

ANNEX**Legal basis:**

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

**Work Programme for 2022:**

<b>Beneficiary</b>	Turkish Cypriot community
<b>CRIS/ABAC Commitment references</b>	TCC/2022/XXX-XXX, SCR.DEC.XXXXXX.XX
<b>Total cost</b>	EUR 33 433 857.14
<b>Union contribution</b>	EUR 33 433 857.14
<b>Budget line</b>	<b>05.04 01</b>
<b>Management Modes/ Entrusted Entities</b>	Direct management by the European Commission Indirect management by entrusted entities: - United Nations Development Programme - Entities to be selected in accordance with the criteria set out in sections 1.4.2 and 1.4.6
<b>Final date for concluding procurement and grant contracts</b>	3 years following the date of validation of the budgetary commitment
<b>Final date for contract implementation</b>	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 <b>Local Infrastructure Facility</b> , where the works concerning infrastructures justify a longer implementation period
<b>Final date for programme implementation (date by which this programme should be de-committed and closed)</b>	10 years following the date of validation of the budgetary commitment

<b>Programming and Implementing Unit</b>	REFORM.A3 Cyprus Settlement Support
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### ***1.1. Introduction***

This 2022 Annual Action Programme concerns the continuing implementation of the Aid Programme for the Turkish Cypriot community on the legal basis of Council Regulation (EC) No 389/2006, the “Aid Regulation”, which establishes an instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCc). Between 2006 and the end of 2021, approximately EUR 623 million was programmed for operations under this Regulation.

On the basis of the objectives, as laid down in Article 2 of the “Aid Regulation”, this Action Programme contains the actions to be financed and the budget breakdown for the year 2022 as follows:

- for grants implemented under direct management (1.2): EUR 5 000 000
- for procurement implemented under direct management (1.3): EUR 17 833 857.14
- for actions implemented under indirect management modes (1.4): EUR 10 600 000

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

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

The Aid Programme is intended only to be an instrument of exceptional and transitional nature and are intended, in particular, to prepare and facilitate, as appropriate, the full application of

the EU *acquis* in the TCc following a solution to the Cyprus problem. The Commission continues to hope for a breakthrough that will lead to a comprehensive settlement of the Cyprus problem, in line with relevant UNSC Resolutions. In this event, assistance of a different form will be required. Council Regulation (EU, Euratom) No 2020/2093, laying down the Multiannual Financial Framework 2021-2027, allows for its own revision<sup>1</sup> and Article 11 of Council Regulation (EC) No 389/2006<sup>2</sup> allows for any necessary adaptations in this context.

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

The programme choices for the 2022 programme continue to reflect an established programming approach based on key principles of maturity, policy relevance and track record of past implementation. The underlying aim is to bring about more tangible and visible impacts in the priority areas, in line with the island-wide planning principle, where appropriate, and the overall objective of reunification. Hence, the 2022 programme provides a streamlined and compact set of actions, with 16 major project components and a needed degree of flexibility. It is focused on supporting the implementation of the Halloumi/Hellim package as well as on fostering confidence building, supporting civil society and bringing the TCc closer to the EU.

The 2022 programme takes into account views received from Turkish Cypriot stakeholders and from relevant evaluations and needs' assessments conducted prior to the programming exercise. The input of the authorities of the Republic of Cyprus was also taken into consideration. In addition, the programme choices consider the findings of the works of the bi-communal Ad Hoc Committee on EU Preparation, within the framework of the settlement talks.

#### *Objective 1: development and restructuring of infrastructure*

Development and restructuring of infrastructure has been the major component of the Aid Programme, with a third of total resources allocated to this objective between 2006 and 2021. Investments in the local infrastructure have been financed in the areas of environment, water and wastewater, architectural restorations, recreational areas, and other social infrastructure.

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<sup>1</sup> Council Regulation (EU, Euratom) No 2020/2093 Article 17: "**Revision in the event of the reunification of Cyprus.** In the event of the reunification of Cyprus, the MFF shall be revised to take account of the comprehensive settlement of the Cyprus problem and the additional financial needs resulting from the reunification."

<sup>2</sup> Council Regulation (EC) No 389/2006 Article 11: "**Event of a settlement.** In the event of a comprehensive settlement of the Cyprus problem, the Council shall, on the basis of a proposal from the Commission, decide unanimously on the necessary adaptations to this Regulation."

The 2022 programme will continue supporting local infrastructure projects through the Local Infrastructure Facility (LIF), though to a limited extent.

The total value of infrastructure investments planned under the 2022 programme amounts to EUR 1 500 000. As there is no up-front allocation provided for individual projects at this stage, the 2022 programme includes an indicative list of likely interventions with the planned climate and environmental impact and in line with the European Green Deal priorities. These interventions include the introduction of energy efficiency and renewable energy measures, which may be extended to joint initiatives in the energy field. Another planned intervention aims to improve traffic safety through commercial vehicle inspections aligned with EU standards. This initiative, entailing a pilot technical inspection station, would facilitate the crossing of Turkish Cypriot vehicles above 7.5 tons and thus potentially increase trade across the Green Line.

These investments will be channeled in indirect management through the United Nations Development Program (UNDP).

*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 improve food safety and veterinary support, in particular for implementing the Halloumi/Hellim package, foster sustainable agricultural production and fisheries, help design and carry out reforms, and promote vocational education and training.

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

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

The TCc will need to make substantial investments to comply with the standards established by the two instruments, covering everything from increasing the number of sheep and goats to improving hygiene standards throughout farms and dairies. With a view to support the implementation of the Halloumi/Hellim package, targeted multi-annual support for the years 2021-2024 was designed to help Turkish Cypriots to meet the relevant standards. As part of this

multi-annual support programme, the 2022 programme specifically provides for three actions amounting to EUR 7 675 000:

Action 1 with an allocation of EUR 1 300 000 will support overall activities aiming to upgrade the dairy capacities of local sheep and goat populations, with a view to contribute achieving adequate quantities of small ruminants' milk required by the Halloumi/Hellim product specification. This cross-breeding programme aims to support Turkish Cypriot producers to meet the Halloumi/Hellim PDO registration requirements in an efficient and sustainable manner.

Action 2 with an allocation of EUR 3 375 000 will finance the accompanying measures for supporting the implementation of the Halloumi/Hellim package. These measures are intended to upgrade dairy farms and dairy yield quality, improve capacity of the food laboratory in residue monitoring, strengthen feed quality monitoring capacities, as well as further eliminate priority animal diseases.

Action 3 with an allocation of EUR 3 000 000 will support food business operators and dairy farmers to implement action plans to improve food safety and hygiene standards. It will specifically help those willing to invest in improvement of their production practices, but needing additional structural and operational support. This should, amongst others, enable a number of Turkish Cypriot producers to implement the Halloumi/Hellim health and PDO registration requirements.

The above set of actions reflects the identified and most urgent needs, follows the established sequential approach and responds to the absorption capacity of the beneficiary.

The 2022 programme also supports ongoing efforts to increase Green Line trade. A tailored grant scheme of EUR 1 800 000 on sustainable and competitive fisheries will support Turkish Cypriot fishermen who are registered and certified for trade across the Green Line. The dedicated funding will help them in fish resource management, improve hygiene, and replace old diesel engines that pollute the environment. In effect, this could increase the volume of fish traded through the Green Line and have a positive environmental impact.

Building on the results of previous and ongoing analytical and advisory work, the next phase of the economic monitoring and studies programme is planned to be conducted by the World Bank with EUR 1 000 000. It will continue to help enhance local understanding of constraints to address challenges to economic development and implement the necessary actions. In particular, the action will focus on two areas: agriculture and business.

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 1 000 000.

According to the strategic framework for European cooperation in education and training (“ET 2020”), high quality education and training and the creation of lifelong learning opportunities are fundamental to Europe's success. Improving education and enhancing training opportunities are likewise critical factors for the social and economic development of the TCc. The 2022 programme will extend the ongoing successful technical assistance project on curriculum development for vocational education and training (VET) with the aim of increasing knowledge, skills and competences of young people and their employability, and thus better linking education programmes with labour market needs (EUR 1 350 000).

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

Support for reconciliation and confidence-building measures has been a successful and well-received element of the Aid Programme. The Commission has shown particular readiness to continue promoting these measures, also through the allocation of substantial resources under the previous programmes, which included *inter alia* supporting the opening of new Green Line crossing points and facilitating the technical solution for interoperability of mobile phones across the island.

For the continuation of its activities, the bi-communal Technical Committee on Cultural Heritage (TCCH) will benefit from EU funding through the UNDP with an amount of EUR 2 500 000 under the 2022 programme. This significant contribution to island-wide restoration, digitization and maintenance of cultural heritage includes a strong bi-communal, youth engagement and public awareness component. This contribution to the TCCH raises the total budget to over EUR 22 000 000. This support has produced highly visible impact 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 UNDP with an additional amount of EUR 2 600 000 under the 2022 programme, which will allow the CMP to continue its activities until end-2023. The total EU contribution to the work of the CMP between 2006-2022 will reach over EUR 33 000 000, constituting 75% of the overall funding provided to the project during that period. The CMP’s objective is to recover, identify and return to their families, the remains of 2002 missing persons. A high level of output has been achieved by the CMP to date as it has succeeded in exhuming 1 184 sets of remains, of which 1 023 were genetically identified (end-2021 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 previous two editions, with an increased scope and number of scholars to attend the International Baccalaureate in the period 2023-2025. The action of EUR 1 500 000 aims at educating future civic leaders from both communities.

Support for civil society will be reinforced through continued technical assistance to bolster the capacity of civil society organisations (CSOs) and strengthen their role and engagement. This assistance of EUR 1 750 000 should overall contribute to a more active and vibrant civil society in the TCc, with stronger CSOs effectively promoting dialogue and reconciliation in Cyprus.

Funded under the contribution agreement with NI-CO since 2019, the Cyprus Dialogue Forum (CDF) will now be supported directly with a grant of EUR 1 700 000. The CDF will continue to act towards supporting the peace process and contributing to a sustainable settlement in Cyprus by strengthening collaborative spaces of dialogue and knowledge creation across the island.

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

A successful vehicle in reaching the objective of bringing the TCc closer to the Union has been the EU scholarship programme. Since 2007, fourteen annual grant schemes have delivered 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. Earlier allocations from the Aid Programme provide coverage up to the academic year 2024-2025. Hence, no further allocation is required under the 2022 programme.

Another successful initiative has been the EU Info-point project, which aims at raising the awareness about the European Union through information and communication activities. It also carries out a range of visibility functions related to EU policies and actions in support of the TCc. The EU Info-point operates in close collaboration with the European Commission Representation in Cyprus. Existing funding is sufficient until 2024.

*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 866/2004<sup>3</sup> (the Green Line Regulation) and Commission Regulation 1480/2004<sup>4</sup>, thereby supporting economic integration of the island.

The main instrument used by the Commission for preparing the implementation of the EU *acquis* is the Technical Assistance and Information Exchange instrument (TAIEX). This instrument enables experts from EU Member States to explain the *acquis*, hold awareness seminars, prepare draft legal texts to be applicable after settlement, and provide technical assistance to the TCc. In addition, TAIEX independent experts carry out the regular phytosanitary inspections of potatoes and citrus products, take honey samples for analysis, and produce an updated list of vessels whose catch can be traded across the Green Line.

The resources currently allocated to TAIEX are sufficient by end 2022. The replenishment of funds with EUR 2 000 000 is necessary to ensure continuity of operations for two more years until 2024.

### *Support and Settlement Facility*

The 2022 programme includes also a Support and Settlement Facility (EUR 5 908 857.14), from which resources can be mobilised to take advantage of new emerging opportunities and to facilitate new initiatives that may arise from the settlement process. This may include the financing of supporting studies, supplementary actions, small scale supplies or highly relevant preparatory work for future but not yet mature interventions. Support interventions may be necessary at short notice in any of the objectives covered by the Aid Programme and the availability of resources for this purpose is essential. Given the nature of these initiatives, they cannot be clearly identified at this programming stage.

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

<sup>4</sup> Commission Regulation (EC) No 1480/2004 of 10 August 2004 laying down specific rules concerning goods arriving from the areas not under the effective control of the Government of the Republic of Cyprus in the areas in which the Government exercises effective control.



## **1.2. Grants**

The objective of the Aid Regulation, which is implemented through grants in the Action Programme 2022, is the following:

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

### **1.2.1. Fostering the development of sustainable and competitive fisheries (Objective 2 of the Aid Regulation)**

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

[1] Increase environmental sustainability of fishing practices through improved protection of the marine environment and decreased pollution;

[2] Increase competitiveness of Turkish Cypriot fisherman by improving quality, hygiene standards and added value of fishing;

[3] Improve fish resource management and increase the volume of fish traded through the Green Line to promote recovery and growth for the Turkish Cypriot fisheries.

Description of the activities to be funded

EU Common Fishing Policy (CFP) aims to ensure that fishing and aquaculture are environmentally, economically and socially sustainable and that they provide a source of healthy food for EU citizens. According to the CFP, small-scale fisheries play a crucial role in the Mediterranean, where they represent over 84% of total fishing fleet and employ nearly 62% of the total workforce. Hence, priority is given to support sustainability of small-scale fisheries with financial assistance to get them involved in environmental, economic, social and cultural projects at local level.

Since May 2007, the Commission has lifted the prohibitions on the movement of fresh fish through the Green Line in accordance with Commission Regulation (EC) No 1480/2004 which lays down specific rules concerning guarantee of food safety. Currently, over 100 fishermen have been eligible to sell their catch through the Green Line and the list is growing. However, recent inspections conducted by TAIEX experts have brought up hygiene, quality and environmental sustainability and improvement of traceability issues that need to be addressed in order to improve the standards of fishing and enhance economic and environmental sustainability of fishing practices in the TCc.

Furthermore, although there is a steady and increasing demand for fish from the areas under the effective control of the Government of the Republic of Cyprus, Turkish Cypriot fishermen have

not been able to meet the demand, due to lack of necessary equipment for improving fish resource management. The current annual sales volume of fish through the Green Line is around EUR 900 000, whereas the sales volume has the potential to be increased by min. 10% with the necessary investment made on equipment and capacity development.

The action is in line with the objectives of the Aid Programme as it is expected to encourage fishermen to increase trade through the Green Line, improving contacts between the two communities and encouraging economic development and integration of the island. It will increase the preparation for the lifting of the suspension of the EU *acquis* following a comprehensive settlement through improving quality and hygienic standards of fishing in the TCc, thus enabling fishermen to meet EU standards and best practices in fishing. The programme is also in line with the CFP as it will increase environmental sustainability of fishing practices through improved protection of the marine environment and decreased pollution, and also support fishermen in recovering from the effects of the Covid-19 pandemic.

The project focuses on three main aspects:

1. Improvement of fish resource management and increase of the volume of fish traded through the Green Line with innovative tracking equipment. This will also promote recovery and growth for the Turkish Cypriot fishermen.
2. Increase of hygiene by investing in new equipment. The aim is to improve quality of hygiene standards and adding value to the catch through new gear and on-board equipment.
3. Replacement of engines that pollute the environment. This relates to obsolete marine motors to prevent pollution from oil leakages and high CO<sub>2</sub> emissions. The project will eliminate any possibility of a re-use of the obsolete marine motors.

Equipment support will be coupled by capacity building trainings to improve competencies of the fishermen in line with EU best practices.

The action has been prepared following the assessment and recommendations of TAIEX experts who have inspected the Turkish Cypriot fishermen conducting trade across the Green Line. Minimum basic requirements have been pinpointed and the proposed action has been designed accordingly.

The requested contribution rate from the EU for the project is 80%, which has been calculated according to the current financial capacity of the fisheries. If needed, the 20% co-financing of the fisherman would be supported by a loan especially designed for this project.

Essential eligibility, selection and award criteria

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

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

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

#### Implementation

The actions will be implemented directly by the Commission.

#### Indicative timetable and indicative amount of the call for proposals

Reference	Date	Amount
Fostering the development of sustainable and competitive fisheries	2Q2023	EUR 1 800 000

#### Maximum possible rate of co-financing of the eligible costs

80%

#### ***1.2.2. UWC Cyprus Peace Education Programme (Objective 3 of the Aid Regulation)***

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

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

[2] Increase interactions and share learning experiences between the youth from both communities;

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

#### Description of the activities to be funded

In 2019, a new scholarship scheme was established as a pilot programme, giving the opportunity to three Greek Cypriots and three Turkish Cypriots to attend the United World College (UWC) for two academic years for the International Baccalaureate (IB) diploma. After the successful implementation of this scholarship scheme, a new agreement was signed with UWC and a call launched in 2021, allowing 10 students from both communities to jointly attend the UWC in Bosnia-Herzegovina, Italy, Germany and the Netherlands for years 2021-2023 and 2022-2024.

In 2022, a new grant will be signed with UWC to allow additional 16 students to attend the IB diploma in the period 2023-2025. The action will also include a high-level international Youth Peace Education Summit, involving Cypriot UWC students and alumni, Cypriot school students from both communities and Cypriot civil society.

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

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

Selection will be competitive and based on merit. Student selections run by UWC are renowned for their thoroughness and unique approach to identifying talented and aspiring young leaders based on their potential and aptitudes. The Commission takes part in the UWC Cyprus selection 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	4Q2022	EUR 1 500 000

#### Maximum possible rate of co-financing of the eligible costs

100%

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

#### ***1.2.3. Strengthening collaborative spaces for dialogue and shared knowledge creation (Objective 3 of the Aid Regulation)***

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

[1] Bring together political parties, trade unions, business associations and NGOs from both communities in Cyprus;

[2] Broaden the peace infrastructure by strengthening collaborative spaces of dialogue and knowledge creation to contribute to a sustainable settlement in Cyprus.

[3] Strengthen collaborative spaces of dialogue to create long-lasting collaboration between stakeholders to support the peace process; promote creating shared knowledge as an institutional practice for stakeholder collaboration contributing to a change in the culture and the agenda of dialogue on the peace process; and enable public access to shared knowledge, in a simple and accessible manner, to help build public knowledge and maintain public's engagement in the wider peace process.

#### Description of the activities to be funded

The aim of the action is to contribute to broadening the peace infrastructure by strengthening collaborative spaces of dialogue and knowledge creation to contribute to a sustainable settlement in Cyprus. To achieve this, the action will concentrate on activities that build the “permanency” of existing non-formal spaces in a way that strengthens and solidifies the collaboration between stakeholders as an integral part of the peace infrastructure.

The main activities include:

1. Technical, process and facilitation support to ongoing Cyprus Dialogue Forum (CDF) Task Group dialogues to support stakeholders to move towards common understandings and to strengthen their collaboration.
2. Engagement of stakeholder researchers in the development of shared knowledge; support provided by thematic experts (local or international where needed); capacity development on the creation of “shared knowledge”; capacity development on data visualisation techniques, development of knowledge tools (thematic lib-guides, publications, etc.), and development of data visualisation tools.
3. Public roll-out of thematic digital lib-guides to provide access to knowledge for the public; sustained engagement with message multipliers (journalists, academics, other actors) to encourage the use of shared knowledge resources and to support fact-based dialogue.

The Cyprus Dialogue Forum (CDF), which will be the grantee implementing this action, has already operated under the EU-funded “Innovative Entrepreneurship and Dialogue” project under the “Dialogue” component. This has enabled the CDF to establish a close working relationship with the EU and to create synergies with other EU-funded projects in the TCc as well as with key local and international partners. This collaboration is expected to be further expanded and continue into the period proposed by the action.

#### 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: Cyprus Dialogue Forum operating under two local administrative partners: Association for Historical Dialogue and Research (AHDR-CDF as the Greek Cypriot partner) and the Humanitarian Relief Mission (HRM-CDF as the Turkish Cypriot partner).

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 Cyprus Dialogue Forum (CDF) is the only one of its kind in Cyprus. It is the only platform created by the local stakeholders to provide a safe space for dialogue and to contribute to a long-term mechanism accompanying the peace process.

The Forum brings together actors such as political parties, trade unions, business associations and NGOs from across the island to create joint visions and instruments that support a wider peace process. This is all the more relevant as most observers, including the UN Secretary-General, agree that a sustainable peace agreement in Cyprus requires an active involvement of the wider society. The public demands for a more open and transparent process.

Through its years of work, the CDF has established itself as a trusted space for inclusive dialogue among stakeholders across the island and as a credible knowledge resource. The Forum, through its spaces of dialogue, helps jointly develop common understandings and visions for the island's reunification. It further ensures these visions are shared not only between the two communities, but also by multiple stakeholders within each community. This, in turn, contributes to designing and implementing change towards a solution, and post-solution, on multiple tracks.

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

- 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
Strengthening collaborative spaces for dialogue and shared knowledge creation	4Q2022	EUR 1 700 000

### 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.
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### **1.3. Procurement**

The objectives of the Aid Regulation, which are implemented through procurement procedures in the Action Programme 2022, 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); and*
- *Preparation of legal texts aligned with the *acquis communautaire* for the purpose of these being immediately applicable upon the entry into force of a comprehensive settlement of the Cyprus problem / Preparation for implementation of the *acquis communautaire* in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession (Objectives 5 and 6 of the Aid Regulation).*

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

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

Subject matter of the contract envisaged

The protection of the environment and the prevention of climate change are one of the key priorities of the Commission under the European Green Deal. In order to be able to boost the efficient use of resources, restore biodiversity and cut pollution, a solid knowledge of the state of the environment is required first.
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In this regard, the Commission has continuously provided support to the TCc through the Aid Programme in characterising the local environmental quality and taking remedial action in line with EU standards and best practice. Examples of the fields where support to local stakeholders has been provided include waste management, quality of air, water and fuels, noise control, chemicals, and nature protection.

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

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

(1) Completion of the air quality monitoring network.

In 2018, the Commission supported the renovation of the local air quality monitoring network, which had been in operation since 2010 and required the substitution of equipment that has been damaged during the almost 10 years of use. This renovation was targeted to meeting with minimum number of sampling points for the most critical pollutants according to relevant EU standards. Due to the limited availability of budget, not all the instruments that were out of order could be replaced and in some stations the monitoring capabilities in terms of number of pollutants were reduced. Equally, some of the old station shelters started presenting leakages and ingress of water and dust, putting the equipment inside at risk of electrical failure.

Through this action, all the pending renovations will be completed and the network capabilities will be enhanced to the maximum possible extent. Amongst the specific actions that this intervention contemplates is the purchase of a vehicle with transportation lift for sampling devices, various standalone monitoring units, traffic sensors, information panels, and consumables for the continued use of the stations (e.g. gas bottles, filters, etc.).

(2) Design and acquisition of a noise monitoring system.

The provided TAIEX assistance helped the TCc to meet the environmental noise standards with those in the EU. Relevant EU standards require to monitor the environmental noise at the zones that are highly affected by noise according to the identified sensitive areas (e.g., quiet areas inside agglomeration, industrial sites).

With the aim to meet the above requirements, the project will focus on design and acquisition of the noise monitoring system, which can be used for monitoring of different noise sources and developing noise mitigation. This will include the necessary technical assistance, training and calibration.

(3) Development of local capacity to assess noise using noise mapping tools.

In complementarity with the above project, this action aims to provide the necessary noise tools (e.g. mapping software, IT equipment, training) allowing the beneficiary to produce the needed noise maps and action plans to comply with relevant EU standards.

**Expected results:**

- Completed air quality monitoring network;
- Designed and acquired noise monitoring system;
- Increased local capacity to assess noise through noise mapping tools.

Type of contract and type of procurement

Supply contract

Overall indicative amount

EUR 750 000

Indicative number of contracts envisaged

1-3 supply contract(s)

Indicative timeframe for launching the procurement procedure

1Q2023

Implementation

The action will be implemented directly by the Commission.

**1.3.2. Investigation project of health oriented geochemical agents (Objective 1 of the Aid Regulation)**

Subject matter of the contract envisaged

Soils are the foundation of terrestrial ecosystems, agriculture and forestry, and have a direct impact on human and plant health. The Commission is committed to their protection as a natural, non-renewable resource with health and food safety considerations. In this regard, soils need to be characterised in terms of their physicochemical properties, and wherever there is suspicion of soil contamination, the extent of such pollution needs to be experimentally assessed.

Given the above, the Commission has agreed to fund a study aimed at characterizing the soils in the area around the cities of Lefka and Morphou. Intensive mining activities took place in the

area since the start of the 20<sup>th</sup> century and until 1974 when the main operator left a substantial amount of mining waste in the open after ceasing activities. Since then, abnormal levels of heavy metals have been detected in local soils as well as superficial and ground waters. In addition, the area is of special agricultural relevance due to the intense production of irrigation crops of high market value (e.g. oranges, vegetables, etc.).

The study will involve taking samples of soil and water at regular spatial intervals in the area, and with different resolutions. The samples will be examined for the presence of the most relevant heavy metals and other soil parameters (e.g. nitrogen), and maps of predominance of each of these elements will be prepared. The study will also look in a second phase at the uptake of such metals by local crops with the objective of identifying potential food hazards. The project will have a very strong element of building local capacity through on-the-spot training of local environmentalists and geologists, and the transfer of knowledge of sampling and testing.

The resulting maps of elements will be taken into account in relation to the geochemical atlas of soils that was prepared for the government-controlled areas. The outcomes and lessons drawn from this project will inform extending the analysis of soils to those parts of Cyprus that are still lacking a geochemical atlas.

**Expected results:**

- Examined samples for the presence of the most relevant heavy metals;
- Prepared maps of predominance of the most relevant heavy metals;
- Identified potential food hazards;
- Increased technical capacity of local environmentalists and geologists.

Type of contract and type of procurement

Service contract

Overall indicative amount

EUR 400 000 (for a 24-month period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

1Q2023

Implementation

The action will be implemented directly by the Commission.

**1.3.3. Support to implementation of the Halloumi/Hellim package – Cross-breeding programme to upgrade the dairy capacity of the local sheep and goat populations (Objective 2 of the Aid Regulation)**

Subject matter of the contract envisaged

Halloumi/Hellim PDO product description requires that the local small ruminants' milk percentage must be over 50% as of the end of the transitional period in 2024. Currently, there are around 4 300 sheep and goat flocks and 330 000 animals, not sufficient to cover the present and future market demands for the production of PDO-compliant Halloumi/Hellim. Accordingly, the cross-breeding programme to be supported under this action is to address the issue of inadequacy of the present milk production system compared to the future market demands deriving from the PDO standard.

In order to increase sheep and goat milk production in the TCc, the project will focus on upgrading the dairy capacity of local sheep and goats populations through cross-breeding with exotic high productivity breeds combining the desirable traits from the two blood lines. Cross-breeding is the most rapid and efficient way to upgrade animal population.

If general fecundity rate of 85% is considered, there will be approx. 22 000 newborns (11 000 females + 11 000 males). All the newborns will be already with the desired percentage of improved blood by 50%. Using the pyramidal structure, which is considered the most efficient scheme for the breeding selection, the process will continue for at least four mating seasons.

At that stage, when all nucleus animals will be with 50% improved blood, it will be possible to start the implementation of a preliminary breeding selection scheme with:

- Morphologic evaluation (visual) of the animals;
- Recording of the reproductive events and individual production levels;
- Evaluations for the “genetic” value of the animals.

The project includes the procurement of imported males who are to be further distributed in farms, pre-selected according to relevant criteria. By way of natural mating, the local sheep and goat population will be upgraded, influencing directly small ruminants' milk yields.

**Expected results:**

- Increased sheep and goat milk production in the TCc.

Type of contract and type of procurement

Supply and service contracts

Overall indicative amount

EUR 1 300 000 (for a 24-month period of implementation)

Indicative number of contracts envisaged

1 service contract

1 supply contract

Indicative timeframe for launching the procurement procedure

1Q2023

Implementation

The action will be implemented directly by the Commission.

***1.3.4. Support to implementation of the Halloumi/Hellim package – Accompanying measures (Objective 2 of the Aid Regulation)***

Subject matter of the contract(s) envisaged

The implementation of the Halloumi/Hellim package requires putting in place a series of accompanying measures. These measures support, amongst others, increasing the yields of sheep and goat milk, upgrading the production of Halloumi/Hellim, and improving animal health. The identified and most urgent set of actions aims to upgrade dairy farms and dairy yield quality, improve the capacity of the food laboratory, and eliminate priority animal diseases. It will be implemented through a combination of supply and services projects.

The accompanying measures for the Halloumi/Hellim package include:

(1) Support to dairy farmers with animal shelters.

A supply project supporting dairy farmers will provide shelters for small ruminants, which are considered critical for reducing the ruminants' mortality rates. This has a direct impact on the population size and the quantities of milk yields. The farms that are to benefit from this supply will have to meet the pre-determined criteria on hygiene and animal health.

(2) Feed quality monitoring programme to upgrade dairy yield quality.

Another supply will target the feed quality monitoring programme with the aim to upgrade dairy yield quality. The feed quality monitoring equipment will be procured first, followed by activities ensuring dairy farms' feeding regimes. The feed quality monitoring equipment will enable controls of feed operators as well as monitoring of feed content and feed storage practices

of farmers. On the other hand, the feeding practices component is a key aspect influencing the quality and quantity of milk produced.

(3) Strengthening the food laboratory for residue analysis.

The supply of residue analysis equipment will strengthen the food laboratory capacities for residue monitoring, thus contributing to the better understanding of analytical protocols in line with EU standards. By this, the understanding of the Turkish Cypriot community to implement the residue monitoring plan will be enhanced, specifically for analysis and monitoring of B1 group antibiotics in tissue and milk.

(4) Continued support to eliminate priority animal diseases.

A service project supporting further elimination of priority animal diseases builds upon the achievements of previous similar projects funded under the Aid Programme. It includes the activities of collecting necessary samples and performing tests on bovine, ovine and caprine animals for, as appropriate, brucellosis, leucosis and tuberculosis. This should help achieve favorable animal health status, which is a prerequisite for placing the Halloumi/Hellim on the EU market.

**Expected results:**

- Provided shelters for small ruminants and thus increased quantities of milk yields;
- Upgraded dairy yield quality through feed quality monitoring programme;
- Increased food laboratory capacities for residue monitoring;
- Further elimination of priority animal diseases.

Type of contract and type of procurement

Service and supply contracts

Overall indicative amount

EUR 3 375 000 (for a 24-month period of implementation)

Indicative number of contracts envisaged

1 service contract  
1-3 supply contracts

Indicative timeframe for launching the procurement procedure

1Q2023

Implementation

The action will be implemented directly by the Commission.

**1.3.5. 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 had 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 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 Turkish Cypriots 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; ii) visibility, and iii) reporting to the Commission.

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 and future grant schemes, continuation of the GST work is of crucial importance.

**Expected results:**

- Provided assurance regarding the regularity of grant implementation;
- Better trained grant applicants and grant beneficiaries;
- Better management of EU-funded grants.

Type of contract and type of procurement

Service contract

Overall indicative amount

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

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

1Q2023

Implementation

The action will be implemented directly by the Commission.

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

Subject matter of the contract envisaged

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

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

The 2018 Action Programme has continued to support the implementation of the above-mentioned strategies and actions. In particular, a module template has been developed for the VET schools based on the revised Occupational Standards. In addition, guidelines for the development of modules content are currently being prepared and tested towards developing a methodology for the preparation and revision of the VET curriculum. Five new technical working groups have been established and their work plan has been prepared. Trainings needs analysis and framework training programmes for new occupations are also being conducted. Finally, guidelines to monitor the quality of curriculum development have been prepared for the purpose of setting up of three resource centres.



Following the success of the project, an extension of the current intervention is planned to help further strengthen and consolidate the achieved results and increase impact. To this end, a number of new activities for the curriculum development and implementation, which expand the project scope, have been identified with the beneficiary. This includes amongst others:

- Developing a mobility model with the VET and LLL system;
- Developing 21 framework training programmes and building the capacity of VET professionals for their implementation;
- Preparing teaching and learning materials in a digital format and building the capacity for sustaining this activity after the project ends;
- Developing assessment model for the VET system;
- Supporting further development of the three resource centers.

As a result, the new action will further contribute to developing the capacity of all VET teachers to utilise the newly developed modularised curriculum and a selected number of teachers to further update the curriculum/modules based on the future updates to occupational standards. The ultimate objective is to link skills and competences provided in VET schools in line with the needs of the private sector, thereby enhancing the employability of youth.

**Expected results:**

- Developed 21 framework training programmes and teaching and learning materials;
- Developed skills of VET teachers;
- Young Turkish Cypriots better prepared to enter the labour market.

Type of contract and type of procurement

Service contract

Indicative amount per contract

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

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

3Q2022

Implementation

The action will be implemented directly by the Commission

### **1.3.7. Support for civil society (Objective 3 of the Aid Regulation)**

Subject matter of the contract envisaged

As part of the Aid Programme to encourage the economic development of the TCc, the EU provides financial assistance to strengthen the role of civil society in the TCc and to promote EU values and a conducive environment for further development of trust, dialogue, co-operation and a closer relationship between the Turkish Cypriots and Greek Cypriots.

By supporting civil society in the TCc, the Aid Programme assists in the development of a fairer society based on respect for human dignity and human rights, freedom, democracy, equality, and the rule of law. Since 2007, the Commission has launched eight calls for proposals for civil society in the TCc for a total amount of EUR 16 500 000 and one thematic call on anti-trafficking for EUR 1 000 000.

In parallel to the grant schemes, the Aid Programme funded technical assistance projects to support CSOs in the Turkish Cypriot community: (i) the Civil Society Support Team (CSST) from 2008 to 2011; (ii) the Civic Space from 2015 until 2018; (iii) the continuation of the Civic Space from 2018 until 2020; (iv) the Civic Space under a new technical assistance contract from 2020 until now.

Further technical assistance to civil society is provided for in the 2022 programme to increase the capacity of CSOs and to strengthen their role and engagement in the TCc and within the EU. It also aims to increase collaboration and stimulate joint actions between Greek Cypriot and Turkish Cypriot CSOs and to foster cooperation, support and exchange of good practices with EU-wide CSOs and CSO networks.

The technical assistance to CSOs will promote people-to-people contacts and be implemented through:

- Capacity development:
  - "Active citizen mechanism", a facility for ad-hoc support;
  - Civil-society help-desk services;
  - Capacity development and training programme activities;
  - Mentoring programme.
- Information about civic engagement and CSOs actions:
  - Communication activities;
  - Trust-building initiatives, partnership and networking events;
  - Monitoring of the civil society segment.
- Promotion of an enabling environment for civil society:
  - Support to development and monitoring of a strategy on an enabling environment for civil society;
  - Capacity building of local CSOs to promote and monitor this strategy.

Cross-cutting issues such as sustainable development goals and the rights-based approach should be mainstreamed in all actions. With the aim to bring the two communities closer together, joint actions should be accordingly embedded in the project's activities.

**Expected results:**

- Increased capacity of CSOs;
- Strengthened role and engagement of local CSOs in the TCc and within the EU;
- Increased collaboration and joint actions between Greek Cypriot and Turkish Cypriot CSOs.

Type of contract and type of procurement

Service contract

Indicative amount per contract

EUR 1 750 000 (for a 2.5 year period of implementation)

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

4Q2022

Implementation

The action will be implemented directly by the Commission.

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

Subject matter of the contract envisaged

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

In addition, the Commission is required to provide continued support for trade across the Green Line (Regulation 866/2004). Phytosanitary experts working under the Green Line Regulation

are first appointed by a Commission decision and only then deployed by TAIEX.

The TAIEX instrument is used for the above activities and delivers: seminars and conferences; workshops; expert missions; study visits to other EU Member States; mobilisation of medium-term experts; provision of tools and information products for, amongst others, translation and interpretation activities; and co-ordination and monitoring, in close co-operation with Member States and Commission services.

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

TAIEX experts working in the TCc are EU public experts, principally selected under a three-year Medium Term Assistance scheme (MTA). The MTA sets an operational framework for TAIEX support for the TCc. The MTA expert selection is performed through a call to the National Contact Points.

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

TAIEX is contracted as a single contract for activities in IPA and ENP regions as well as for the Turkish Cypriot community.

**Expected results:**

- Prepared legal texts aligned with the EU *acquis* for the purpose of these being immediately applicable upon the entry into force of a comprehensive settlement of the Cyprus problem;
- Preparation for implementation of the EU *acquis* in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession;
- Increased awareness of the TCc with regard to EU standards.

Type of contract and type of procurement

Service contract

Indicative amount per contract

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

Indicative number of contracts envisaged

1 service contract

Indicative timeframe for launching the procurement procedure

3Q2022

Implementation

The action will be implemented directly by the Commission.

### **1.3.9. Support and Settlement Facility**

Subject matter of the contracts envisaged

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

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

The Support and Settlement Facility may also provide resources for visibility actions, evaluations, monitoring and audits, as well as for supporting studies, highly relevant project preparatory actions, and supplementary interventions. Depending on further progress made by the beneficiary and any identified urgent needs, the latter may involve, amongst others, complementary supplies of equipment for environmental inspection and control and/or actions in support of the implementation of the Halloumi/Hellim package, such as the necessary provisions for covering PDO and health related inspections.

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

#### **Expected results:**

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

Type of contract and type of procurement

Works/supply/service contracts

Overall indicative amount

EUR 5 908 857.14

Indicative number of contracts envisaged

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

Indicative timeframe for launching the procurement procedure

4Q2022 to 4Q2023

#### ***1.4. Actions implemented through indirect management***

The objectives of the Aid Regulation, which are implemented through indirect management in the Action Programme 2022, are the following:

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

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

Amount

EUR 1 500 000 (for a 6-year period of implementation)

Implementing entity

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

The UNDP is a well-established partner in Cyprus, with a proven track record and a solid on-the-ground expertise in implementing major infrastructure projects. The UNDP has started implementing the Local Infrastructure Facility (LIF) since its introduction under the 2017 programme.

The Local Infrastructure Facility (LIF) encompasses three major components: i) dedicated technical assistance to help assess the needs and, based on the call for expression of interest addressed to local communities, develop a pipeline of shortlisted and ready-to-tender projects; ii) actual infrastructure works; and iii) works supervision. The Facility thus helps identify, screen, develop, prepare for tender, and implement local infrastructure investments, targeting funding on a competitive basis to ensure the best value for money and providing support also to those communities with lower technical and administrative capacities. LIF also serves in assisting the implementation of emergency support to the Turkish Cypriot community.

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

Delegating the implementation of the Facility to the UNDP allows for fast procurement and flexibility in recruiting the necessary resources to support the project implementation. The Commission maintains control over the Facility through decision-making powers on the selection of projects to be funded, overall steer of programmes, impact on the ground, and strong EU visibility.

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

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

#### Overall objective and purpose of the action

Investments in the local infrastructure (and related services and supplies), have been a cornerstone of the Aid Programme since the start of its implementation; they aim at developing and restructuring the infrastructure for the benefit of the local communities in line with EU standards. During 2006-2021, more than EUR 200 million has been allocated to infrastructure development projects, backed up by technical assistance.

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

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

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

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

(1) Initiatives linked to energy efficiency and renewable energy

A series of initiatives in the energy field are planned with the aim to create a positive environmental impact and contribute to achieving the European Green Deal priorities. These initiatives include the introduction of energy saving measures – in some cases coupled with the use of renewable energy sources – in buildings, lighting and water pumping systems, and water saving measures in public garden irrigation. All the initiatives should result in relevant water and energy savings, and consequently financial savings, making them sustainable in the long-term. Funding could also be extended to relevant bi-communal initiatives linked to energy efficiency and renewable energy.

(2) Improving traffic safety through commercial vehicle inspections aligned with EU standards

This pilot project aims to develop a periodic technical inspection (PTI) station based on EU standards for commercial vehicles above 7.5 tons. Vehicles positively verified in an EU-compliant station would contribute to improved traffic safety and be enabled to cross the Green Line. This would in turn facilitate trade, reduce transportation costs for Turkish Cypriot traders, and contribute to their economic development. It would also enable intensifying trade across the Green Line thus bringing them closer together. The project will be implemented if and when the conditions allow.

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

**Expected results:**

- Successfully implemented local infrastructure projects through a resource-efficient and result-effective framework;
- Prioritised and best value for money projects selected for financing;
- Support provided to those local communities with a lower capacity;
- Increased impact on the ground through close monitoring of the Facility operations and ensured focus on best practices and lessons learned; and



- High EU visibility in the TCc through wide-ranging and targeted communication activities on the LIF and its results on the ground.

**1.4.2. Support to implementation of the Halloumi/Hellim package – Improving the food safety standards through support to food business operators and dairy farmers (Objective 2 of the Aid Regulation)**

Amount

EUR 3 000 000 (for a 2-year period of implementation)

Implementing entity

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

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

If negotiations with the above-mentioned entity fail, this action may be implemented in direct management in accordance with the implementation modalities identified in section 1.7.

Overall objective and purpose of the action

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

This intervention is a continuation of support provided to farmers and food business operators under the 2021 programme. It is designed to complement the EU-funded technical assistance on food safety and crisis preparedness (FSCP) initiated in 2021. It shall contribute to implementation of action plans (APs) by dairy food businesses and farmers, who will take part

in the “milk-channelling scheme” delivered by the FSCP, for improvement of structural, operational and hygiene conditions in their establishments.

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

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

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

The action is expected to bring further improvement in the dairy production field and make it more competitive and sustainable. The support will be delivered through manifold modalities (e.g. advice/technical assistance, grants/supply, financial support) and shall cover:

- structural upgrade in the food establishments, farms, or similar (including upgrade of milk production or processing lines to contribute channelling milk from farms fulfilling the requirements to the “approved” dairy processing establishments);
- implementation of Halloumi/Hellim animal and public health standards and PDO requirements;
- procurement of equipment (e.g. for milk transportation, testing).

**Expected results:**

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

### 1.4.3. *Economic monitoring and studies (Objective 2 of the Aid Regulation)*

Amount

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

Implementing entity

**The World Bank Group** according to Article 62(1)(c) of the Financial Regulation.

The World Bank is a well-established partner in Cyprus, with a proven track record and a solid on-the-ground expertise in economic monitoring and studies. It has also acquired a particular role in helping on settlement related issues. Currently, the World Bank implements a similar EU funded project under the Aid Programme, which has provided high quality outputs and has been highly valued by the Commission.

Besides this, the work is very technical in nature, and reporting and analysis to World Bank standards is required for compatibility with past and ongoing work. Moreover, apart from its work on issues supporting the settlement, the World Bank has been involved in work with the authorities of the Republic of Cyprus which makes it a unique body for this assignment.

The World Bank is a renowned body of respected international standing that has the required competence to fulfil the purpose of the action.

Overall objective and purpose of the action

The 2022 programme will continue to support the TCc to address challenges to economic development and implement the necessary actions, and will engage the expertise of the World Bank to build on the analytical and advisory work done so far and carry out the following additional tasks:

1. Building on the newly produced data to provide an assessment of key socio-economic trends;
2. Informing on policy making and implementation of key structural actions to support the Turkish Cypriot community recover and build resilience, hence narrowing the development gap between the two communities in Cyprus;
3. Supporting implementation of pilot schemes and actions towards simplification of business practices and introduction of viable and practical solutions for specific issues, which are currently restricting commercial opportunities across the Green Line.

Based on the ongoing work on the household business survey, the team will support the creation of an absolute poverty line for the TCc by using the cost of basic needs approach, which will allow to continuously monitor poverty trends and assess the impacts of poverty. Moreover,

building on the newly available data tools, the action will provide an assessment of the economic structure for the TCc. The output of this activity is expected to cater for important insights on how best to support the most vulnerable households, with a particular focus on women and youth.

Publication and dissemination of the annual Macroeconomic Monitoring Report (MMR) will be continued, with a special focus on emerging issues. The team will also follow up on the implementation of suggested actions for improving the performance in the Halloumi/ Hellim and carob value chain. This should result in improving the effectiveness of support and subsidy schemes to target efficiency and increased standards.

Work on the improvement of business environment will focus on EU best practices. Activities foreseen in this focus area build on the results achieved since 2018. Simplification of the procedures, as well as Green Line trade facilitation, are necessary steps to support the competitiveness of the TCc and facilitate reunification. By reducing the “red tape” and by ensuring that consumer prices are in line with peer economies, the action will help facilitate the interaction between the Greek Cypriots and Turkish Cypriots. Increased interaction will itself drive not only an uptake of Green Line trade, but also knowledge and technology spillovers, hence increasing innovation capability, productivity and resilience to future shocks.

Details of the assignment to be concluded under a directly awarded grant will be confirmed in consultation with all relevant stakeholders during the contract preparation stage.

**Expected results:**

- Promoted competitiveness and economic development;
- Enhanced local understanding of constraints impeding economic development;
- Identified options for necessary policy actions and provided support for their implementation;
- Improved information through development of key data and analytical tools, macroeconomic monitoring and targeted advice;
- Improved business environment and provided suggestions and good practices for reduction of administrative burden on businesses and trade across the Green Line.

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

Amount

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

Implementing entity

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

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

The UNDP has considerable expertise on the CMP. Up to and including 2021, allocations were made for 13 Delegation Agreements (DAs) with UNDP. 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 29 identifications of remains for the year 2021 and reaching a total of 1 023 remains identified so far (December 2021 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 2022 programme includes an allocation for the CMP, which is in line with the previous years. This allocation is to cover a nominal 1-year period of implementation.

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

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

#### **Expected results:**

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

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

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

The costs are largely covered by the EU funds as well as by the funds of the two communities and other international donors. More specifically, 46% of the funds are devoted to the exhumation of remains of missing persons (excavation, exhumation and transfer of remains), 22% for anthropological analyses (associating individual bones with larger skeletal remains, estimating gender, age and looking for particular identifying features), and 32% for the genetic identification of remains (including DNA extraction and analysis). The remaining funds cover the identification of location of excavation sites, investigations, and review of archives.

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

Amount

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

Implementing entity

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

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

UNDP has considerable expertise on cultural heritage protection in Cyprus. Up to and including 2021, allocations have been made for 7 Contribution Agreements (CAs) with UNDP to provide support to the preservation of cultural heritage. UNDP has a good track record in the

implementation of these CAs and has built up a high level of efficiency considering the particular circumstances. Contributions to the TCCH have yielded great results since 2012, with an impact on over 100 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 Cyprus and of its communities; and it works towards providing a mutually acceptable mechanism for the implementation of practical measures for proper maintenance, preservation, physical restoration, protection and digital preservation of cultural heritage.

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

The 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 2022 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.

**1.5. Indicative budget table by Objective**

Aid Regulation Objective	Procurement	Grant	Indirect Management with IOs/MS Body	Totals	
	EUR	EUR	EUR	EUR	%
<b>Objective 1: Development and restructuring of infrastructure</b> <i>Local Infrastructure Facility Capacity building for environment</i> <i>Investigation project of health oriented geochemical agents</i>	750 000 400 000		1 500 000	2 650 000	8
<b>Objective 2: Promotion of social and economic development</b> <i>Halloumi/Hellim package – Cross breeding programme</i> <i>Halloumi/Hellim package – Accompanying measures</i> <i>Halloumi/Hellim package – Improving food safety standards</i>	1 300 000 3 375 000		3 000 000	12 825 000	38



<i>Fostering the development of sustainable and competitive fisheries</i>		1 800 000			
<i>Economic monitoring and studies</i>			1 000 000		
<i>Technical assistance to grant beneficiaries</i>	1 000 000				
<i>Curriculum development in VET schools</i>	1 350 000				
<b>Objective 3: Reconciliation, confidence building, and civil society</b>				<b>10 050 000</b>	30
<i>Support to CMP</i>			2 600 000		
<i>Support to cultural heritage</i>			2 500 000		
<i>UWC Cyprus Peace Education Programme</i>		1 500 000			
<i>Strengthening collaborative spaces</i>		1 700 000			
<i>Support to civil society</i>	1 750 000				
<b>Objective 5/6: Preparation of legal texts / preparation for <i>acquis</i> implementation</b>				<b>2 000 000</b>	6
<i>TAIEX support</i>	2 000 000				
<b>Support and Settlement Facility</b>	5 908 857 .14			<b>5 908 857 .14</b>	18
<b>TOTAL</b>	<b>17 833 857 .14</b>	<b>5 000 000</b>	<b>10 600 000</b>	<b>33 433 857 .14</b>	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 2022 programme can be fully implemented:

#### Objective 1: Development and restructuring of infrastructure

- All potential property-related issues must be identified, including site-access issues, planning consents and methods of working;
- It is assumed that relations with contractors in the Turkish Cypriot community will be sufficiently smooth. Infrastructure investments remain a risk for the Commission, in terms of both implementation and sustainability. The Commission remains committed to infrastructure development as required by the Aid Regulation, but relies on the cooperation of beneficiaries for full commitment and absorption of funds.

#### Objective 2: Promotion of social and economic development

- The actions in the area of agriculture and fisheries, food safety and veterinary, 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 areas of analysis and implement the necessary actions.

Objective 3: Reconciliation, confidence building, and civil society

- The bi-communal Technical Committee on Cultural Heritage will meet to provide clear guidance on preferred priorities agreed by the two communities;
- It is assumed that monuments renovated in the areas not under the effective control of the Government of the Republic of Cyprus are subsequently maintained and accessible to the public;
- 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;
- In the implementation of actions financed under this programme, the rights of natural and legal persons, including the rights to possessions and property, should be respected.

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

- Sufficient absorption capacity of the beneficiary and efficiently functioning working groups helping with programming and implementing TAIEX assistance.

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

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

**DIRECT MANAGEMENT:**

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

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

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

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

## **INDIRECT MANAGEMENT:**

Part of this programme shall be implemented by indirect management with entrusted entities other than the beneficiary in accordance with Article 62(1)(c) and Articles 154-157 of the Financial Regulation, or Title VI of the Financial Regulation, as applicable.

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

## **MONITORING**

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

## **EVALUATION**

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

### ***1.8. Special conditions***

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

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

As regards participation in the award of procurement or grant contracts, the term "all natural and legal persons of Member States of the European Union in Article 9 paragraph 1 of Council Regulation 389/2006" is clearly defined therein. This will be specified in the calls for tenders and proposals.