points. Also, the Commission played an active role in facilitating the recent technical solution for interoperability of mobile phones across the island, thus bringing all Cypriots closer together.

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 2020 programme (Part II). 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 2020 programme (Part II), which will allow the CMP to continue its activities until end-2021. In this way, the total EU contribution to the work of the CMP in the period 2006-2020 will reach about EUR 28 000 000, which amounts to 75% of the overall funding provided to the CMP during those years. 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 1 217 sets of remains, of which 969 were genetically identified (end-2019 figures).

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

Confidence-building measures will be complemented by the 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 first edition, with an increased number of scholars and locations for the International Baccalaureate years 2021-2023 and 2022-2024. The action of EUR 2 000 000 aims at educating future civic leaders from both communities.

Support for civil society will be reinforced through an action of EUR 700 000 to be implemented by the Human Rights Platform. It will focus, *inter alia*, on monitoring and documenting human rights issues, increasing the collaboration between Greek Cypriot and Turkish Cypriot rights-based CSOs and public awareness on human rights issues.

Objective 4: bringing the Turkish Cypriot community closer to the Union

The Info-point office carries out a range of communication and visibility functions related to EU policies and actions in support of the TCc. Existing funding is sufficient until 2022.

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 more than 1 800 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 2020 programme (Part II) includes an allocation of EUR 5 000 000 to cover two academic years, 2025-2026 and 2026-2027, 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. This action will be implemented under indirect management by Goethe-Institut.

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

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

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

The replenishment of funds with EUR 2 000 000 is planned under Part I of the 2020 programme. This will ensure continuity of operations for two more years until 2022.

Support and Settlement Facility

The 2020 programme includes also a Support and Settlement Facility (EUR 1 250 629 .06) 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, and highly relevant preparatory work for future-but-not-yet-mature interventions. Support interventions may be necessary at short notice in any of the objectives covered by the Aid Programme and the availability of resources for this purpose is essential. Given the nature of these initiatives, they cannot be clearly identified at this programming stage.

1.2. Grants

The objective of the Aid Regulation, which is implemented through grants in the Action Programme 2020, is the following:

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

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

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

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

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

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

Description of the activities to be funded

After the success of the first pilot bi-communal scholarship programme for the years 2020-2022, a need to renew and reinforce the scholarship programme came from the Communities. The aim is to select and enrol two rounds of ten high-potential scholars from Cyprus to jointly attend the United World College (UWC) in Bosnia and Herzegovina, Italy, Germany and the Netherlands for International Baccalaureate years 2021-2023 and 2022-2024. The ten will comprise five Greek Cypriots and five Turkish Cypriots for each term.

The programme aims at educating future civic leaders from both communities and at creating an alumni network to ensure sustained contacts between the ex-scholars, including those of all past bi-communal scholarships. In addition, the new grant should include the development of short courses twice a year in Cyprus and an online UWC platform.

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, independent of the scholars' socio-economic background. Student selections run by UWC are renowned for their thoroughness and unique approach to identifying talented and aspiring young leaders based on their potential and aptitudes. The Commission takes part in the UWC Cyprus selection committees.

Essential eligibility, selection and award criteria

Direct award

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

- Name of the beneficiary: UWC Movement.

Justification for the use of an exception to calls for proposals: In line with Article 195(f) of the Financial Regulation (Regulation (EU) No 2018/1046), 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.

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

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

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

Implementation

Grant awarded without a call for proposals

Indicative timetable and indicative amount of the call for proposals

Reference	Date	Amount
Bi-communal scholarship programme for Cyprus	4Q2020	EUR 2 000 000

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. 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]

[1] Support for civil society and promotion of human rights;

[2] Strengthen civil society in the Turkish Cypriot community 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;

[3] Strengthened civil society organisations (CSOs) networks in the TCc; enhanced engagement of CSOs and citizens in policy dialogue in the TCc; enhanced cooperation between CSOs from Cyprus through bi-communal joint actions or links.

Description of the activities to be funded

In the TCc, different civil society organisations (CSOs) have worked on specific subjects in the field of human rights, related to the organisation's specific expertise resulting in work being carried on in a somewhat ad-hoc manner. Since April 2019 and the set-up of a formal anti-trafficking platform (via an EU funded grant), these CSOs have started cooperating and working together on fighting trafficking in human beings. As this cooperation has been working well, the members of the anti-trafficking platform thought of extending the issues addressed by the anti-trafficking platform to other human rights on which they have expertise (refugees, LGBTI+ rights, detention conditions and freedom from torture, justice, and freedom of association and expression). Several of the associations participating in the platform are also currently implementing grant projects aiming at reinforcing their capacities.

The Human Rights Platform will follow the rights-based approach to development and include

a capacity building component for civil society and more broadly. The grant to the platform will enable it to monitor and report, with reference to both local and international human rights standards. The Platform will provide assistance as appropriate.

The Human Rights Platform will: annually monitor and document human rights issues; increase the collaboration between Greek Cypriot and Turkish Cypriot rights-based CSOs on human rights awareness, protection, promotion and advocacy; and increase awareness of the public on human rights issues. The Human Rights Platform will start right after the current EU support to the anti-trafficking platform ends.

Essential eligibility, selection and award criteria

Direct award

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

- Name of the beneficiary: Human Rights Platform.

Justification for the use of an exception to calls for proposals: In line with Article 195(f) of the Financial Regulation (Regulation (EU) No 2018/1046), a direct award of grant is provided for. The Human Rights Platform is the only one of its kind in the Turkish Cypriot community. By raising awareness on and promoting human rights, it will bring the TCc closer to EU standards on human rights.

The Platform is bringing together the most active human rights-based CSOs on the issues it will address (anti-trafficking, refugees, LGBTI+ rights, detention conditions and freedom from torture, justice, freedom of association and expression). These CSOs have signed memoranda of understanding and are already successfully working together in the platform fighting trafficking in human beings in the TCc (EU funded grant which will be completed in April 2021). They are also already working together with Greek Cypriot CSOs, EU CSOs and CSO networks and international organisations.

Preliminary analysis shows that there is no other institution or organisation that is addressing all the above mentioned issues in the TCc.

- 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	1Q2021	EUR 700 000

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 2020, 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);*

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. Transition to digital broadcasting and freeing the 700 MHz frequency band (Objective 1 of the Aid Regulation)

Subject matter of the contract envisaged

The 700 MHz frequency band is currently used for terrestrial television broadcasting. In recent years, the EU has been witnessing significant growth in the demand for wireless broadband services, putting pressure on existing networks' capacity and on demand for additional spectrum. According to Decision (EU) 2017/899, Member States shall allow the use of the 700 MHz frequency band for providing wireless broadband services. In Cyprus, such an assignment will not effectively take place if television broadcasting activities are not stopped in both the Greek Cypriot and the Turkish Cypriot communities.

At present, some broadcasting activities in the TCc remain analogue and happen in this band of the spectrum. In order to vacate the frequency band, the TCc would need to procure special supplies and equipment. Technical alternatives have been looked at by the local body in charge of organising telecommunications and the bi-communal Technical Committee on Telecommunications and Radio Frequency Broadcasting.

The envisaged solution by the TCc consists of renewed and suitable (i) transmission, (ii) power, and (iii) headend units to be deployed in the central transmission site in Nicosia and in two remote transmission facilities. The envisaged contract will procure the needed supplies, including installation and training of the personnel, to ensure an efficient spectrum allocation in the entire island of Cyprus.

The main outcomes for this action are the following:

- Removal of all television broadcasting activities in the 700 MHz frequency band.
- Improved telecommunications services in the island of Cyprus.
- Supported allocation of the 700 MHz frequency band for broadband wireless services, most notably 5G.

Type of contract and type of procurement

Supply contract

Overall indicative amount

EUR 2 361 229 .67

Indicative number of contracts envisaged

1-3 supply contract(s)

Indicative timeframe for launching the procurement procedure

4Q2021

Implementation

The action will be implemented directly by the Commission.

1.3.2. *Technical assistance on local farm advisory services (FAS) – Phase II (Objective 2 of the Aid Regulation)*

Subject matter of the contract(s) envisaged

The highest priority measures in the Rural Development Programme for the years 2014-2020 as developed by the TCc with EU support include measures to enhance knowledge transfer and to set up the Farm Advisory Services (FAS), as well as measures to facilitate farm and business development.

FAS services are fundamental for developing activities in the field of agriculture in the TCc, as well as for ensuring wider compliance with minimum agricultural and environmental standards and adopting good farming practices that preserve and protect the land and natural resources.

Continued support is required to support the farmers in smooth and efficient implementation of the Rural Development IV grant scheme. FAS services offered to beneficiaries will aim at introducing and/or applying new technology, techniques and practices in agriculture. This should increase the overall capacity in the field.

Additionally, assistance to farmers is further required for the implementation of the FAS strategy. The main activities will focus on assisting the relevant Turkish Cypriot stakeholders to maintain a strategic approach to local farm advisory services and implementing the strategy with the aim of extending the provision of services to a broader range of recipients covering all fields (e.g. crop and animal husbandry).

Finally, the FAS services will carry out a comprehensive training needs assessment, develop training modules, and deliver trainings. The latter will include a “train the trainers programme” to build a local expert capacity for ensuring long-term sustainability. In addition, support will be provided for establishment and operationalization of an agricultural rural development network.

Type of contract and type of procurement

Service contract

Overall indicative amount

EUR 1 199 000 (for a 2-year period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

1Q2021

Implementation

The action will be implemented directly by the Commission.

1.3.3. Technical assistance to grant beneficiaries through Grant Support Team (GST) – Phase 5 (Objective 2 of the Aid Regulation)

Subject matter of the contract(s) envisaged

Since 2008, a Project Management Unit (PMU) contracted by the Commission under a service contract funded by the Aid Programme has been providing services to the Commission. This support has specifically targeted potential and actual grant beneficiaries in the TCc for the implementation of Aid Programme funded grant schemes. The PMU has been renamed Grant Support Team (GST) in the currently running contract signed in December 2018 in order to more accurately describe its functions (not as a management unit, but as a support team).

GST activities are varied and cover the full project cycle, as follows:

(1) support to the Commission for: (i) informing the TCs about the open calls for proposals, related objectives, aims, and selection procedures; (ii) assessing grant applications and preparing contract documents; and (iii) monitoring the implementation of grant-funded actions

by TC grant beneficiaries;

(2) support to grant applicants and grant beneficiaries with a range of training activities;

(3) assistance to grant beneficiaries in the implementation of EU-funded grant actions, *inter alia*, in relation to i) sub-granting/secondary procurement of services, supplies or works; and ii) reporting to the Commission.

PMU/GST processes have been gradually refined and help give assurance to the Commission that the applicable procedural rules are followed by the grant beneficiaries. In view of the significant volume of work arising from the ongoing grant schemes, continuation of the GST work is of crucial importance.

Type of contract and type of procurement

Service contract

Overall indicative amount

EUR 1 199 900 (for a 2-year period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

1Q2021

Implementation

The action will be implemented directly by the Commission.

1.3.4. Improving the provision of statistical data (Objective 2 of the Aid Regulation)

Subject matter of the contract envisaged

The Commission has been providing support to the TCc through TAIEX on this matter since 2007. EU member state experts have shared the best practices and helped apply the EU standards, *inter alia*, in the areas of business statistics, business survey, population and social statistics, labour market statistics, statistical infrastructure, as well as production process, sampling, methodology, and quality.

In addition, a small-scale technical support was recently provided to assess the needs for producing reliable and objective statistics in the TCc. The assessment demonstrated that there

is a lack in operational capacity and that improved IT infrastructure is required.

The above contributed to designing a tailored intervention, with the following two pillars:

(1) A technical assistance component to be delivered by one of the EU statistics offices for a 2-year period of implementation. This action would focus on business statistics, specifically on business register and administrative data aiming to improve business delivery.

(2) A supply component to provide the required IT infrastructure for producing quality statistics. This would include the provision of necessary IT trainings on the use of the statistics software. The IT needs of the beneficiary have already been mapped.

Type of contract and type of procurement

Service and supply contracts

Indicative amount per contract

Service contract: EUR 299 579 (for a 2-year period of implementation)

Supply contract: EUR 552 056

Indicative number of contracts envisaged

1 service contract and 1 supply contract

Indicative timeframe for launching the procurement procedure

2Q2021

Implementation

The action will be implemented directly by the Commission.

1.3.5. Support for special needs education and lifelong learning (Objective 2 of the Aid Regulation)

Subject matter of the contract envisaged

Improving special needs education and enhancing training opportunities are fundamental factors for the social and economic development of the TCc. Since 2008, the Aid Programme has directly supported schools and financed vocational training and lifelong learning programmes in order to contribute to inclusive economic growth in the TCc. In particular, technical assistance funded by the Aid Programme, including provision through the World Bank, is supporting the TCc in improving the qualifications framework as well as in

developing and implementing a vocational education strategy, a lifelong learning strategy and an employment strategy, all of which are produced under previous actions funded by the EU.

One specific action was identified as priority in order to complement and follow on the above initiatives:

- *Technical Assistance for the Assessment and Development of Special Needs Education*

The technical assistance will focus on carrying out an assessment of the human resources, infrastructure capacity, and quality and efficiency of education for students with special needs. It will subsequently facilitate and identify priorities and a development plan for the special needs education. This support will prepare specific recommendations, in the form of Terms of References (ToR), for future EU support in the area of education for special needs, based on the assessment and in line with the priorities.

Type of contract and type of procurement

Framework contract

Indicative amount per contract

Framework contract for special needs education: EUR 514 800

Indicative number of contracts envisaged

1 framework 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, supplementary actions, highly relevant project preparatory actions, and small-scale supplies. Depending on further progress made by the beneficiary, the latter may involve, amongst others, the supply of customized software and hardware to facilitate market surveillance activities, the supply of specialised laboratory equipment to improve the local olive oil quality, and the necessary equipment for effective labour inspection activities to improve the occupational health and safety.

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 1 250 629 .06

Indicative number of contracts envisaged

5-10 works/supply/service contracts including framework contracts

Indicative timeframe for launching the procurement procedure

4Q2020 to 4Q2021

Implementation

The actions will be implemented directly by the Commission.

1.4. Actions implemented through indirect management

The objectives of the Aid Regulation, which are implemented through indirect management in the Action Programme 2020, 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).*

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

Amount

EUR 6 028 381 .27 (for a 6-year period of implementation)

Implementing entity

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

<p>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.</p>
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<p>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.</p>
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<p>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</p>

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

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

Overall objective and purpose of the action

Investments in the local infrastructure (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 2006-2019, more than EUR 190 million has been allocated to infrastructure development projects, backed up by technical assistance, in the areas of: Water (70%), Solid Waste (17%), Energy and Telecom (10%), and Nature protection (3%).

Infrastructure projects have been and will still be prioritised. High priority will be given to infrastructures 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 Turkish Cypriot community.

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 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.

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) Multicultural Day-care and Women Handcrafts Centre inclusive of Children's Playground

Establishment of a centre providing families with children affordable day care whilst also

assisting local household economies and providing a degree of independence to the women of the area. The assistance is expected to increase the interaction of different communities through parental and children.

(2) Kukla Wetlands Restoration

A primarily environmental and rural development project improving water management and prevention of floods in the region, ensuring also the protection of the wetlands through increasing environmental standards for wildlife. The assistance is expected to also contribute to improvement of the existing nature reserve and promotion of social activities while contributing to global conservation efforts.

(3) Child Welfare Project

Support for the establishment of a healthy and safe environment for child development and parent-child quality time, promoting parents and children from different cultures.

(4) Support for Project Maturation Studies

Assistance to bring conceptual projects through to maturity in terms of both economic and technical feasibility. This is envisaged via environmental mitigation and techno/economic feasibility studies, especially in the waste/circular economy sector.

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:

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

1.4.2. Innovative Entrepreneurship and Dialogue project – Phase II and Emergency SME support – Phase II (Objective 2 of the Aid Regulation)

Amount

EUR 5 415 000 (for a 2-year extension period and a 3-year implementation period respectively)

Implementing entity

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

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

Due to the very specific experiences made in Northern Ireland following the Good Friday agreement in 1998, NI-CO is in a unique position for the implementation of this project. Across a number of new Member States, NI-CO has successfully shared the Northern Ireland model to support social and economic growth and promote stability, growth and reconciliation. More specifically, NI-CO has been involved in setting-up the so-called "Innovation Factory" in Belfast: a bi-communal incubation hub, offering office space and shared facilities as well as access to (business) partners and other services needed by young companies with an ambition to grow.

Currently, NI-CO is successfully implementing Phase I of the project, with an overall budget of EUR 3 million and the aim to develop a more conducive entrepreneurship ecosystem and improved innovation culture in the TCc. Further allocations are planned under that contribution agreement to provide emergency support to micro-businesses following the COVID-19 pandemic.

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

Phase II of the project will continue to draw upon previous NI-CO experiences in the creation of social partnerships and innovative mechanisms to address economic issues through a bottom up and bi-communal approach. The emergency economic support for SMEs will benefit from good working relationships already established by NI-CO with business community in the TCc.

Overall objective and purpose of the action

- *Innovative Entrepreneurship and Dialogue project – Phase II (EUR 1 196 404)*

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

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

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

In addition to the extension of the current activities, Phase II of the project will also support the key identified measures for boosting entrepreneurship in the TCc, which are a micro-finance scheme, one-stop-shop implementation, and policy support including best practice visits.

- *Emergency SME support – Phase II (EUR 4 218 596)*

Within the overall objective of stimulating the economic development of the TCc following the COVID-19 pandemic, support will be provided to the tranche of small and medium-size companies with more than 5 and up to 250 employees, by provision of grants. This economic aid package is intended to be complementary to the EUR 3 million contribution in Part I of the

2020 programme, aimed at supporting micro-businesses. NI-CO has established a significant knowledge base and network for business support.

Any beneficiary will have to meet basic requirements including evidence of current operation in March 2020, as well as being Turkish Cypriot owned. There is an estimated number of approximately 300 businesses in this category. Assistance should be provided on the basis of a business plan. The initiative should be calibrated with other forms of assistance provided.

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

Expected results:

- A pre-incubation and co-working physical hub, which provides services to entrepreneurs, innovators and researchers is established in the walled city of Nicosia;
- Accelerator units and other initiatives supporting businesses in their growth stage and innovation process are set up;
- Dialogue on innovation and entrepreneurship is enhanced and a vision is developed;
- Capacities of different actors to foster entrepreneurship are increased;
- Opportunities for TC research and business community to collaborate with RISE are identified and realised;
- Awareness amongst young people about self-employment as career path is increased;
- A virtual space project connecting both communities is created and facilitated by way of a pilot project;
- Businesses enjoy easier access to finance and a more friendly business environment; and
- Small and medium-size enterprises are supported to restart their operations and maintain their staff levels after the lifting of COVID-19 related restrictions.

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

United Nations Development Programme (UNDP) 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 2019, allocations were made for 11 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 42 identifications of remains for the year 2019 and reaching a total of 974 remains identified so far (February 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 2020 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 the number of missing persons by locating and returning the remains of missing persons to their families; and
- Increased awareness and local capacities.

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

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

The costs are largely covered by the EU funds as well as by the funds of the two communities and other international donors. More specifically, 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 2019, allocations have been made for 7 Delegation 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 66 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 study³, 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.

³ EU-funded “Study on Cultural Heritage in the northern part of Cyprus” of 10 December 2010 (Contract ref.: 2009/229-236).

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 2020 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. *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

Goethe-Institut according to Article 62(1)(c) of the Financial Regulation.

On 6 October 2021, the European Commission countersigned a Financial Framework Partnership Agreement with Goethe-Institut, following the Pillar Assessment recognising the organisation as a strategic partner in the implementation of the general budget of the EU.

A first agreement for the Scholarship Programme has been concluded with Goethe-Institut to cover the academic years 2023-2024 and 2024-2025.

Goethe-Institut is an experienced partner in the area of education that is further building on the experience of the previous scholarship programmes implemented by the British Council, while introducing new elements bridging the skills gap in the TCc and enhancing the EU visibility.

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, fourteen annual grant schemes have delivered nearly 1 800 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 2020 programme (Part II) includes an allocation to cover 2 academic years (2025-2026 and 2026-2027) 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>Transition to digital broadcasting</i>	2 361 229 .67		6 028 381 .27	8 389 610 .94	26
Objective 2: Promotion of social and economic development <i>Innovative Entrepreneurship and Emergency SME support – Phase II</i> <i>Farm Advisory Services (FAS)</i> <i>Grant Support Team (GST)</i> <i>Improving the provision of statistical data</i> <i>Support for special needs education & lifelong learning</i>	1 199 000 1 199 900 851 635 514 800		5 415 000	9 180 335	29
Objective 3: Reconciliation and confidence building <i>Support to CMP</i> <i>Support to cultural heritage</i> <i>Support to civil society</i> <i>Bi-communal scholarship programme for Cyprus</i>		700 000 2 000 000	2 600 000 2 500 000	7 800 000	25
Objective 4: Bringing the TCc closer to the EU <i>EU Scholarships</i>			5 000 000	5 000 000	16
Support and Settlement Facility	1 250 629 .06			1 250 629 .06	4
TOTAL	7 377 193 .73	2 700 000	21 543 381 .30	31 620 575	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 2020 programme can be fully implemented:

Objective 1: Development and restructuring of infrastructure

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

Objective 2: Promotion of social and economic development

- The actions in the area of agriculture, economic support, statistics and education will require particularly committed and continuous involvement of the beneficiary and fulfilment of responsibilities by all involved actors;
- It is assumed that good cooperation with the World Bank and between the World Bank and the beneficiary will continue in order to further enhance the capacity of the TCc to address the identified constraints in the sectors of analysis and implement the necessary reforms.

Objective 3: Reconciliation and confidence building measures

- The bi-communal Technical Committee on Cultural Heritage will meet to provide clear guidance on preferred priorities agreed by the two communities;
- It is assumed that monuments renovated in the northern part of Cyprus are subsequently maintained and accessible to the public, and returned to use;
- 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.

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, and with respect to EU restrictive measures*

DIRECT MANAGEMENT:

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

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

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

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

INDIRECT MANAGEMENT:

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

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

EU RESTRICTIVE MEASURES:

The Commission ensures that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with European Union restrictive measures⁴.

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.

⁴ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website, it is the OJ version that prevails.

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.