SUMMARY PROJECT FICHE

1. **BASIC INFORMATION**

1.1 Desiree Number:

1.2 Title: Establishment of Integrated Administration and Control System (IACS)

1.3 Sector: Agriculture

1.4 Location: Department of Agriculture in the Ministry of Agriculture, Natural Resources and Environment, Nicosia-Cyprus

2. **OBJECTIVES**

2.1 Overall Objective(s):
To set-up the appropriate administrative structures for the effective implementation of the Common Agricultural Policy in Cyprus.

2.2 Project purpose:
To develop the necessary institutional, organisational and technical set-up for the establishment of the Integrated Administration and Control System and a Geographical Information System (GIS) for plant and livestock support schemes, in accordance with the relevant EU policies and regulations.

2.3 Accession Partnership and NPAA priority

- **Accession Partnership**
  - Set up the administrative structures needed for the design, implementation, management, monitoring, control and evaluation of EC funded rural development programmes;
  - Complete preparations for the enforcement and practical application of the management mechanisms of the Common Agricultural Policy, in particular the Integrated Administration and Control System and the Paying Agency; bring the status and operation of the current monopolies in line with the acquis.

- **NPAA**
  - **Agriculture**
    - Handling of EAGGF (guarantee Section) Expenditure, Institution building needs, Integrated Administration and Control System (IACS):

The organisational arrangements, the preparation of the final software and the setting up of the network and the necessary computer hardware installations are planned to be ready and fully functional during the third quarter of 2002. The system will eventually be able to verify the identities and areas of land parcels by reference to the Computerised Integrated Land Information System, which is being developed by the Department of Land and Surveys.
Applications for livestock aid will be supported by an interface with the Animal Identification and Registration System currently being developed by the Department of Veterinary Services to verify identification and numbers of animals kept. The system will also be linked to a Geographical Information System (GIS) and, if necessary and useful, will make use of remote sensing for checking land areas and usage.

3. DESCRIPTION

3.1 Background and justification

The Department of Agriculture is responsible for the implementation of agricultural policy by preparing and implementing both development programmes and direct support schemes. The provision of training to farmers and guidance of the rural population in general, constitute also main responsibilities of the Department of Agriculture.

The Department of Agriculture currently implements several direct support schemes in the livestock and plant sectors. Though the implementation and enforcement of the schemes are well prepared and the procedures and practices are to a great extent in line with the EU guidelines, it is recognised that there is a need for a solid integrated system with the appropriate organisational structure, adequate human resources, trained staff and the necessary IT support systems.

In this respect, the Government of Cyprus, according to the commitments undertaken in the framework of the accession negotiations, has embarked on a coherent programme with the objective to have ready and fully operational a modern Integrated Administration and Control System (IACS) upon accession. In pursuing this, it has initiated steps and procedures to harmonise the required policy and effect the necessary institutional adjustments for the establishment of and operation of an IACS, in accordance with the relevant EU regulations.

The Government has decided to introduce acreage payments for cereal and fodder crops in accordance with the AEU's support schemes for the next crop season (2001/2002). For this purpose, the Department of Agriculture has developed an interim in-house computer product to set up registers of eligible farmers for direct aid. The administration and collection of the application forms, the administrative controls, the data input and verification checks will be carried out with the active involvement of the District Agricultural Extension Services of the Department of Agriculture.

The identification and registration of animals (cattle, sheep and goats), is under the responsibility of the Department of Veterinary Services. Ear-tagging the bovine animals, which started earlier this year, has almost been concluded. Sheep and goats are expected to be ear-tagged and registered by the end of 2001-beginning 2002. An in-house database to register the bovines has been developed, while expert services have been commissioned for the development of an appropriate computerised system for the identification and registration of animals in accordance with Council Reg. (EC) 1760/2000. Information from this database will be made available to IACS for verification of information submitted by farmers in their aid applications for livestock premiums.

It must also be noted that recent amendments of the basic relevant EU regulations prescribe the use of computerised Geographical Information Systems (GIS) in IACS. More specifically, Regulation (EC) 1593/00 specifies that provision should be made for the introduction of computerised GIS techniques with Remote Sensing for the identification of agricultural parcels. The main aim of this amendment is the improvement of IACS administrative checks as a result of the availability of digital graphical references.
A working committee has been appointed recently to identify and analyse the business processes involved in IACS. The committee will define the procedures and standards involved in the design of the software for IACS and will prepare the user requirements and system specifications for IACS. Following this task, consultancy services will be commissioned (national budget funds) to review the data flow diagrams, the functional requirements, the technical specifications, the procedures and business processes that the IACS software will support, compare them with EU requirements and propose possible improvements.

3.2 Linked activities

- In late 2000, the Government of Cyprus financed two short-term technical assistance missions by experts from the Netherlands and Ireland to review the present support schemes applied in Cyprus in the plant and livestock sectors, and the adequacy of the institutional and organisational framework used to implement them. The role of the various government departments in implementing the present and proposed support schemes was also reviewed. The experts submitted recommendations and proposals on the institutional, organisational and functional requirements for setting up a modern IACS, as part of a paying agency.

- Officials of the Department of Agriculture had visited EU Member States (Ireland, The Netherlands, and Sweden) to gain knowledge of organisational arrangements, structures and functions of the respective Integrated Administration and Control Systems. Also, officials from various disciplines (Agriculture, Veterinary, and Information Technology) that are actively involved in the promotion of IACS in Cyprus have attended recently a seminar on IACS organised by TAIEX in Brussels.

3.3 Results

- Organisation plans for the necessary structure;
- Departmental staff trained;
- Computerised IACS (Integrated Administration and Control System);
- Computerised GIS (Geographical Information System) with Remote Sensing for agricultural land parcel identification;
- Database of agricultural land plots.

3.4 Activities:

The activities of this project will focus on three main areas:

3.4.1. Development of an effective organisational structure and enhancement of the Department of Agriculture staff capacity to implement the relevant Acquis

The Department of Agriculture has to set up the IACS organisational structure, to assess the needs in terms of manpower and to assure that the appropriate staff is trained. It is anticipated that the IACS system will be a partly centralised organisation with “higher functions” (i.e. development of schemes / regulations, authorisation and execution of payments, accounting for payments etc) done centrally at the headquarters of the Department of Agriculture, while some “lower functions” (i.e. handing out forms, reception, acceptance, data input, controls on the spot etc) will be placed at the district level (District Agricultural Offices).
This project component will provide the Department of Agriculture the necessary technical assistance to:

- develop and implement an organisational plan for an effective organisational set up of IACS both at Headquarters of the Department and District Offices;
- assess the needs of the Department in terms of manpower for the setting up of IACS;
- design appropriate mechanism for the interface between the IACS system and the Paying Agency which will be established;
- assess the training needs in relation to the implementation of IACS, to design, develop and implement the corresponding training programme for the departmental staff, by using suitable training delivery instruments.

3.4.2 Development of IACS software systems and IT infrastructure

The Integrated Administration and Control System (IACS), as specified in the relevant EU regulations, requires the use by Member States of computerised systems facilitating administrative checks and identifying anomalies in declarations effectively and efficiently.

Cyprus does not have any computerised system that meets the EU requirements regarding IACS. The Department of Agriculture therefore will develop a system, which needs to be in operation by the date of accession. This will involve a computerised database, parcel and animal registration systems, and a system for administrative checks. The proposed system will incorporate the authoritative comprehensive register of farmers, holdings, land parcels, animals, and land use. The accuracy of data is an important element of IACS (i.e. to check for duplicate declarations for the same parcel, duplicate ear-tags, etc.) and validations will be performed through the District Agricultural Offices. The valid data will be uploaded to the central system for storage and further processing. Authorised staff at the District Agricultural Offices will have on-line access to the central register to view information with regard to communities, farmers, parcels, commodities etc. The system will be able to crosscheck identities and areas of land parcels by reference to the Computerised Integrated Land Information System, which is being developed by the Department of Land and Surveys.

Applications for livestock aid will be supported by an interface with the Animal Identification and Registration System currently being developed by the Department of Veterinary Services. It is also envisaged that the computerised IACS will be Internet-enabled, using all the necessary communication facilities to enable farmers in eventually submitting applications using Internet-based technology.

In accordance with the relevant EU policies and regulations - Reg. (EEC) 136/66, Reg. (EC) 1638/98 and Reg. (EC) 2366/98), a Geographic Information System (GIS) for identification of agricultural land parcel identification will also have to be integrated into IACS. It will use remote sensing for checking and verifying land areas and usage. The Department of Agriculture decided to develop a pilot GIS system for Olive cultivation, which will be used for the development of a full fledged GIS.

Furthermore the Information Technology (IT) infrastructure of the Department of Agriculture is based on personal computers, mainly standalone systems, distributed among the specialist sections within the Headquarters and the District Agricultural Offices. Much of the IT work of the department focuses on administering subsidies to farmers through various support schemes, and this work is, on the whole, well-served by the various databases which have been developed for the purpose. Almost all of the current database systems have been developed in-house in response to short-term needs and requirements and this explains the big number of non-connected systems.
An IT unit should however be established in the Department of Agriculture to support future changes. Reliable and secure data communications between the District Agricultural Offices and the data bank at the headquarters of the Department of Agriculture are also needed. Exchanging data with other government departments, such as the Department of Lands and Surveys and the Department of Veterinary Services, and the development of the GIS with Remote Sensing dictates that the most appropriate network capabilities and computer equipment are acquired.

It should be noted that the requirements specification for this component will be prepared by the Department of Information Technology Services of the Ministry of Finance which will also undertake the responsibility for system acceptance and ensure user training.

This component of the project will therefore provide to the following:
- Technical Assistance for the design, development, installation and testing, and associated training, of the necessary software systems (IACS) for: efficient handling of aid applications; implementation of checks and controls; and effecting the payments to eligible farmers as prescribed in the Acquis.
- Technical Assistance for the design and development of the necessary pilot GIS with Remote Sensing for IACS.
- Technical assistance for the design and development of specific software packages, necessary to support the relevant departmental activities.
- IT and communication equipment for IACS, GIS and Remote Sensing.

3.4.3 Set-up of a database of agricultural land plots

At present, Cyprus does not have a comprehensive inventory of the agricultural land plots that could be used in the administrative processes to verify eligibility of areas claimed for acreage payments, according to relevant support schemes.

There is need therefore for setting up a database of land plots and their usage that will facilitate administrative controls and other cross checks. The database will be used as an effective tool to ensure that agricultural parcels are reliably identified and verified. The database will contain information about every agricultural land parcel that is likely to be claimed for aid under the various support schemes that provide for area payments. Among others, the register will provide information about the location of the parcel, land register references (i.e. Sheet/Plan Number, Plot Number, the registered area of the plot, the grower, etc), information based on observations and measurements carried out during physical checks (i.e. the maximum area that can be cultivated, the number of trees in the plot, details of any irrigation, etc.) the present land use, etc.

Establishment of the register will enable the Department of Agriculture to manage the premia with less administrative burden for both the farmer and the IACS system. The database will be used as an auxiliary supporting system, by specifically trained personnel mainly at the District level, for crosschecks during the initial stages of administrative controls of aid declarations. Thus, each District Agricultural Office will have a copy of the part of the register with the information that relates to the area under its jurisdiction and will be feeding in to the Headquarters any information that is observed during the on-the-spot visits of IACS inspectors or acquired through other official means i.e. execution of certain conservation works on the specific parcel, participation in specific restructuring schemes etc. The authority and responsibility to updating and altering the register will rest with the IT Section of IACS at the Headquarters.
This component of the project will provide the following:
- Technical assistance for the design, development, installation and testing of specialised software for the database for agricultural land plots;
- Training to the users both at the Headquarters and the District Agricultural Offices.

4. Institutional Framework

The Department of Agriculture of the Ministry of Agriculture, Natural Resources and Environment is responsible for the implementation of agricultural policies by preparing and implementing both development and support schemes.

The Department of Agriculture consists of 13 specialised Sections, stationed mainly in Nicosia, and 6 Agricultural District Offices, which are further divided into 31 Agricultural Beats with a specific number of communities in each one. It has also a number of stations and nurseries where various activities are carried out.

The Department of Agriculture will support the implementation of this project by assuring the necessary organisational environment, making available the necessary personnel and covering the cost of national experts and the necessary running and administrative costs.

5. Detailed Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Investment (1)</th>
<th>Institution Building (2)</th>
<th>Total EU financing (=I+IB)</th>
<th>National co-financing (3)</th>
<th>IFI</th>
<th>TOTAL</th>
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<tr>
<td>Development of an effective organisational structure and enhancement of the Department of Agriculture staff capacity to implement the relevant Acquis</td>
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<td></td>
<td>0.15</td>
<td>0.05</td>
<td></td>
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<tr>
<td>Development of IACS software systems and IT infrastructure</td>
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<td>1.25</td>
<td>0.40</td>
<td></td>
<td>1.65</td>
</tr>
<tr>
<td>Set-up of a database of agricultural land plots</td>
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<td>0.05</td>
<td>0.10</td>
<td>0.05</td>
<td></td>
<td>0.15</td>
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<tr>
<td>TOTAL</td>
<td><strong>1.05</strong></td>
<td><strong>0.45</strong></td>
<td><strong>1.50</strong></td>
<td><strong>0.50</strong></td>
<td></td>
<td><strong>2.00</strong></td>
</tr>
</tbody>
</table>

(1) - In relation to equipment, software and related services (installation, testing, training etc.);
(2) - In relation to management, organisation, procedures, legislation, training programmes etc.
(3) - In relation to the running costs of the project and the operational cost of the system during the initial phase of implementation.

6. Implementation Arrangements

6.1 Implementing Agency

The Department of Agriculture within the Ministry of Agriculture, Natural Resources and Environment will be the Implementing Agency for this project.
A Project Steering Committee (PSC) will be set up, comprising senior representatives of the Department of Agriculture, the Department of Information Technology Services and the Planning Bureau. The PSC will supervise and co-ordinates the overall progress and implementation of the project components, will define priorities, will provide guidance and will evaluate and approve the results. The Director of the Department of Agriculture will chair PSC.

The Department of Agriculture will make available the personnel necessary to administer and resolve issues concerning the management of the project, including planning and identification of tasks, reporting, preparation of terms of reference, tendering, contracting, monitoring and evaluation activities.

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   Department of Agriculture
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   Tel No.: (357) –2 – 301800
   Fax No. (357) –2 – 781425
   E-mail: doagrg@cytanet.com.cy

6.2 Twinning
N/A

6.3 Non-standard aspects
The project will be managed according to the Decentralised Implementation System (DIS).

6.4 Contracts
The project will be implemented through maximum three contracts:
   - Development of an effective organisational structure and personnel (EUR 0.15 million)
   - Development of IACS and GIS software systems and infrastructure (EUR 1.25 million)
   - Set-up of a database of land plots (EUR 0.10 million)

Note: The last two components may be implemented through one contract.

7. IMPLEMENTATION SCHEDULE
The Terms of Reference for the above mentioned project components, as well as the Tender Dossiers will be prepared in advance by the Department of Agriculture in close co-operation with the Department of Information Technology Services, in accordance with the DIS requirements.

7.1 Start of tendering/call for proposals: March 2002
7.2 Start of project activity: September 2002
7.3 Project completion: September 2004

8. EQUAL OPPORTUNITY
Article 28 of the constitution safeguards the right of all persons to equality before the law, the administration and justice and of equal protection thereof and treatment thereby. Any direct or indirect discrimination against any person on the ground, i.e. of his sex, is prohibited. Furthermore, the prevailing legislation with respect to equality of treatment for men and women is partly in conformity with the Acquis Communautaire.

The Department of Agriculture of the Ministry of Agriculture, Natural Resources and Environment, which is the Implementing Agency for this project, is an equal opportunity employer. Its human resources currently consist of 80% men and 20% women.

9. **ENVIRONMENT**
N/A

10. **RATES OF RETURN**
N/A

11. **INVESTMENT CRITERIA**
N/A

12. **CONDITIONALITY AND SEQUENCING**
The components of the project are inter-related and adopt a logical approach to design and implementation. There is no conditionality and sequencing.

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**ANNEXES**
1. Logical framework matrix in standard format
2. Detailed implementation time chart in standard format
3. Contracting and disbursement schedule by quarter for full duration of programme
### LOGFRAME PLANNING MATRIX FOR

**PROJECT:**

**ESTABLISHMENT OF AN INTEGRATED ADMINISTRATION AND CONTROL SYSTEM (IACS)**

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| Setting-up the appropriate administrative structures for the effective implementation of the Common Agricultural Policy in Cyprus | • Full preparation of Cyprus at the time of accession in the field of direct payments to farmers  
• Relevant structures are in place  
• Relevant procedures are in place                                                   | • Commission’s regular reports.  
• Screening reports.                                                                  | Commitment to the EU continued.  
Full commitment of all the services involved.  
Adequate resources available.                                                        |
| Project Purpose                                                                   | Objectively Verifiable Indicators                                                                 | Sources of Verification                             | Assumptions                                                                 |
| To develop the necessary institutional, organisational and technical set-up for the establishment of IACS and GIS for plant and livestock support schemes. | • IACS in place and functioning effectively, in accordance with the relevant EU requirements  
• GIS system in place and functioning effectively, in accordance with the relevant EU requirements. | • Monitoring and assessment reviews  
• Regular reports of the Commission  
• Operation and users’ manuals  
• Evaluation reports by EU missions                                                 | Commitment to the EU continued.  
Full commitment of all the services involved.  
Adequate resources available.                                                        |
| Results                                                                          | Objectively Verifiable Indicators                                                                 | Sources of Verification                             | Assumptions                                                                 |
| Development of an effective organisational structure and enhancement of the Department of Agriculture staff capacity to implement the relevant **Acquis** | • Effective organisation structure.  
• Sufficient human resources in place.  
• Adequately trained staff in place.                                                  | Regular reviews and departmental reports.           | Full commitment of all services involved.  
Sufficient human resources allocated for efficient operation of IACS.  
Adequate assessment of training needs and willingness to learn new methods and procedures. |
| Development of IACS software systems and IT infrastructure                       | • IACS software system delivered and in current use.  
• IT infrastructure in place.  
• GIS developed and in current use                                                   | Tests/reviews of performance and functionality of the system.  
End-users’ manual                                                                     | Full commitment of all services involved.  
Effective monitoring of project implementation.                                      |
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Set-up of a database of agricultural land plots</strong></td>
<td>• Technical assistance for the design, development, installation and testing of specialised software for the database for agricultural land plots  &lt;br&gt; • Training to the users</td>
<td>Full commitment of all services involved.  &lt;br&gt; Effective monitoring of project implementation.  &lt;br&gt; Adequate budgetary provision.</td>
</tr>
<tr>
<td><strong>Development of an effective organisational structure and enhancement of the DoA’s staff capacity to implement the relevant Acquis</strong></td>
<td>Service contract awarded as result of open tender procedures.</td>
<td>Existing situation properly assessed.  &lt;br&gt; Sufficient human resources allocated.  &lt;br&gt; Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td>• Development and implementation of an organisational plan for an effective organisational set up of IACS</td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td>• Assessment of the needs of the Department in terms of manpower for the setting up of IACS</td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td>• Design of mechanism for the interface between the IACS system and the Paying Agency.</td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td>• Assessment of the training needs and implementation of a training programme for the staff of the Department</td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td><strong>Development of IACS software systems and IT infrastructure</strong></td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td>• Design, development and installation of the necessary software systems for IACS</td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td>• Design and development of the pilot GIS with Remote Sensing for IACS.</td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td>• Design and development of specific software packages, necessary to support the relevant departmental activities</td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
<tr>
<td>• IT and communication equipment for IACS, GIS and Remote Sensing.</td>
<td>Service procurement contract awarded as result of open tender procedures.</td>
<td>Full commitment of all the services involved.  &lt;br&gt; Effective monitoring of project implementation.</td>
</tr>
</tbody>
</table>

*Cyprus – IACS Project Fiche 2002 – September 2001*
Preconditions

Full commitment of all the services involved
Budgets approved and available.
# DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT

**Title:** Establishment of an Integrated Administration and Control System (IACS)

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<tr>
<td>Development of an effective organisational structure and enhancement of the Department of Agriculture staff capacity to implement the relevant Acquis</td>
<td>D</td>
<td>D</td>
<td>C</td>
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<tr>
<td>Development of IACS software systems and IT infrastructure</td>
<td>D</td>
<td>D</td>
<td>C</td>
</tr>
<tr>
<td>Set-up of a database of agricultural land plots</td>
<td>D</td>
<td>D</td>
<td>C</td>
</tr>
</tbody>
</table>

D: Design  
C: Contracting  
I: implementation
ANNEX 3

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

Title: Establishment of an Integrated Administration and Control System (IACS)

<table>
<thead>
<tr>
<th></th>
<th>31/03/02</th>
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<th>31/03/04</th>
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<td>DISBURSEMENT</td>
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