

ANNEX: 2011 Aid Programme for Turkish Cypriot community

1. IDENTIFICATION

Beneficiary	Turkish Cypriot community
CRIS number	PHARE/2011/022-879
Legal basis	Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (Council Regulation (EC) N° 389/2006 of 27.02.06 ¹
Year	2011
Cost	EUR 26.5 million
Implementation	By the European Commission on a centralised basis under Article 53a of the Financial Regulation with the exception of projects 5 and 6 that will be implemented according to art 53 d of the Financial Regulation (joint management). After 1 Jan 2014, Indirect Management will be by UNDP under Article 58(1)(c).
Final dates for contracting	3 years following the date of the budgetary commitment with exception of contracts for audit and evaluation according to Art 166 (2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ²
Execution of contracts end date	6 years following the date of the budgetary commitment with the exeption of contrrts for audit and evaluation
Final date for programme completion/execution	9 years following the date of the budgetary commitment
Sector Code	11120, 15150, 32130, 43040, 16061, 15220, 43081, 91010
Budget line(s) concerned	22.02 07 03
Programming Task Manager	Chris Ingelbrecht, DG Enlargement (Unit D1)
Implementation Task Manager	Alessandra Viezzer, Ismo Ulvila DG Enlargement (Unit A3)

2a Overall description.

This Programme is a continuation of activities financed by the EUR 259 million Assistance Programme for the Turkish Cypriot community funded under the 2006 EU budget. In addition, the Budgetary Authorities granted an allocation of EUR 2.5 million in the 2009 and EUR 3 million in the 2010 EU budgets. The legal basis is Council Regulation 389/2006 establishing an instrument of financial support for encouraging the

¹ OJ L 65; 7.3.2006, p. 5.

² OJ L 248, of 16.9.2002, p.1.

economic development of the Turkish Cypriot community. The measures financed under this Regulation are of an exceptional and transitional nature.

Financial assistance for the Turkish Cypriot community focuses on the economic integration of the island and on improving contacts both between the two communities and with the European Union in order to facilitate the reunification of Cyprus. Under the 2011 programme, priority should be given, where possible, to reconciliation projects which create bridges between the two communities and build confidence. These measures underline the strong desire and commitment of the EU to a Cyprus settlement and reunification.

Under the 2011 Aid Programme the assistance is planned to be used in particular for:

- The promotion of social and economic development including restructuring, in particular concerning rural development, private sector development, human resources development and regional development;
- reconciliation, confidence building measures, and support to civil society;
- bringing the Turkish Cypriot community closer to the Union;
- the preparation of legal texts aligned with the EU law for the purpose of these being immediately applicable upon the entry into force of a comprehensive settlement of the Cyprus problem;
- preparations for the implementation of EU law in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession.

Assistance may also be used to cover the costs for supporting activities.

2.b Description of projects

Project 1: Support to innovation and change in schools.

This project aims at strengthening and developing human resources development policy in the Turkish Cypriot community through support to initiatives for innovation and change in pre-primary, primary and secondary schools and support to continuous vocational training. The major priorities under this project are:

- (1) To promote the development of modern teaching and learning methods and raise the capacity of educational practitioners;
- (2) To improve the overall management of the educational system and to encourage networking between educational stakeholders.
- (3) To promote joint projects between Turkish Cypriot and Greek Cypriot schools in order to foster reconciliation between the two communities.

The project is in line with the Europe 2020 Agenda. The project will be implemented through a grant scheme. The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. The maximum co-financing rate is 90%.

The indicative time-frame for launching the call for proposals: 2nd quarter of 2011 to enable projects to start at the beginning of the 2011/2012 school year.

Project 2: Support to civil society organisations.

The overall objective of this programme is to promote a conducive environment for the further development of trust, dialogue, co-operation and reconciliation between the Turkish Cypriot and Greek Cypriot communities as an important step towards a solution to the Cyprus problem. This particularly aims at strengthening the role of civil society in the Turkish Cypriot community and at contributing to partnerships between civil society organisations from both communities.

There are **two major priorities** under this project:

- (1) To support activities promoting reconciliation between Turkish Cypriot and Greek Cypriot communities through confidence building measures and bicomunal activities organised by the civil society organisations.
- (2) To continue to strengthen of civil society organisations and developm a culture of civil society in the Turkish Cypriot community, in particular by further building up the capacity of NGOs.

The project will be implemented primarily through a grant scheme. Some activities may be implemented directly by the Commission using the TAIEX instrument. The maximum co-financing rate is 80%. The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions.

The indicative time-frame for launching the call for proposals: 3rd quarter of 2011.

Project 3: Private Sector Development Programme.

The overall objective of this programme is to support the economic development of the Turkish Cypriot community through the implementation of a strategy to strengthen the private sector. The programme will be implemented in cooperation with the Chambers of Commerce and of Industry and other business representatives. This project will help the private sector in the Turkish Cypriot community to prepare for reunification and the consequent full application of EU law. In addition, the programme will lead to increased contacts between Turkish Cypriot and Greek Cypriot businesses.

There are three main **priorities** under this project:

- (1) To continue preparing the Turkish Cypriot private sector for compliance with the EU acquis in fields such as quality of products and services, environment protection, energy efficiency and renewable energy, health and safety at work, innovation and new technologies.
- (2) To strengthen the competitiveness of Turkish Cypriot small and medium-sized enterprises (SMEs), to promote the diversification of the local economy and the sustainable expansion of the private sector, via increased innovation and job creation in order to cope with competitive pressure after reunification.
- (3) To encourage cooperation between Turkish Cypriot and Greek Cypriot companies especially with regard to trade across the Green Line and marketing Turkish Cypriot products in the government-controlled areas.

The project will be implemented through one or more grant schemes and a service contract. The maximum grant rate will be set in line with the approach adopted for the EU structural funds. The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions.

The indicative time-frame for launching the call for proposals: 2nd quarter of 2011.

As a precondition for launching the call for proposals, a comprehensive private sector development strategy to support sustainable growth following reunification should have been put in place.

Project 4: Rural Sector Development Programme II.

Agriculture has historically played a major role in the economy of the northern part of Cyprus in both economic and social terms. Development of the agricultural and rural economy is a key contribution to economic development, in addition to being an area in which there is a substantial need to prepare for the future implementation of the *EU acquis*. This project builds upon and complements EU-funded projects for rural development and local communities financed by the 2006 Aid Programme for the Turkish Cypriot community currently under way. There are **two priorities** under this project. Adequate management support will be integrated into the priorities. The programme components are as follows:

(1) Village-based community development initiatives

EU policy in the field of rural development targets three priority areas – competitiveness, environment and quality of life - by encouraging the diversification of the rural economy while protecting the environment and promoting the sustainable use of resources. The specific objective is to create conditions for growth and ensure that rural areas remain attractive and viable places for future generations for the benefit of the two communities in Cyprus. This component focuses on local development actions borrowing from tools employed in the EU within the framework of the LEADER approach to rural development aimed at the widest possible participation and partnership at local level.

The projects funded will aim *inter alia* to:

- promote cultural and natural heritage;
- develop effective local solid waste and wastewater management systems;
- protect and develop natural sites and increase awareness of environmental issues;
- improve health, social and cultural services and facilities for youth, the elderly and the disabled, and;
- improve the professional capacity in the tourism, handicrafts, niche food and non-food production sectors.

(2) Support to rural private operators – Rural Development

The support provided by the 2006 Aid Programme (through grants to improve crop and horticultural production, upgrading of post-harvest technology and supporting rural tourism) will continue. A new measure to support the establishment of producer groups will be introduced.

Support to organic farming will be ensured through technical assistance including: training to farmers in basic principles of organic farming, including relevant legal framework, pest and weed control and marketing.; financing the certification fees and an individual advisory service for farmers.

This project will be implemented through two grant schemes and two service contracts (extension of two existing contracts through the negotiation procedure). One of them will be the prolongation of a fee-based service contract no 2008/162-998 "*Technical Assistance to Support the Implementation of the Rural Development Sector Programme*" for the Programme Management Unit (PMU), currently in place and expiring in September 2012. The extension of the duration is indicatively proposed for 16 additional months for an indicative amount of EUR 600,000. The second contract is no 2008/162-824 "*Technical Assistance on Crop Husbandry and Irrigation*" to be indicatively prolonged for 6 months for the projected amount of EUR 300 000. In both cases the activities would consist of repeating the services previously provided with some modifications to take into account lessons learnt from the previous stage of the project. The availability of a PMU and Crop Husbandry Team has proved to be indispensable not only to help the grant beneficiaries to meet their obligations and to assist the Contracting Authority with grants assessment, award and their subsequent monitoring, but also with a view to disseminate best practises among Turkish Cypriot, tjis is important from the perspective of the future reunification.

The maximum co-financing rate is 95%. The indicative amounts of calls are as follows: EUR 3.45 million for objective 1 and EUR 3.3 million for objective 2. The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. The indicative time-frame for launching the call for proposals: 2 nd quarter of 2011.

Project 5: Support for the cultural heritage monuments of great importance for the communities of Cyprus.

The *de facto* division of the island has impeded the development of common approaches and methodologies for managing cultural heritage in Cyprus. In 2008, the Advisers to the Cypriot Leaders of the two communities in Cyprus, agreed on the establishment of working groups and technical committees. One of them is the bi-communal Technical Committee for Cultural Heritage. It creates a platform for the joint work of both communities on the protection of the cultural heritage island-wide.

The project aims to finance the protection of cultural heritage monuments of great importance of both communities of Cyprus. While choosing the individual activities to be funded by this project, the Commission will be guided by the advice of this Committee operating under UN auspices as it shows the bi- communal commitment essential for the reconciliation aspects of the Programme. Activities to be funded may include full-fledged restoration projects as well as security measures, protecting and stabilising monuments against further damage.

The project will be implemented in joint management according to the art. 53d of the Financial Regulation.

For new commitment after 1 January 2014:
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The UNDP was selected for the implementation of the Reconciliation and Confidence Building project by Indirect Management because of its unique trusted, neutral role and facilitator of the settlement process. The UNDP has considerable and current expertise of both the CMP and the cultural heritage protection role in Cyprus.

The entrusted entity is currently undergoing the ex-ante assessment in accordance with Article 61(1) of the Financial Regulation. In anticipation of the results of this review, the responsible authorising officer deems that, based on a preliminary evaluation and on the long-standing and problem-free co-operation with this entity, it can be entrusted with budget implementation tasks under indirect management.

Project 6: Contribution to the Committee on Missing Persons.

The Committee on Missing Persons' (CMP) mandate is to establish the fate of those persons declared missing by both communities as a consequence of the tragic events of 1963-64 and 1974. The Committee does not attempt to establish the cause of death or attribute responsibility for the death of missing persons. The purpose of the project is to support the CMP efforts to resolve the issue of missing persons and to bring a sense of closure to their families. The CMP Campaign aims at closing a painful chapter in the history of the island and at contributing to the process of reconciliation between the two communities. The latter will be further encouraged by the participation of bi-communal scientific teams at all stages of the process.

The project will be implemented in joint management according to the art. 53d of the Financial Regulation.

Project 7: Technical assistance to prepare for the future implementation of the *acquis* through the TAIEX instrument.

The objectives of the project are:

- (1) To provide assistance in the preparation of legal texts aligned with the EU *acquis* to be immediately applicable upon the entry into force of a comprehensive settlement of the Cyprus problem;
- (2) To prepare for the implementation of the EU *acquis* in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession;
- (3) To provide continued support for the implementation of Council Regulation 866/2004³ (the Green Line Regulation) and Commission Regulation 1480/2004⁴, thereby supporting the economic integration of the island.

The TAIEX instrument will be used to achieve these objectives. TAIEX activities include: seminars and conferences; workshops; expert missions; study visits to EU

³ Council Regulation (EC) N°886/2004 of 29 April 2004 on a regime under Article 2 of Protocol 10 to the Act of Accession

⁴ Commission Regulation N°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 Cyprus in the areas in which the Government exercises effective control

Member States; mobilisation of longer-term experts; provision of tools and information products for, among others, translation and interpretation activities; and co-ordination and monitoring, in close co-operation with Member States and Commission services. By increasing Turkish Cypriot awareness and understanding of EU law, technical assistance delivered through the TAIEX instrument will help lay the foundations for future cooperation between both communities on the island. In the context of a comprehensive settlement, it could be envisaged that the TAIEX instrument and the Programme for the Future Application of the Acquis (PFAA) provide a framework for facilitating direct technical exchanges between Greek Cypriot experts and Turkish Cypriot counterparts.

The significant majority of the project will be implemented through the existing contract with the TAIEX external service provider. Indicatively, five specific contracts under framework contract(s) are also foreseen to cover any expertise which cannot be provided through the public sector. The launch for any such requests for services would be anticipated in the second half of 2011.

It is also foreseen that the TAIEX instrument could be used to support the implementation of elements under other projects listed in section 2 (such as the organisation of conferences).

Project 8: Technical Assistance Facility.

Technical assistance is needed to support the implementation of the Aid programme. There will be two main components: support to the InfoPoint activities and technical assistance support to the European Commission for the management of the programme. In line with Article 4(3) of Council Regulation n°389/2006 "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 as well as costs for supporting staff, renting of premises and supply of equipment".

Component 8.1 Support to the InfoPoint.

The InfoPoint, in cooperation with the Representation of the European Commission, will inform the Turkish Cypriot community about the EU's political and legal order in particular the implementation of the Aid Programme. With InfoPoint support, the Programme Team will organise seminars, conferences, workshops and visibility events for the benefit of the Turkish Cypriot community. The InfoPoint will prepare and disseminate information and promotional materials about the European Union in the Turkish language. It is planned that this component will be implemented through one service contract.

Component 8.2 Support to the implementation of the Programme.

This component will cover:

1. Office management logistics: the EU Programme Support Office located in the northern part of Cyprus was set up in 2006 to facilitate contacts with the beneficiary community, with a view to cost-effective coordination, preparation and implementation of the assistance, whilst also providing a venue for meetings and seminars and facilitating supervision of contractors. Continued provision of a TAIEX local support point in the EU Programme Support Office is also foreseen under this component.

2. Short and medium term expertise will also be procured to assist with: needs identification and programming of the future assistance; tendering and contracting and monitoring, audit and evaluation activities financed under the Aid Programme.

It is planned that this component will be implemented through at least one service contract and at least four specific contracts under framework contracts.

The indicative time-frame for launching the call for tenders for both components: 2nd quarter of 2011.

Project 9. Programme Reserve Facility.

The objective is to set up a Programme Reserve Facility. The Programme Reserve will be used to respond to requests for new activities, which may be needed once implementation starts and which may also arise from changes in the political situation (for instance investments in newly opened crossing points). Given its nature, the project can be procured through different procurement methods.

2.c Overview of past and on going assistance (EU / IFI / Bilateral and national assistance) including lessons learned and donor coordination.

The Aid Programme was subject to an independent evaluation in 2009. The evaluators noted: "The key conclusion reached is that there is a need for the EC to continue to support the economic and social development of the northern part of Cyprus in reflection of the significant development gap with the southern part of Cyprus. While the programme will have gone some way when implemented in its entirety, towards bridging this gap, further assistance will be required. The Aid Programme has supported a development process and has started to create a momentum towards change and drive progress in a number of sectors. Failing to continue this process would result in the economic and social development of the northern part not only being halted but slipping further behind the southern part of Cyprus."

With regard to the specific projects:

Project 1: Support to innovation and change in schools.

The Human Resource Development Sector Programme was funded under the 2006 Aid Programme and complemented by the project "Grants for schools" funded under the 2009 Aid Programme. Under these programmes, four calls for proposals were launched in the 2008-2010 period leading to the award of 72 grants to 60 different schools in the Turkish Cypriot community.

Lessons learned include the following:

- The commitment of school management and a sound school self-evaluation are major success factors;
- Purchase of IT equipment needs to be accompanied by training in modern teaching methodologies in order to bring sustainable change to the schools;
- More emphasis should be given to study visits to other EU Member States and to projects arising from schools' self evaluation.

Project 2: Support to civil society organisations.

Under the 2006 budget three Calls for Proposals in the framework of the project "Cypriot Civil Society in Action" were financed. The main fields of action of these three Calls

were: reconciliation and confidence building measures; support to civil society in the Turkish Cypriot community, support to NGOs and international organisations promoting reconciliation projects.

United Nations Office for Project Services (UNOPS) has also been active for a number of years with an NGO support programme specifically designed to promote bi-communal contacts. Firstly, through USAID funded Bicommunal Development Programme (BDP), then through the Action for Co-operation Programmes (ACT).

Lessons learned:

- The success of reconciliation activities is highly dependent on the political context.
- Long term sustainability is an issue: many civil society organisations have limited resources and depend on the commitment of few individuals. Absorption capacity is limited.
- Many civil society organisations have not developed long term activities and strategy.
- The involvement of citizens tends to be limited.

Project 3: Private Sector Development Programme.

Since 2003, the EU has been active in supporting the Turkish Cypriot private sector through its Programme “Partnership for the Future” (PFF), which is managed by UNDP. The amount of the Contribution agreement between the EU and UNDP was EUR3.3 million. Activities have included: small grant schemes for start-ups, SMEs, young and female entrepreneurs, trainings and assistance, small project funds, and studies on sources of economic growth for the northern part of Cyprus, ICT and e-commerce, among others. In addition the Commission at the end of 2009 signed contracts based on calls for proposals for SMEs to part-finance investments needed to comply with the *EU acquis*, for improved use of ICT and to support lifelong learning projects.

Key lessons learned from these activities include the following:

- Expansion and sustainability of the Turkish Cypriot private sector suffer from the lack of strategic vision of the structure and growth model of the Turkish Cypriot economy.
- Grant schemes, technical assistance and TAIEX expertise should work to complement each other and catalyse the efforts of local stakeholders.
- A more focused approach on sectors or type of business activities to be supported should be undertaken. This is particularly crucial given the lack of a local economic strategy, competing interests from local business associations (Chambers of Industry and Commerce) and limited access to finance.
- Co-financing or contribution from own resources is below the ratios required under standard EU grant award procedures.
- Lack of statistics on number and activity status of local SMEs makes it difficult to assess what share of the active business sector in the northern part of Cyprus is covered through grant schemes, TA, etc.

Project 4: Rural Sector Development Programme II.

As regards the Rural Development Sector Programme (RDSP) financed under the Aid Programme for the Turkish Cypriot community funded under the 2006 EU budget, a total of EUR 29.7 million was contracted by December 2009 and will be implemented until late 2012. The overarching objective of the RDSP is to help the Turkish Cypriots prepare

the rural sector for the future reunification of the island and integration in the Common Agricultural and Rural Development Policy.

Under the RDSP a total of five **Rural and Community Development Grant Schemes** have been prepared and implemented in parallel with the development of the Preliminary Rural Development Plan (PRDP). Five Calls for Proposals (CfP) have been launched, three for Rural Development and two for Community Development. 211 projects have been contracted under the three rural development grant schemes and 37 under the community developments grant schemes.

An interim evaluation confirmed the relevance of the the Rural Development and Community Development calls. Further evidence supporting the relevance of the CfP came from the generally high degree of response to the various CfPs and the generally favourable views on the appropriateness and relevance expressed during mid-term interviews with stakeholders.

Project 5: Support for the cultural heritage monuments of great importance for the communities of Cyprus.

The EU has been active in supporting cultural heritage projects including rehabilitation and urban upgrading in the northern part of Cyprus through its Programme "Partnership for the Future" (PFF), which has been implemented by UNDP since 2001. Under the *2003 Special Aid Package for the northern part of Cyprus* as well as the *2006 EUR 259 million Aid Programme for the Turkish Cypriot community* EU funding was also provided for activities to support the economic and social development of the Turkish Cypriot community via infrastructure and rehabilitation projects for the main cities in the northern part of the island.

Several projects within the Nicosia Master Plan (NMP) have been implemented in the northern part of Nicosia by the EU through the UNDP-PFF Programme.

Recently UNDP-PFF has completed the project for the restoration and re-use of the Bedestan, a monument located within the walled city of Nicosia. This project has been awarded the Europa Nostra Prize for the Study/Assessment and Design in 2009.

In 2010 the UNDP carried a study on the condition, and estimated costs of restoring, cultural heritage in the northern part of Cyprus. This study includes, *inter alia*, a detailed description of each monument of significant cultural value, a record of the damage that occurred, and a list of repairs that are necessary in order to preserve the cultural monuments affected.

A number of cultural heritage projects have also been funded under the Rural Development Grant Scheme.

Project 6: Contribution to the Committee on Missing Persons Campaign.

The EU is the single biggest donor to this bi-communal action. An amount of EUR 3 million will be granted to the CMP in the beginning of 2011 making the overall EU contribution equal to EUR 6.5 million in the last four years. The CMP is also financially supported by the Republic of Cyprus, the Turkish Cypriot community and by international donors.

The CMP has been equally supported by the leaders of both communities in previous years and is considered by the international community as the success story in Cyprus. This support from both leaders and both communities is considered vital for the successful implementation of the project and for achieving the expected results.

Different lessons learnt have been drawn from the previous years of project implementation.

- The CMP Campaign is a fully bi-communal project. The support of both communities is necessary for the project to be implemented and to achieve the expected results.
- The results in terms of returning of remains to families and reburial only come at the end of a lengthy and costly process. So the results cannot always be expected in direct relation with the inputs.
- The CMP Campaign gives strong visibility both to the implementing agency, UNDP, and for the European Commission. It is a well known and appreciated project among both communities in the island. In addition, it has been recognised internationally, particularly by the European Parliament.

Project 7: Technical assistance to prepare for the future implementation of the acquis through the TAIEX instrument.

Since 2008, TAIEX support to the Turkish Cypriot community has been provided under the PFAA, which represents a clear strategic framework for planning and delivering technical assistance in an initial 13 priority acquis sectors. Accordingly, activities have increasingly taken a medium-term approach to supporting the preparation of legal texts aligned with the acquis and to developing the capacity to implement the acquis following a comprehensive settlement.

Progress is being made with improvements in beneficiary administrative and in absorption capacity in sectors where assistance is delivered. Nevertheless, overall capacity remains comparatively low and assistance should be expanded and intensified in the context of preparing for a comprehensive settlement.

TAIEX has consistently supported Green Line trade, by providing expert assistance to ensure that Turkish Cypriot products to be traded meet the necessary EU standards and are accompanied by the appropriate certificates of origin.

Technical assistance delivered under the TAIEX instrument also supports other projects currently funded under the Aid Programme by ensuring that the process of preparing for the future *acquis* approximation goes hand in hand with investments in the various sectors (e.g. environment, agriculture and rural development, road safety, etc.).

Regular contacts are also maintained with other donors on the ground such as the USAID team, the British High Commission, UNDP-ACT and other relevant parties to ensure coherence in assistance delivered and to avoid duplication of efforts.

Project 8: Technical Assistance Facility.

The EU Programme Support Office was set up in September 2006. Under the 2006 Aid Programme various technical assistance contracts were implemented to support project preparation, tendering and contracting as well as monitoring. A mid-term evaluation was carried out in 2009.

The InfoPoint project started in early 2009. It is appreciated locally and by the High-Level Contact Group of the European Parliament. Commission services, independent of the management of the project, have evaluated it positively. It increases the visibility of the Aid Programme in Cyprus in particular with regard to the Turkish Cypriot community.

3. Indicative budget table

#	Title of the project	DAC Sector Code	Initial budget	Revised budget after amendment 5
1	Support to innovation and change in schools	11120	700,000.00	575,257.07
2	Support for Civil Society Organisations	15150	1,000,000.00	1,581,411.64
3	Private Sector Development Programme	32130	5,600,000.00	4,990,914.46
4	Rural Sector Development Sector Programme II	43040	7,650,000.00	6,331,427.30
5	Support for the cultural heritage monuments of great importance for the communities of Cyprus	16061	2,000,000.00	3,315,000.00
6	CMP campaign	15220	1,000,000.00	977,813.28
7	Technical assistance to support legal transposition as well as implementation of the acquis through the TAIEX instrument	43081	6,150,000.00	6,143,921.25
8	Technical Assistance Facility	91010	1,900,000.00	2,584,255.00
9	Programme Reserve Facility		500,000.00	0.00
	TOTAL		26,500,000.00	26,500,000.00

4. Method of implementation.

The Aid Programme will be implemented by the European Commission on a centralised basis under Article 53a of the Financial Regulation with the exceptions listed below.

Cross-cutting issues, in particular environmental and gender issues will be taken into consideration in implementing the programme.

4.1 Implementation modalities - Joint Management.

a) Support for the cultural heritage monuments of great importance for the communities of Cyprus.

UNDP has a special mandate and experience to implement bi-communal projects. The Committee on Cultural Heritage is operating under UN auspices. This project will be implemented according to Article 53 d of the Financial Regulation (Joint management)

by means of a contribution agreement with UNDP in line with the provisions of the Financial and Administrative Framework Agreement between the European Community and the United Nations (FAFA) of 29 April 2003.

b) Contribution to the Committee on Missing Persons Campaign.

The CMP was established in 1981 by agreement between the Greek Cypriot and Turkish Cypriot communities, under the auspices of the United Nations and with the participation of the International Committee of the Red Cross (ICRC). It has a de facto monopoly both technically and politically to carry on this special activity, important for the reconciliation process on Cyprus. However, it is not possible to give a grant directly to the CMP.

Therefore this project will be implemented according to the Article 53 d of the Financial Regulation in joint management with UNDP or the International Committee of the Red Cross.

4.2 General rules for procurement and grant award procedures

Procurement shall follow the provisions of Part Two, Title IV of the Financial Regulation as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Union for the purposes of cooperation with third countries adopted by the Commission on 24 May 2007 (C(2007)2034).

The Commission shall also use the "Practical Guide to contract procedures for EC external actions" ("Practical Guide") as published on the EuropeAid website⁵ at the date of the initiation of the procurement or grant award procedure.

5. Monitoring

The Commission may undertake any actions it deems necessary to monitor the programmes concerned. Commission staff on the ground regularly monitors all ongoing projects.

6. Evaluation

The Commission services shall ensure that activities financed under Council Regulation 389/2006 will be subject to ex-ante, interim and/or ex-post evaluation. The results of ex ante and interim evaluation shall be taken into account in the programming and implementation cycle. The Commission may also carry out strategic evaluations.

7. Audit, Financial Control and Anti-Fraud Measures.

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors.

⁵ current address: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

In order to ensure the efficient protection of the financial interests of the European Union, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96⁶.

The controls and audits described above are applicable to all contractors, subcontractors and grant beneficiaries who have received EU funds.

8. Limited adjustments in the implementation of the programme.

Limited changes in the implementation of this programme affecting essential elements which are of indicative nature listed under Article 90 of the Implementing Rules to the Financial Regulation⁷ may be undertaken by the authorising officer by delegation (AOD), or by the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

9. Special conditions.

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

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

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

10. Visibility and publicity.

The Commission will be responsible for ensuring that the necessary measures are taken to ensure that for all activities financed from the programme, the visibility/publicity will follow the EU visibility guidelines for external actions (http://europa.eu.int/comm/europeaid/visibility/index_en.htm). In implementing this Programme, the Commission shall provide for the maximum visibility of EU actions.

⁶ OJ L 292; 15.11.1996; p. 2

⁷ These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.