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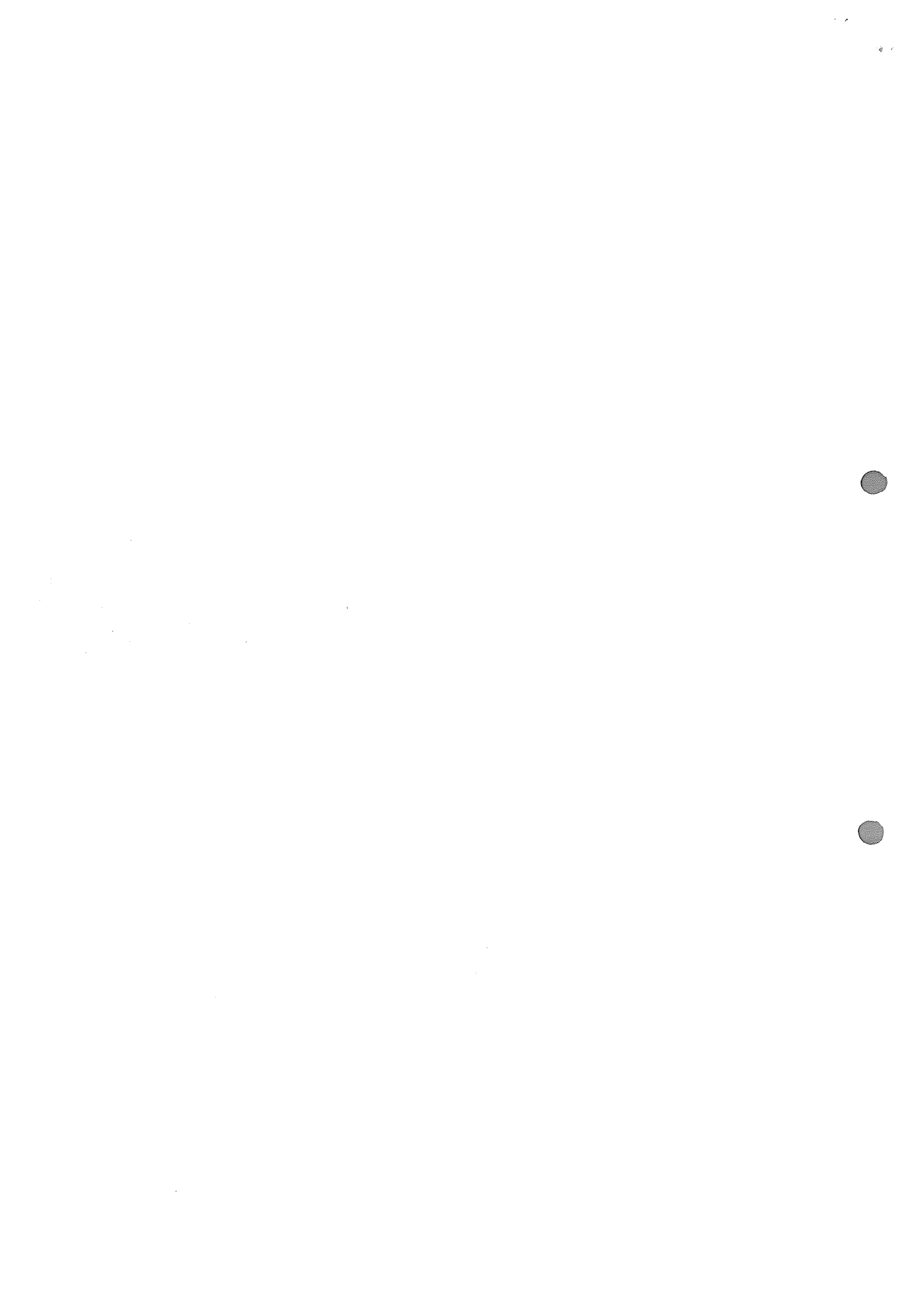
COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 22 April 2009

**COMMISSION DECISION**

**C(2009)2928 of 22 April 2009**

**amending Decision C(2006)6533 establishing a financial assistance programme to encourage the economic development of the Turkish Cypriot community – Part II**



## COMMISSION DECISION

C(2009)2928 of 22 April 2009

**amending Decision C(2006)6533 establishing a financial assistance programme to encourage the economic development of the Turkish Cypriot community – Part II**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

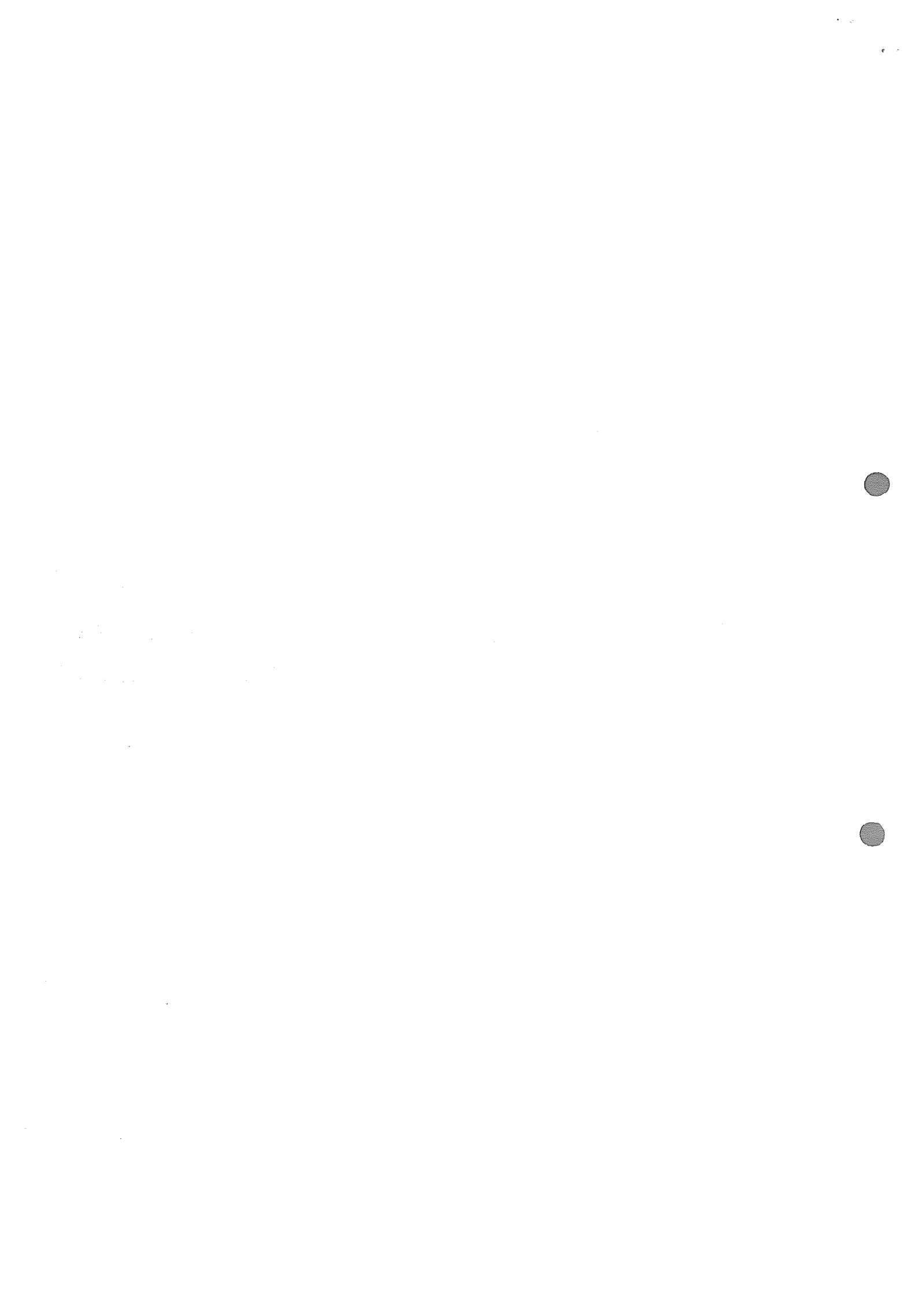
Having regard to Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community<sup>1</sup>, and in particular Article 3 thereof,

Whereas:

- (1) Following the accession of Cyprus, the application of the *acquis* is suspended pursuant to Article 1(1) of Protocol No 10 to the Act of Accession 2003 in the areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control (hereinafter referred to as 'the areas').
- (2) Pursuant to Article 3(1) of Protocol No 10, nothing in the Protocol precludes measures with a view to promoting the economic development of the areas.
- (3) Council Regulation (EC) No 389/2006 lays down the rules and conditions for the granting of assistance for encouraging the economic development of the Turkish Cypriot community.
- (4) Commission Decision C(2006)6533 of 15 December 2006 establishing a financial assistance programme to encourage the economic development of the Turkish Cypriot community – Part II were adopted pursuant to the aims of Council Regulation (EC) No 389/2006.
- (5) Due to the characteristics of the actions proposed, in order to achieve the objectives set by Project 2006/018-488.01.01 "Sector programme for upgrading the quality and management of water supply and sanitation services" funded under Commission Decision C(2006)6533, implementation arrangements for this project should be modified to enable the use of the joint management procedure foreseen by Article 53(1)c of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the

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<sup>1</sup> OJ L 65, 7.3.2006, p. 5.



Financial Regulation applicable to the general budget of the European Communities<sup>2</sup> (hereafter: "the Financial Regulation"). It is therefore also necessary to extend the deadline for execution.

- (6) Due to the characteristics of the actions proposed, in order to achieve the objectives set by Project 2006/018-488.02.04 "Micro and small enterprise loan scheme" funded under Commission Decision C(2006)6533, implementation arrangements for this project should be modified to enable the use of indirect centralised management foreseen by Article 54(2)c of the Financial Regulation. It is therefore also necessary to extend the deadline for execution.
- (7) For the management of that project, an agreement should be concluded with the publicly owned German development bank Kreditanstalt für Wiederaufbau ("KfW"). According to an audit executed in 2008, KfW complies with the criteria provided for in Article 5(2) of Regulation (EC) No 389/2006 and in Article 56 of the Financial Regulation.
- (8) In order to support the work of the Committee on Missing Persons an additional allocation to project 2006/018-488.03.01 of €2 million is needed. This will allow the Committee to continue its work without interruption and will replace the funding foreseen for this purpose from the 2009 budget.
- (9) In order to provide matching funding for the demining of the buffer zone following an allocation of €2.5 million by the Government of the Republic of Cyprus, an additional allocation of €1.5 million for the project 2006/018-488.03.02 "De-mining assistance programme" under Commission Decision C(2006)6533 is needed.
- (10) The Committee referred to in Article 3(2) of Regulation (EC) No 389/2006 will be informed of this Decision.

HAS DECIDED AS FOLLOWS:

*Sole Article*

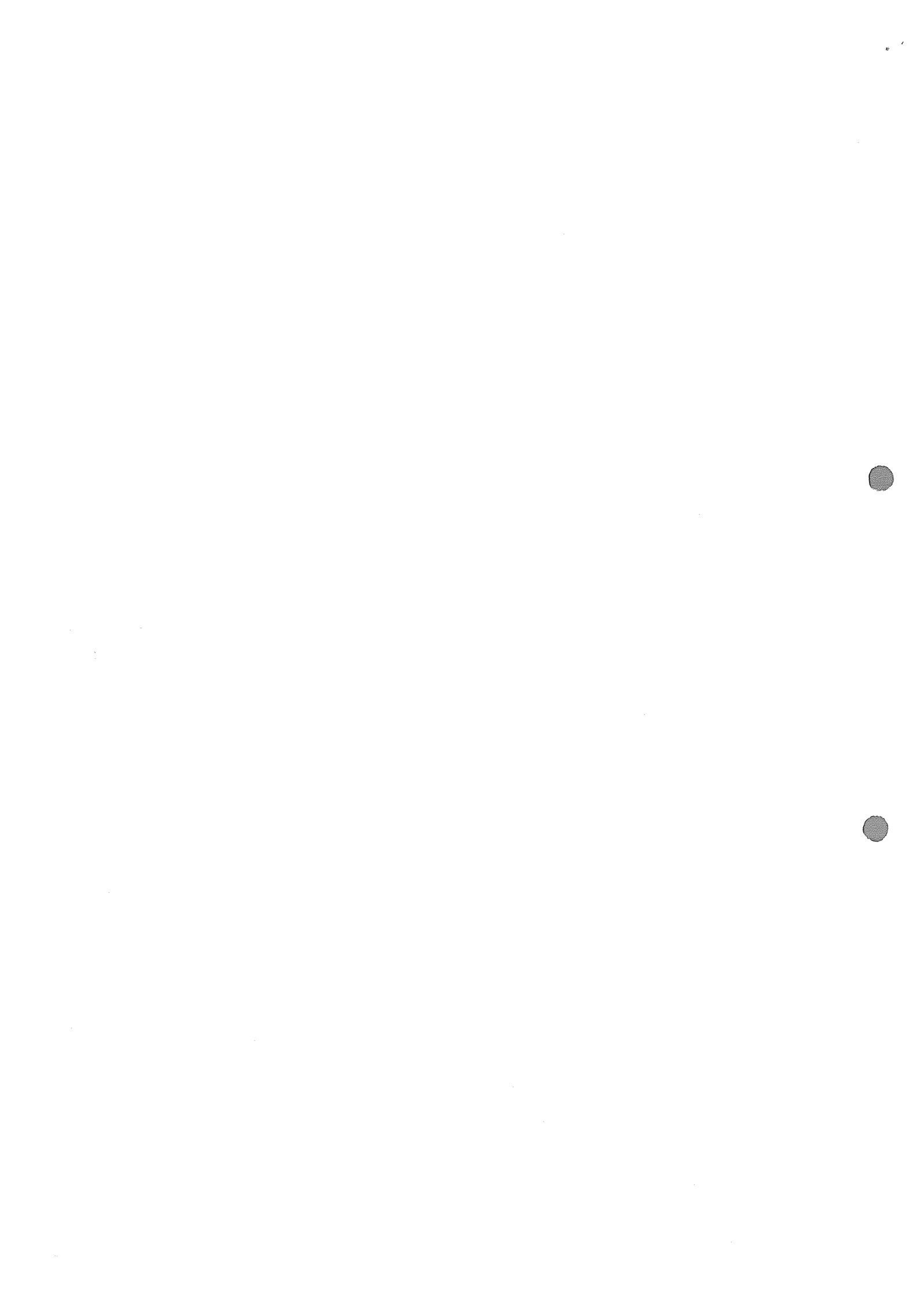
The Annex to Decision C (2006) 6533 of 15 December 2006 is hereby amended as follows:

- (1) In Section 1, Identification, the indications for implementation is replaced by the following:

"By the European Commission on a centralised basis under Article 53.1 (a) (1) of the Financial Regulation and by joint management with the United Nations under Art. 53 (1) c for projects 2006/018-488.01.01 and 2006/018-488.02.02"
- (2) In Section 1, Identification, to the indications for Execution of Contracts end date, the following sentence is added:

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<sup>2</sup> OJ L 248, of 16.9.2002, p.1. Regulation as last amended by Regulation (EC, Euratom) No 1525/2007 (OJ L 343, 27.12.2007, p. 9).



"For Project 2006/018-488.01.01: 15 December 2013, for Project 2006/018-488.02.04: 15 December 2017"

- (3) In Section 6, Objectives and Description, Component 3c in Table b) Description: Urgent wastewater investments is replaced as follows:

"3c Contribution to the construction of a new wastewater treatment plant at Haspolat/Mia Milia"

The description of the additional reserve project a) described in the paragraph following Table "b) is replaced as follows:

"Construction of associated collector sewers related to the treatment of the wastewater flow from the Turkish Cypriot community at the new Haspolat/Mia Milia wastewater treatment plant;"

- (4) In Section 6, Objectives and Description, the following sentence is added at the end of subsection Project 2006/018-488.01.01: Sector programme for upgrading the quality and management of water supply and sanitation services:

"Item 3c to be funded under this project will be implemented by joint management with UNDP in accordance with Article 53.1 (c) of the Financial Regulation."

- (5) In Section 6, Objectives and Description, the last sentence of the subsection Project 2006/018-488.02.04 : Micro and small enterprise loan scheme, is replaced by the following :

"This project will be implemented according to Article 54 (2)c of the Financial Regulation (see section 9)."

- (6) In section 6, Objectives and Description, the section on project 2006/018-488.06.01. Unallocated Technical Assistance Programme Reserve Facility shall be replaced as follows:

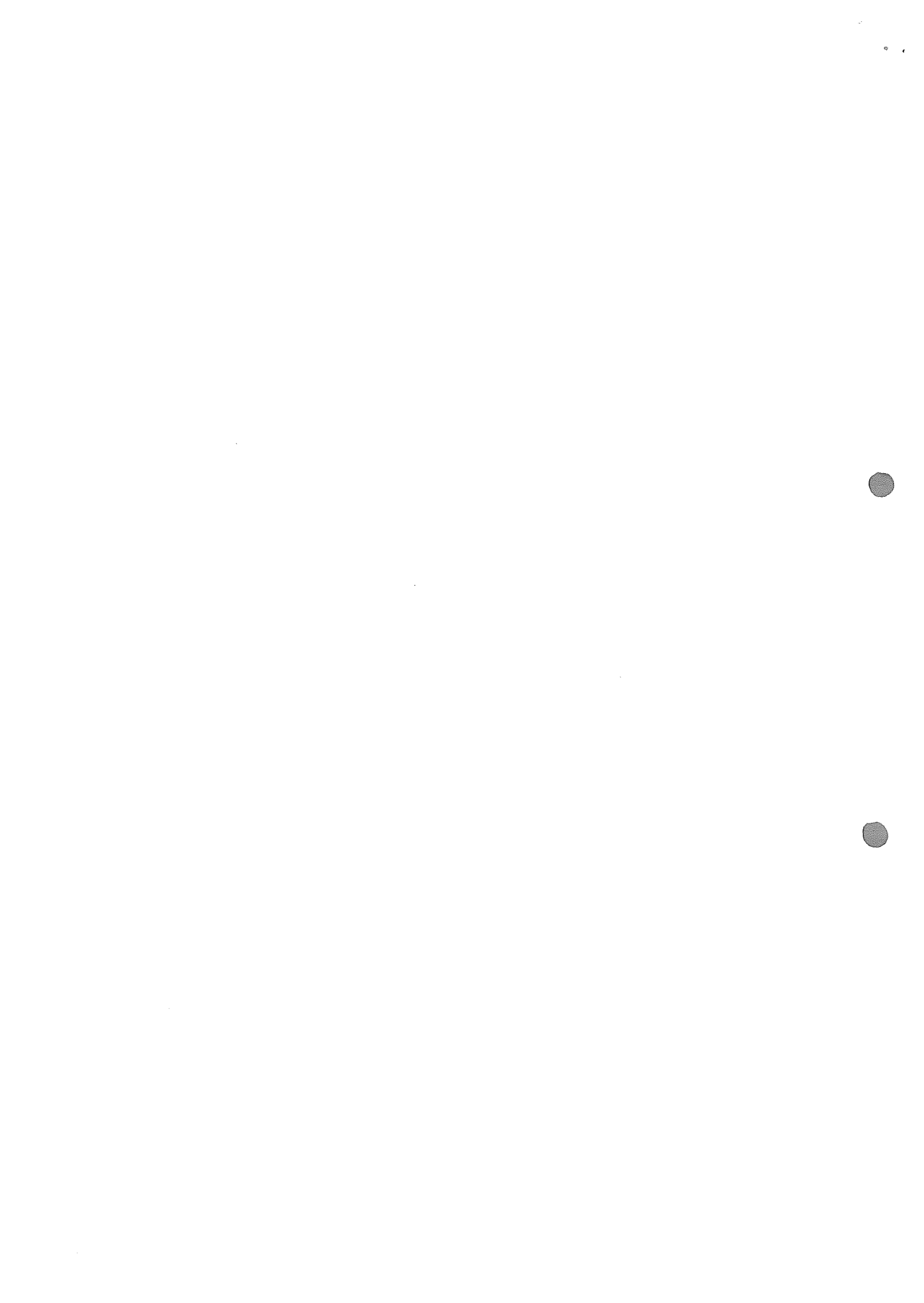
"The funds foreseen under the Unallocated Technical Assistance Programme Reserve Facility shall be allocated as follows:

€2 million will be transferred to project 2006/018-488.03.01 to support the work of the Committee on Missing Persons

€1.5 million will be transferred to project 2006/018-488.03.02 "De-mining assistance programme"

- (7) In Section 9, Implementation, subsection a) Financial and project management, Joint Management, is amended as follows:

"(1) Implementation of item 3 c under Project 2006/018-488.01.01 "Sector programme for upgrading the quality and management of water supply and sanitation services" and Project 2006/018-488.02.02 "Upgrading of local and urban infrastructure – Part II" will be carried out according to Art. 53.1 (c) of the Financial Regulation jointly with the United Nations (UN) as other donor and its United Nations Development Programme (UNDP) as implementing body, in accordance





with the Financial and Administrative Framework Agreement concluded between the European Union and the UN on 29 April 2003.”

- (8) In Section 9, Implementation, subsection a) Financial and project management, the following point (2a) is added to Indirect centralised management:

“(2a) Implementation of project 2006/018-488.02.04 "Micro and small enterprise loan scheme" will follow the method of implementation provided for in Article 54 (2)c of the Financial Regulation. An Agreement will be concluded with the Kreditanstalt für Wiederaufbau (KfW).

- (9) In Section 9, Implementation, the first subparagraph of point b) Contracting and execution deadline, the following sentence is added :

- (10) “For Project 2006/018-488.01.01 the end of execution deadline is 15 December 2013, for project 2006/018-488.02.04, the end of execution deadline is 15 December 2017.”

Done at Brussels, [...]

*For the Commission*  
*Olli Rehn*  
*Member of the Commission*

