COMMISSION DECISION

of 2004

on the financial contribution of Transition Facility for strengthening institutional capacity to the Republic of Cyprus

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession 2003, in particular Article 34 thereof,

Whereas:

(1) Article 34 of the Act of Accession provides the possibility of granting a temporary financial assistance, the Transition Facility, to the new Member States to address the continued need for strengthening institutional capacity in certain areas through actions which cannot be financed by the Structural Funds.

(2) The actions funded by this Decision in the areas of internal market, environment; administrative capacity building relating to food safety and justice and home affairs are eligible for funding according to Article 34(2) of the Act of Accession. In addition, several needs have been identified in the Commission’s Comprehensive Monitoring Report, which are not covered by Structural Funds. The actions funded by this Decision in relation to those needs, in the areas of social policy and employment and public administration, are therefore also eligible for funding under Article 34(2) of the Act of Accession.

(3) Pursuant to Article 34(4) of the Act of Accession, the Transition Facility is implemented in accordance with Article 53(1)(b) of Council Regulation 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

(4) An Implementing Agency should be designated complying with the criteria set out in Article 164 of the Financial Regulation and having adequate staff resources. The Commission has satisfied itself in the context of preparation for conferral of management of aid provided pre-accession aid that those criteria are fulfilled by the Planning Bureau, the Ministry of Commerce, Industry and Tourism, the Water Development Department (Ministry of Agriculture, Natural Resources and Environment) and the State General Laboratory (Ministry of Health).

(5) The implementation of projects for which the Implementing Agencies which have not been accredited for the extended decentralised implementation system for pre-accession aid should be suspended until the approval of the responsible Commission Authorizing Officer has been notified to the National Authorizing Officer. The
The responsible Commission Authorizing Officer should approve the designation of those agencies to be involved in the implementation of these projects only after obtaining assurance from the National Authorizing Officer that adequate procedures have been put in place and that the implementing agencies concerned are subject to the same management and control systems as those implementing agencies accredited for the extended decentralised implementation of pre-accession aid and, hence, comply with the criteria as set out in Article 164 of the Financial Regulation.

(6) The measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries in Central and Eastern Europe, rendered on 8 October 2004,

HAS ADOPTED THIS DECISION:

Article 1

The Commission approves a financial contribution of € 9 000 000 as Transition Facility to the Republic of Cyprus, to finance projects set out in point 4 of the Annex.

Article 2

1. This Decision shall be implemented on a decentralised basis, in accordance with the Memorandum of Understanding on the Implementation of the Transition Facility, signed with the Republic of Cyprus on 26/11/2004.

2. The Planning Bureau, the Public Procurement Directorate of the Treasury, the Ministry of Commerce, Industry and Tourism, the Water Development Department (Ministry of Agriculture, Natural Resources and Environment), the Environment Service (Ministry of Agriculture, Natural Resources and Environment), the State General Laboratory (Ministry of Health), the Asylum Service (Ministry of Interior) and the Ministry of Health shall be the Implementing Agencies for the Programme.

3. The implementation of projects 2004/016-926.01.01 – Measures to develop the implementation capacity of the Cypriot Authorities in applying the European Public Procurement legislative package, 2004/016-926.02.02 - Preparation of management plans for NATURA 2000 sites, 2004/016-926.04.01 - Enhancement of the administrative structures regarding asylum procedures and 2004/016-926.05.02 - Development of a Health Monitoring System for Cyprus shall be suspended until the National Authorizing Officer is notified of the approval by the responsible Commission Authorizing Officer of the designation of the Implementing Agencies to be involved in the implementation of those projects.

Article 3

1. Contracts covered by the financial contribution shall be signed no later than 15 December 2006.

2. The deadline for execution of contracts shall be 15 December 2007.
Article 4

This Decision is addressed to the Republic of Cyprus.

Done at Brussels, […]

For the Commission

[...]  
Member of the Commission
ANNEX
FINANCING PROPOSAL ON THE IMPLEMENTATION OF THE TRANSITION FACILITY IN THE REPUBLIC OF CYPRUS FOR 2004

1. Identification

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary</td>
<td>The Republic of Cyprus</td>
</tr>
<tr>
<td>Programme</td>
<td>Transition Facility</td>
</tr>
<tr>
<td>CRIS-Number</td>
<td>2004/016-926</td>
</tr>
<tr>
<td>Year</td>
<td>2004</td>
</tr>
<tr>
<td>Cost</td>
<td>€ 9,000,000</td>
</tr>
</tbody>
</table>

Implementing Agencies: Planning Bureau, Ministry of Commerce, Industry and Tourism, Water Development Department (Ministry of Agriculture, Natural Resources and Environment), State General Laboratory (Ministry of Health);

The approval by the responsible Commission authorizing officer of the designation of the Public Procurement Directorate of the Treasury, the Environment Service (Ministry of Agriculture, Natural Resources and Environment), the Asylum Service (Ministry of Interior) and the Ministry of Health as Implementing Agencies to be involved in the implementation of projects 2004/016-926.01.01 – Measures to develop the implementation capacity of the Cypriot Authorities in applying the European Public Procurement legislative package, 2004/016-926.02.02 - Preparation of management plans for NATURA 2000 sites, 2004/016-926.04.01 - Enhancement of the administrative structures regarding asylum procedures and 2004/016-926.05.02 - Development of a Health Monitoring System for Cyprus, is a pre-condition to the implementation of these projects.

<table>
<thead>
<tr>
<th>Expiry Dates</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting</td>
<td>15 December 2006;</td>
</tr>
<tr>
<td>Execution</td>
<td>15 December 2007</td>
</tr>
</tbody>
</table>

Sector Code: (according to DAC-list)

<table>
<thead>
<tr>
<th>Objective</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Market</td>
<td>24010</td>
</tr>
<tr>
<td>Environment</td>
<td>41010</td>
</tr>
<tr>
<td>Agriculture</td>
<td>31110</td>
</tr>
<tr>
<td>Justice and Home Affairs</td>
<td>15030</td>
</tr>
<tr>
<td>Administrative capacity</td>
<td>15040</td>
</tr>
</tbody>
</table>

Budget Line: 22 03 01

Commission Task Manager: Alessandra Viezzer
2. SUMMARY

The accession negotiations with the Republic of Cyprus were concluded at the European Council in Copenhagen in December 2002 and the Accession Treaty was signed in Athens on 16 April 2003. The Republic of Cyprus acceded to the EU on 1 May 2004.

The Transition Facility (TF) is established by Article 34 of the Act of Accession to provide temporary assistance to the new Member States to develop and strengthen their administrative capacity to implement and enforce Community legislation, and to foster the exchange of best practice among peers. The TF is thus a continuation of assistance provided under Pre-accession budget to fund institution building activities according to the same principles.

Under this programme, the Transition Facility support will cover: Measures to develop the implementation capacity of the Cyprus Authorities in applying the European Public Procurement legislative package; Capacity building in the field of Metrology in Cyprus; Integrated Programme on Food Safety and Risk Assessment to fulfil all requirements of the EU acquis; Development of Integrated Water Monitoring Programmes and Tools for cost-effective monitoring and assessment to support sustainability of water resources and the implementation of the WFD 2000/60/EC in Cyprus; Preparation of management plans for NATURA 2000 sites; Enhancement of the administrative structures regarding asylum procedures; Interim evaluation of EU funded projects; Development of a Health Monitoring System for Cyprus; Unallocated Institution Building Facility;

3. STRATEGY

The Transition Facility should focus on those areas where weaknesses in administrative and institutional capacity have been found to remain. The key indicator for these weaknesses is the Comprehensive Monitoring Report on the Republic of Cyprus’ preparations for membership (CMR) issued by the Commission in November 2003, reflecting the situation at the end of September 2003. In addition to the present Financing Proposal and project fiches for the TF National Programme 2004, a planning document has been prepared to provide indications for possible TF assistance in 2005 and 2006.

A total of five separate objectives have been identified for the TF 2004. These are Internal Market, Environment, Agriculture, Justice and Home Affairs, and Public Administration. In the programming of the relevant projects, due account has been taken of the need to ensure synergy and avoid overlap with existing Pre-accession projects, notably those financed under the 2003 programme, and of the lessons learned from the implementation of related past projects. The latter include the need to ensure sufficient absorption capacity in the beneficiary institutions, including a clear definition of responsibilities for project management, and proper preparation of relevant tender documentation so as to minimize delays in procurement and subsequent implementation. Also included are the provision of appropriate and timely co-financing where required, and strict respect of conditionality as concerns the prior adoption of any relevant legislation or related strategic decisions. Special efforts have been made to ensure that no duplication can occur with assistance provided either bi-laterally or through other Community mechanisms.

Coordination with other EU assistance instruments, including Structural and Cohesion Funds
Attention was also paid to avoiding overlaps with other EU assistance instruments that will come into force in 2004, in particular the Structural and Cohesion Funds. Maximum synergies between all sources of financing were considered.

The implementing agencies retain the responsibility for reviewing all measures under the Single Programming Document, the Reference Framework Document (for Cohesion Fund) and the Rural Development Plan on one hand and the projects funded under this Transition Facility programme on the other to ensure consistency and compatibility and removing the risk of overlap.

4. OBJECTIVES AND DESCRIPTION

Objective 1 – Internal Market

Project 2004/016-926.01.01 – Measures to develop the implementation capacity of the Cyprus Authorities in applying the European Public Procurement legislative package

This project aims at reinforcing the Public Procurement Directorate (PPD) of the Treasury of the Republic of Cyprus. The objective is to build the appropriate institutional capacity for the effective implementation of the acquis communautaire in relation to Public Procurement in Cyprus through the application of best practices in Public Procurement.

Assistance will be provided to:

a) The enhancement of the effective operation of the Public Procurement Directorate (PPD) and of all the contracting authorities implementing the relevant EU Acquis

- Preparation of a set of recommendations to further develop and improve the national Public Procurement System in general, including recommendations regarding PPD in terms, inter alia, of role, mandate, main functions and staffing.
- Prepare a guide on Best Practices for Procurement
- Develop a sustainable training program, including training material
- Train the trainers and relevant staff

b) The harmonisation of the Public Procurement legislation with new acquis on public procurement;

c) An analysis of the needs and determination of the strategy for the introduction of “e” procurement.

This project focuses on Institution Building measures and will be implemented through maximum three service contracts.

The Republic of Cyprus undertakes to avoid any duplication with the activities foreseen under the Twinning Light project “Enhancement of the administrative capacity in implementing the harmonised public procurement rules” (CY/2002/IB/OT-01-TL).

Project 2004/016-926.01.02 - Capacity building in the field of Metrology in Cyprus

The objective is to ensure the full integration of Cyprus into the Internal Market regarding the Free Movement of Goods and more specifically legal metrology and pre-packaging.
This will be done by establishing the necessary metrological infrastructure and the organizational/technical set-up, in order to effectively implement and enforce the EU Acquis in the area of legal metrology and pre-packaging.

The project is directed to the Weights and Measures Service (WMS) of the Ministry of Commerce, Industry and Tourism. The WMS is responsible for legal metrological control of measuring instruments and pre-packaged products and also for the custody and maintenance of the national standards of measurement.

Assistance will be provided to:

- Advise on organisational structure and corresponding job descriptions
- Develop/enhance and implement policies, systems and procedures
- Prepare operating procedures (regulations, guidance)
- Design, develop and deliver training programmes
- Design a long-term training strategy
- Purchase, install, test and put into operation of equipment for laboratory and legal metrological control

The project will be implemented through technical assistance for the Institution Building part and a supply contract to procure metrology equipment.

**Objective 2 – Environment**

**Project 2004/016-926.02.01 - Development of Integrated Water Monitoring Programmes and Tools for cost-effective monitoring and assessment to support sustainability of water resources and the implementation of the WFD 2000/60/EC in Cyprus**

The project aims to build institutional capacity to assist in effective implementation of the Water Framework Directive 2000/60/EC (WFD), and all related EU Acquis and policy, in Cyprus.

The more specific objectives consist in establishing water monitoring programmes, databases and information systems and developing environmental criteria for target chemicals for the implementation of Article 8 of the Water Framework Directive, 2000/60/EC (WFD) and all related Acquis. The project’s outcome will significantly contribute to the implementation of Articles 11 and 13 of WFD.

Assistance will be provided to the Water Development Department (WDD), which will cooperate with the Department of Fisheries and Marine Research (DFMR) and the State General Laboratory (SGL), to:

- Carry out an evaluation of the existing situation
- Establish efficient and reliable groundwater and surface water monitoring networks in accordance with the WFD
- Achieve the standardisation of data collection and data recording procedures
- Procure integrated databases and Information Systems linked to appropriate tools and supported by GIS technology
- Develop environmental quality criteria for target chemicals
- Improve data accessibility
• Develop smooth coordination activities and effective interaction among the 3 participating Departments
• Train the personnel of the three co-operating Departments
• Achieve efficient and effective management and objective evaluation of the project

The project will be implemented through two contracts for technical assistance for the Institution Building part and a supply contract for the procurement of monitoring.

**Project 2004/016-926.02.02 - Preparation of management plans for NATURA 2000 sites**

The project aims at contributing towards the implementation of the Habitats Directive (92/43/EEC) and all related EU Acquis and policy.

The following sites are proposed to be included in the present project: Mammari – Deneia, Alykos Potamos – Agios Sozomenos, Madari – Papoutsas, Mitsero, Lymbia – Agia Anna, Limnatis, Polis – Gialia, Skoulli.

Assistance will be provided to carry out:

• Assessment of the existing situation and data collection on the existing administrative framework.
• Evaluation and preparation of guidelines for the preparation of management plans.
• Data collection on social, biological, cultural, economic, etc., parameters.
• Analysis, synthesis and evaluation of data collected.
• Aim and targets of management actions.
• Proposals on the management of habitats and species.
• Establishment of a monitoring system.
• Preparation of maps.
• Training of the personnel to be involved in the implementation of each plan.

It will result in Management Plans being prepared for the selected sites.

The project will be implemented through technical assistance.

The start of the implementation of this project will be conditional upon a list of sites being proposed and transmitted to the European Commission and this list containing all eight sites listed in the project fiche for which management plans will be prepared.

**Objective 3 – Agriculture**

**Project 2004/016-926.03.01 - Integrated Programme on Food Safety and Risk Assessment to fulfil all requirements of the EU acquis**

The overall objective of the project is to bring and keep Cyprus fully in line with the acquis and its implementation in the field of food safety and risk assessment.

Assistance will be provided to the State General Laboratory (SGL) of the Ministry of Health, which is the responsible accredited laboratory for food safety evaluations in Cyprus, to:

• Further develop Food safety monitoring and surveillance programs;
• Accelerate the integration of existing and emerging acquis into Cyprus legislation and practice;
• Develop risk assessment and consumer information capabilities;
• Adapt state of the art analytical methodologies.

The project will be implemented through technical assistance for the Institution Building part and investment for the procurement of specialised equipment.

**Objective 4 – Justice and Home Affairs**

**Project 2004/016-926.04.01 - Enhancement of the administrative structures regarding asylum procedures**

The overall objective is to ensure full compliance with the relevant acquis and international law in the field of asylum, and its effective implementation by the Asylum Service of the Ministry of Interior and, inter alia, the Reviewing Authority.

Assistance will be provided to:

- Develop a database of asylum applicants, with emphasis on data protection;
- Procure the relevant equipment for the implementation of the asylum database;
- Establish the necessary procedures and guidelines for the Reviewing Authority;
- Train the staff of the Reviewing Authority for the application of asylum procedures;
- Prepare for the effective implementation of the Dublin II Regulation;

The project will be implemented through three separate contracts: one service contract for the development of the database, one supply contract for the necessary hardware and one service contract for the consultancy services.

The specification of the equipment to be purchased will be conditional upon the completion of the initial phase for the development of the database. The budget of the supply contract might be revised following the results of this initial phase. Any additional costs that might arise will have to be covered by national funds.

**Objective 5 – Public Administration/administrative capacity**

**Project 2004/016-926.05.01 – Interim Evaluation of EU funded projects**

According to the acquis of Chapter 28 and related principles of Sound Financial Management the Republic of Cyprus needs to build the capacity for monitoring and evaluation of Community funds. Commission Regulation 2342/2002 stipulates that aid programmes shall be periodically evaluated during their implementation to allow the evaluation findings to be taken into account for any further actions.

The project aims to assist the Cypriot Government in its task to provide for the evaluation of the Transition Facility Programme. Specifically, it will provide for a series of Evaluation reports on all sectors supported by the Transition Facility programme as well as for training on evaluation and monitoring of public funds.

The project will be implemented through technical assistance.
Project 2004/016-926.05.02 - Development of a Health Monitoring System for Cyprus

The overall objective is to develop modern organizational, functional and management capability in order to improve information and knowledge for monitoring health status, trends and determinants in Cyprus.

This will contribute to developing the capacity for providing timely, reliable, compatible and comparable health information to the Commission and international organisations.

The specific objective is to develop a contemporary Health Monitoring System for Cyprus in order to generate health information in a timely manner to inform policy level to support decision-making and to monitor and evaluate impact of policy interventions. Assistance will be provided to the Ministry of Health (MoH) for:

- The development of a set of health indicators with comparable definitions to those of the EU Member States, OECD and WHO-Euro;
- The institutionalisation of the collection and analysis of data required to report indicators;
- The enhancement of organisational structures and mechanisms to disseminate and share health monitoring information;
- The promotion of the use of information to improve knowledge of the health system and assist formulation of health policies.

The project will be implemented through technical assistance for the Institution Building part and investment for the procurement of specialised IT equipment and services.

Project 2004/016-926.05.03 – Unallocated Institution Building Facility

Transition Facility funding has been earmarked for an envelope of yet unspecified Institution Building projects to provide support through twinning, twinning light and or technical assistance to meet the requirements related to specific urgent and unforeseen needs. This facility may help to assist in completing the adoption and implementation of acquis in particular areas where assistance is still necessary and to strengthen the institutional and operational capacity of public administration bodies in view of the role in the implementation of the EU acquis and developing human resources of public administration institutions relevant for the implementation of the EU acquis.
## 5. BUDGET

<table>
<thead>
<tr>
<th>Objective/Project</th>
<th>Transition Facility Funding (thousands €)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Institution Building (IB)</td>
</tr>
<tr>
<td><strong>Objective 1: INTERNAL MARKET</strong></td>
<td></td>
</tr>
<tr>
<td>Project 2004/016-926.01.01 - Measures to develop the implementation capacity of the Cyprus Authorities in applying the European Public Procurement legislative package</td>
<td>1.100</td>
</tr>
<tr>
<td>Project 2004/016-926.01.02 - Capacity building in the field of Metrology in Cyprus</td>
<td>0.300</td>
</tr>
<tr>
<td><strong>Objective 2: ENVIRONMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Project 2004/016-926.02.01 - Development of Integrated Water Monitoring Programmes and Tools for cost-effective monitoring and assessment to support sustainability of water resources and the implementation of the WFD 2000/60/EC in Cyprus</td>
<td>1.250</td>
</tr>
<tr>
<td>Project 2004/016-926.02.02 - Preparation of management plans for NATURA 2000 sites</td>
<td>0.900</td>
</tr>
<tr>
<td><strong>Objective 3: AGRICULTURE</strong></td>
<td></td>
</tr>
<tr>
<td>Project 2004/016-926.03.01 - Integrated Programme on Food Safety and Risk Assessment to fulfil all requirements of the EU acquis</td>
<td>0.900</td>
</tr>
<tr>
<td><strong>Objective 4: JUSTICE AND HOME AFFAIRS</strong></td>
<td></td>
</tr>
<tr>
<td>Project 2004/016-926.04.01 - Enhancement of the administrative structures regarding asylum procedures</td>
<td>0.310</td>
</tr>
<tr>
<td><strong>Objective 5: ADMINISTRATIVE CAPACITY</strong></td>
<td></td>
</tr>
<tr>
<td>Project 2004/016-926.05.01 – Interim Evaluation of EU funded projects</td>
<td>0.250</td>
</tr>
<tr>
<td>Project 2004/016-926.05.02 - Development of a Health Monitoring System for Cyprus</td>
<td>1.395</td>
</tr>
<tr>
<td>Project 2004/016-926.05.03 – Unallocated Institution Building Facility</td>
<td>1.000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>7.405</td>
</tr>
</tbody>
</table>

Co-financing for Institution Building projects is provided by the beneficiary bearing certain infrastructure and operational implementation costs, through financing the human and other resources, required for effective and efficient absorption of Transition Facility assistance. Investments in small equipment must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible\(^1\) public expenditure.

### 6. Special Conditions

In the event that agreed commitments are not met for reasons which are within the control of the Government of the Republic of Cyprus, the Commission may review the programme with a view, at the Commission's discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Transition Facility.

---