



DG Employment, Social Affairs and Inclusion

**Annual work programme for operational technical assistance to implement the activities of the support group for Cyprus at the initiative of the Commission in the framework of the European Regional Development Fund (Operational technical assistance and operational technical assistance managed by the Commission at the request of a Member State) and the Cohesion Fund for 2015**

[Commission Decision C(2015)3712 of 5 June 2015]

## **SUMMARY**

**DG EMPL's 2015 work programme for operational technical assistance to implement the activities of the support group for Cyprus at the initiative of the Commission in the framework of the European Regional Development Fund (Operational technical assistance and operational technical assistance managed by the Commission at the request of a Member State) and the Cohesion Fund, serving as a financing decision.**

This draft Implementing Decision constitutes DG EMPL's 2015 work programme for operational technical assistance to implement the activities of the support group for Cyprus at the initiative of the Commission in the framework of the European Regional Development Fund (Operational technical assistance and operational technical assistance managed by the Commission at the request of a Member State) and the Cohesion Fund, serving as a financing decision.

This draft Commission Decision relates to the following budget lines:

- 13.036501 : European Regional Development Fund (ERDF): Operational budget line
- 13.036502 : European Regional Development Fund (under Article 25):
- 13.046101 : Cohesion Fund (CF) operational technical assistance budget line:

The appropriations available under these budget lines will be used for:

- Awarding grants
- Public procurements

The Annex to the draft Commission Decision sets out, for each budget line concerned, the details of the various actions scheduled by DG EMPL for 2015.

## ANNEX

2015 work programme for operational technical assistance to implement the activities of the support group for Cyprus at the initiative of the Commission in the framework of the European Regional Development Fund and the Cohesion Fund

### **Introduction**

On the basis of the objectives given in the legal basis mentioned under the different appropriations, this work programme contains the actions to be financed and the budget breakdown for the year 2015 as follows:

- for grants (1.2): 1.400.000 Euros
- for prizes (1.3.): N/A
- for procurement (1.4): 1.300.000 Euros
- for actions implemented under indirect management (1.5): N/A
- for financial instruments (1.6): N/A
- for other actions (1.7): N/A

Any action under this work programme shall respect and shall be implemented in line with the rights and principles enshrined in the Charter of Fundamental Rights of the European Union.

### **BUDGET LINES**

European Regional Development Fund (ERDF): Operational budget line 13.036501

European Regional Development Fund (under Article 25): 13.036502

Cohesion Fund (CF) operational technical assistance budget line: 13.046101

### **LEGAL BASIS**

Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006<sup>1</sup> and in particular Article 58(2).

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<sup>1</sup> OJ L 347, 20.12.2013, p. 320.

## 1.2. GRANTS

The budgetary allocation reserved for grants is 1.400.000 Euros.

### 1.2.1. Direct grant to the World Bank to improve public administration and budgeting in Cyprus

Budget line

13 03 65 01
13 04 61 01

Overall objective and purpose of the action

Strengthening the public administration including the public financial management system through, <i>inter alia</i> , support with the creation and implementation of the project investment policies and support other elements of the implementation of the adopted Fiscal Responsibility and Budget Systems Law, as required by the Memorandum of Understanding between the Cypriot authorities, the ECB, the IMF and the EC.
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Description of the activities to be funded

<p>The project foresees that experts will support the Ministry of Finance of Cyprus with the implementation of the Public Administration Reform and the Fiscal Responsibility and Budget Systems Law. In particular, the technical assistance will be devoted to financing a project that would encompass actions mainly linked to the improvement of the management of investment projects. Following the first phase, the current project will focus on strengthening the capacity to implement public investment management methodologies and the overall public investment management process. The specific TA provided could <i>inter alia</i> include assistance in the following areas:</p> <p>i) development of a sector-specific methodology / manual for project preparation, appraisal, and prioritization for projects including PPPs;</p> <p>ii) designing and implementing a training plan to build capacity in the MOF and line ministries for project preparation, appraisal, and prioritization for projects including PPPs;</p> <p>iii) creation of a monitoring system that will allow the competent authorities in Cyprus to follow up on project implementation, identify risks and flag issues in project implementation;</p> <p>iv) reviewing the supporting information systems being used to monitor the public investment program and making recommendations to improve information for monitoring and decision-making; and</p> <p>v) the development of a methodology for conducting an environmental analysis for investment projects.</p>
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Essential eligibility, selection and award criteria

According to Article 190.1.(f) of the Rules of Application, grants may be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of
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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. The World Bank has a recognised and relevant experience in the field of public finance management and has a high level of specialisation and technical competence in these areas.

The individual award decision substantiating the specific characteristics will be adopted at a later stage.

The potential beneficiary will be invited to submit an application which will be evaluated according to the following main award criteria:

- The extent to which the proposed action is in line with the objectives pursued and the extent to which the proposed outputs present added value in this context;
- The financial quality of the proposal including a reasonable and realistic budget as well as its sound cost-efficiency ratio.

Implementation: Directly by DG EMPL together with the Support Group for Cyprus.

Maximum possible rate of co-financing of the eligible costs : 100 % - According to Article 60 of Regulation (EC) No 1303/2013.

Indicative timetable and indicative amount of the grant awarded without a call for proposals

Date	Amount
Q3-2015	EUR 400.000

### **1.2.2 Direct grant to the International Monetary Fund to improve public financial management in Cyprus**

Budget line

13 03 65 02

Overall objective and purpose of the action

Improving the effectiveness, control and efficiency of public financial management and revenue systems and bringing them into line with EU requirements, through the implementation of the adopted Fiscal Responsibility and Budget Systems Law, and through support for the related Fiscal Council, the reformed revenue administration and/or the improvement of tax policies, as required by the Memorandum of Understanding between the Cypriot authorities, the ECB, the IMF and the EC.

Description of the activities to be funded

The project foresees that experts will support the Ministry of Finance of Cyprus. In particular, the technical assistance will be devoted to financing a project that would encompass actions mainly linked to: i) implementing the revenue administration reform, in particular with respect to the large tax payer office, the business procedures, the compliance strategy, risk management and IT-related matters; ii) the Fiscal Responsibility and Budget Systems Law, in particular with regard to the budget preparation process, risk management, related IT matters, the independent review of PFM entities and the Fiscal Council and iii) the improvement of revenue policies.

## Essential eligibility, selection and award criteria

According to Article 190.1.(f) of the Rules of Application of the Financial Regulation, grants may be awarded without a call for proposals for actions with specific characteristics that 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. The IMF has a recognised and relevant experience in the field of public financial management and in-depth knowledge of the Cypriot public financial management system including revenue policies and administration.

The individual award decision substantiating the specific characteristics will be adopted at a later stage.

The potential beneficiary shall be invited to submit an application which shall be evaluated according to the following main award criteria:

- The extent to which the proposed action is in line with the objectives and the priorities for the year and the extent to which the proposed outputs present added value.
- The financial quality of the proposal including a reasonable and realistic budget and a sound cost-efficiency ratio.

Implementation: Directly by DG EMPL together with the Support Group for Cyprus.

Maximum possible rate of co-financing of the eligible costs : 100 % - According to Article 60 of Regulation (EC) No 1303/2013.

Indicative timetable and indicative amount:

Date	Amount
Q3-2015	EUR 200.000

### 1.2.3 Direct grant to Internationale Zusammenarbeit (GIZ) to improve energy efficiency in Cyprus

Budget line

13 03 65 01  
13 04 61 01

Overall objective and purpose of the action

The aim of the action is to facilitate Cyprus in achieving its national targets for energy efficiency by increasing energy efficiency in sectors such as transport and energy production and distribution and to examine the penetration of renewable energy and alternative fuels (electricity, biofuels and bioenergy) in the road and maritime transport sector. The technical assistance will support Cyprus in achieving its targets for renewables and energy efficiency by 2020, as they derive from the Directives 2012/27/EU and 2009/28/EC, and from Directive 2010/31/EU for the energy efficiency of buildings.

#### Description of the activities to be funded

The project foresees that experts will support the Ministry of Energy, Commerce, Industry and Tourism (MECIT). The following activities will, *inter alia*, be undertaken: a review of the opportunities and policies to promote renewable energy sources (RES) and alternative fuels (electricity, biofuels and bioenergy) in the transport sector, a study to assess the Cypriot energy-efficiency potential and to propose a strategy to exploit it, a plan to introduce metering and billing for domestic hot water, district heating and cooling, and proposals to improve energy efficiency in agriculture and to develop an energy efficiency awareness campaign.

#### Essential eligibility, selection and award criteria

According to Article 190.1.(f) of the Rules of Application of the Financial Regulation, grants may be awarded without a call for proposals for actions with specific characteristics that 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. The Deutsche Gesellschaft für Internationale Zusammenarbeit has the expertise and legitimacy to support this action. GIZ is a Member State body, governed by private law with a public service mission. GIZ has extensive experience in implementing such actions across the world.

The individual award decision substantiating the specific characteristics will be adopted at a later stage.

The potential beneficiary shall be invited to submit an application which shall be evaluated according to the following main award criteria:

- The extent to which the proposed action is in line with the objectives and the priorities for the year and the extent to which the proposed outputs present added value.
- The financial quality of the proposal including a reasonable and realistic budget and a sound cost-efficiency ratio.

Implementation: Directly by DG EMPL together with the Support Group for Cyprus.

Maximum possible rate of co-financing of the eligible costs : 100 % - According to Article 60 of Regulation (EC) No 1303/2013.

Indicative timetable and indicative amount of the grant awarded without a call for proposals

Date	Amount
Q2-2015	EUR 400.000

#### **1.2.4 Direct grant to Austrian state or an entity designated under its responsibility to modernize building law in Cyprus**

Budget line

13 03 65 01

13 04 61 01

#### Overall objective and purpose of the action

Establishment of an efficient and effective land and building development system in Cyprus aimed at simplification and reduction of regulatory burden.

Specific objective: A successful reform in the area of building law through the introduction of modern and well-functioning control processes for land and building development in Cyprus to support the Government's efforts to bring the Cypriot economy back to a sustainable growth path.

#### Description of the activities to be funded

The project foresees that experts will support the Town Planning and Housing Department and the Technical Services of the Ministry of Interior.

The beneficiary is expected to prepare the conceptual framework for the new Cypriot building law. This involves, *inter alia*, a review and assessment of the existing legal framework underlying the granting of planning and building permission, stakeholder consultation, preparation of recommendations for policy decisions and their implementation, and legal drafting.

The conceptual framework will be supported by a number of approved documents. The approved documents must include technical requirements and information, which will assist in the design of buildings and construction works so that they meet necessary requirements.

#### Essential eligibility, selection and award criteria

According to Article 190.1.(f) of the Rules of Application of the Financial Regulation, grants may be awarded without a call for proposals for actions with specific characteristics that 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. The Austrian government has recent experience with building law reform, including enforcement of building law at regional and local level. It represents a good match for Cyprus as its reformed building law incorporates some of the objectives of the envisaged reform in Cyprus, e.g. greater involvement of the private sector to streamline the processes related to the issuance of permits and certificates.

The individual award decision substantiating the specific characteristics will be adopted at a later stage.

The potential beneficiary shall be invited to submit an application which shall be evaluated according to the following main award criteria:

- The extent to which the proposed action is in line with the objectives and the priorities for the year and the extent to which the proposed outputs present added value.
- The financial quality of the proposal including a reasonable and realistic budget and a sound cost-efficiency ratio.



Implementation: Directly by DG EMPL together with the Support Group for Cyprus.

Maximum possible rate of co-financing of the eligible costs : 100 % - According to Article 60 of Regulation (EC) No 1303/2013.

Indicative timetable and indicative amount of the grant awarded without a call for proposals

Date	Amount
Q2-2015	EUR 150.000

### **1.2.5 Direct grant to German state or an entity designated under its responsibility to strengthen the personnel management and information technology services of the public sector in Cyprus**

Budget line

13 03 65 01 13 04 61 01
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Overall objective and purpose of the action

Within the context of the Memorandum of Understanding between the Cypriot authorities, the European Central Bank, the International Monetary Fund (IMF) and the European Commission, substantial reforms of the public administration are foreseen. These reforms will be based on reviews of the current public sector entities. This action aims to contribute to the reform of the Ministry of Finance and the entities under the control of the Minister by reviewing the personnel department (PAPD) and the information technology department (DITS).
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Description of the activities to be funded

The project foresees that experts will support the Ministry of Finance with the review of the two departments (PADP and DITS). These reviews will contribute to the overall review of the Ministry of Finance, undertaken by the IMF, and contain specific recommendations with regard to improving their service delivery.
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Essential eligibility, selection and award criteria

According to Article 190.1.(f) of the Rules of Application of the Financial Regulation, grants may be awarded without a call for proposals for actions with specific characteristics that 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. The German government, (through any entity designated under its responsibility, such as the Partnerschaften Deutschland (PD)), has been very much engaged in supporting the Cypriot Ministry of Finance, including through its subsidy to PD, which has worked on strengthening the information technology systems needed for the successful introduction of the new budget systems.
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The individual award decision substantiating the specific characteristics will be adopted at a later stage.
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The potential beneficiary shall be invited to submit an application which shall be evaluated according the following main award criteria:
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| <ul style="list-style-type: none"><li>- The extent to which the proposed action is in line with the objectives and the priorities for the year and the extent to which the proposed outputs present added value.</li><li>- The financial quality of the proposal including a reasonable and realistic budget and a sound cost-efficiency ratio.</li></ul> |
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Implementation: Directly by DG EMPL together with the Support Group for Cyprus.

Maximum possible rate of co-financing of the eligible costs : 100 % - According to Article 60 of Regulation (EC) No 1303/2013.

Indicative timetable and indicative amount of the grant awarded without a call for proposals

Date	Amount
Q2-2015	EUR 250.000

#### **1.4. PROCUREMENT**

##### **BUDGET LINES**

European Regional Development Fund (ERDF): Operational budget line 13.036501

Cohesion Fund (CF) operational technical assistance budget line: 13.046101

##### **1.4.1 Procurement activities of the Support Group for Cyprus**

The overall budgetary allocation reserved for procurement is 1.300.000 Euros. Based on the request of the Cypriot authorities, specific projects will be undertaken in areas such as healthcare, public financial management, revenue administration, property (tax) reform, growth, insolvency, energy, social welfare, waste management, public administration reform and agriculture. Consistent with the mandate of the Support Group for Cyprus, these projects will assist the Cypriot authorities to implement their commitments included in the Memorandum of Understanding on Specific Economic Policy Conditionality and to alleviate the social consequences of the economic crisis in Cyprus. The procured services will mobilise resources for hiring (semi-) private sector consultants, supervised by the Support Group for Cyprus.

Type of procurement: Service

Indicative number of contracts envisaged:

- Number of small value contracts: 25
- Number of tenders: 15

Timeframe: 2015 Q2 to Q4

Implementation: Directly by DG EMPL together with the Support Group for Cyprus.