1. Basic Information
1.1 CRIS Number: 2004/016-926.05.03
1.2 Title: Unallocated Institution Building Facility
1.3 Sector: Administrative capacity
1.4 Location: Republic of Cyprus

2. Objectives

2.1 Overall Objective(s):

Strengthening the institutional and administrative capacity for the full application of the *acquis communautaire*

2.2 Project purpose:

To provide Institution Building support through twinning (standard/ light) or technical assistance to meet the requirements related to specific urgent and unforeseen needs identified in the Comprehensive Monitoring Report of November 2003 or any other relevant document and *acquis* in the process of adoption (pipeline *acquis*). This facility may notably help to:

- assist the adoption and implementation of *acquis* in particular areas where assistance is still necessary,
- strengthen the institutional and operational capacity of public administration bodies in view of the future role in the implementation of the EU *acquis*,
- develop human resources of public administration institutions relevant for the implementation of the EU *acquis*

3. Description

3.1 Background and justification:

The Republic of Cyprus has been the beneficiary of EU assistance for the financing of accession related institution building projects since 1999. This assistance was granted to Cyprus under the Cyprus-EC Fourth Financial Protocol as well as under “Council Regulation (EC) No 555/2000 on the implementation of operations in the framework of the pre-accession strategy for the Republic of Cyprus and Malta”. In the framework of the administrative co-operation component of the Fourth Financial Protocol and the administrative co-operation projects included in the programming of the Pre-accession Financial Regulation for the years 2000, 2002 and 2003, certain number of twinning/ twinning light projects have been or are being completed successfully with the assistance of Member States experts. However, following Cyprus’ accession to the EU and beyond there is a clear demand to maintain a flexible institution building instrument to address specific well-circumscribed self-contained subjects of limited scope. The unallocated institution building envelope will provide the possibility to respond to emerging tasks in a more flexible and immediate way.
Within the Transition Facility programme an unspecified envelope has been earmarked, from which projects to be implemented through twinning (standard/light), or commercially contracted technical assistance can be financed. In particular, projects will be supported in those areas in which an urgent or unforeseen task, specified in the Comprehensive Monitoring Report or any other relevant document, would come up or which have high priority from the aspect of accession or being a Member State or which form part of the pipeline acquis.

3.2 Linked activities:

- Two ‘Administrative Co-operation’ projects for the total amount of EUR 2.750.000 were promoted in the framework of the Cyprus-EC Fourth Financial Protocol. These projects proved to be a very effective instrument for delivery of multi-sectoral and ad-hoc technical assistance, including a number of Twinning/Twinning Light projects.
- Based on the above positive experience Administrative Co-operation projects were included in the Programming of the Pre-Accession Financial Regulation 555/2000 for the years 2000 (EUR 300.000), 2002 (EUR 1.262.000) and 2003 (EUR 1.050.000).
- In order to take advantage of the facilities offered by the Technical Assistance and Information Exchange Office (TAIEX), relevant projects were included in the programming of the Pre-accession Financial Regulation for the years 2000 (EUR 700.000) and 2003 (500.000).
- In the framework of the Budget allocation from the Transition Facility to finance projects of TAIEX, it is foreseen to award a maximum of EUR 3 million for Cyprus and Malta.
- In addition to the above, Cyprus will benefit from the other horizontal/ multi-beneficiary programmes under the Transition Facility (SIGMA, Statistics and Audit and evaluation).
- Due to the increased needs in the field of administrative co-operation, resulting from the accession of Cyprus to the EU a number of administrative co-operation activities is financed by the Cyprus Government, through special annual budget allocations dedicated to support harmonisation with the acquis Communautaire.

Overlap with previous or on-going institution building projects financed or to be financed from pre-accession funds as well as from the horizontal/ multi-beneficiary programmes under the Transition Facility will be avoided.

3.3 Results:

Institutional and administrative structures and management systems which satisfy the requirements of the *acquis communautaire* in a number of areas further enhanced or put in place.

3.4 Activities:

A financial envelope for as yet unspecified institution building projects has been earmarked. Funded projects will rest on a number of fundamental principles:

- Projects will be based on priorities identified in the Comprehensive monitoring report or any other relevant document and early warning letters or priorities arising from pipeline acquis. There will be cases where the relationship with the acquis will be concretely established, but there might also be cases, where a focused institution
building project will be the most suitable method for the achievement of a desired result in a broader sense of the acquis or in fulfillment of the Copenhagen criteria.

- The project will target very specific areas where Institution Building support is required in relation to the challenges and requirements of the EU integration process.
- The project targets a concrete, operational guaranteed result.
- The beneficiary lays out a clear work programme, how it intends to achieve the result and what means it will deploy. The project should make the commitment of the beneficiary to achieve the guaranteed result explicit.
- Size and budget of projects will be subject of individual assessment.
- All projects should be in full compliance with the Transition Facility Programming and Implementation Guide.
- Projects can be implemented through the most appropriate instrument, i.e. twinning (standard/light) and/or technical assistance.

A Steering Committee (SC) for Institution Building will be set-up that will define the detailed criteria for application, the timing of call for proposals, the minimum – maximum size and duration of projects, the practical working method and if necessary the proportion between the different tools of support. It shall decide about the first allocation not later than the following three months the notification of the Financial Decision 2004 to the Republic of Cyprus. The SC shall also guarantee that a clear timetable is defined in a way to ensure that the IB assistance is put in place in due time. The SC shall meet on a regular basis in order to make sure that the timetable is implemented or projects are designed in accordance with the defined needs.

3.5 Lessons learned

Up-to date, only one Interim Evaluation Report for Cyprus was issued in June 2004, covering the National Pre-accession Programmes 2000, 2001, 2002 and 2003. According to the key achievements and findings, project design was considered generally very good and relevance of projects with respect to the acquis requirements and to national needs has been scored highly. According to the evaluators the assistance is on course for achievement of immediate objectives and hence effectiveness is likely to be high. A similar situation applies with respect of impact. It is also stated that there are very few concerns about sustainability and prospects are good because of financial provision, staffing levels and warranty & maintenance arrangements.

As regards in particular the 2000, 2002 and 2003 administrative co-operation projects, their design aimed at maintaining maximum flexibility as regards eligible activities and budget allocations. This allowed flexibility and speed in the implementation of institution building requirements in various sectors encompassing mainly small-scale activities that were difficult to be foreseen and as such required budgetary flexibility. As a result, in the June 2004 Interim Evaluation Report for Cyprus relevance and efficiency of the above projects were rated as highly satisfactory, effectiveness and impact as satisfactory and sustainability as adequate. There were no specific recommendations in the Interim Evaluation Report relevant to earlier projects in the field.
As the same approach as the one adopted for Pre-accession aid is followed regarding project design under the Transition Facility, it is expected that assessment will continue to be positive.

4. Institutional Framework

The beneficiaries of funds of the unspecified envelope will be different institutions applying for financial support. Decision on projects to be submitted for financing within the budget will be taken by the Steering Committee for Institution Building and the Commission. Steering Committee includes representatives of the National Aid Coordinator. The Steering Committee will define the detailed criteria for application, the timing of call for proposals, the minimum-maximum size and duration of projects and if necessary the proportion between the different tools of support with the final approval of the Commission. From there on, the procedures will follow what is provided for in the “Twinning Operational Manual” (prepared by the Planning Bureau), the “Reference Manual on Twinning Procedures” (prepared by the European Commission) and national public procurement rules.

5. Detailed Budget

| Transition Facility | Support | | | | |
|---------------------|---------|-----------------|-----------------|-----------------|
| Investment Support  | Institution Building | Total Phare (=I+IB) | National Co-financing* | TOTAL |
| Unallocated IB envelope | 1.0 | 1.0 | 1.0 |
| Total | 1.0 | 1.0 | 1.0 |

6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Authority will be the Planning Bureau, which is the institution that co-ordinates and manages the administrative co-operation with the EU.

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6.2 Twinning

Beneficiary institutions are not determined, due to the nature of the envelope.

6.3 Non-standard aspects

The Transition Facility programming and implementation guide and the specific twinning and twinning light rules will strictly be followed.

6.4 Contracts

Due to the nature of the project, it is not possible at this stage to foresee the number and value of contracts.

7. Implementation Schedule

7.1 Start of tendering/call for proposals: 1st quarter 2005

7.2 Start of project activity: 2nd quarter 2005

7.3 Project completion: 2nd quarter 2006

8. Sustainability

When selecting the projects the Steering Committee takes into account the sustainability of each project and will decide on financing it when sustainability of each project is proved by the beneficiary by both staff and administrative resources

9. Conditionality and sequencing

The envelope will be actually used provided concrete applications fulfilling the criteria identified will be submitted.

The beneficiary institutions are bound to provide the twinning partner and/or consultants with adequate staff and other resources to operate effectively. The full commitment and participation of senior management of the beneficiary institution is required for the implementation of the projects.

The sequencing is subjected to the deliberations of the Steering Committee meetings.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
## LOGFRAME PLANNING MATRIX FOR Project

**Unallocated Institution Building Facility**

- **Programme name and number:** CRIS 2004/016-926.05.03
- **Total budget:** 1.0 MEUR
- **Contracting period expires:** 15.12.2006
- **Disbursement period expires:** 15.12.2007
- **Transition Facility budget:** 1.0 MEUR

### Overall objective
- Strengthening the institutions and administrative capacity for the full applications of the acquis communautaire

### Project purpose
- Completion of some specific urgent, unforeseen needs identified in the updating of the Comprehensive Monitoring Report or any other relevant document, the Peer Reviews and the Action Plan for Administrative and Judicial capacity

### Results
- Concrete administrative structures and management systems in place which satisfy the requirements of the acquis communautaire for a number of areas

### Activities
- Establishment of a facility providing support for institution building projects

### Objectively verifiable indicators
- Increasing number of Cypriot institutions fully prepared to apply the acquis communautaire
- Acceleration of the progress within ministries/institutions towards meeting the requirements of the acquis
- Specific identified tasks have been completed with the help of MS experts or TA provided by experts

### Means
- TW, TWL, TA

### Sources of Verification
- Evaluation reports
- Minutes of the monthly project review meetings
- Monitoring reports
- Specific reports depending on the type of project

### Assumptions
- The identified tasks are completed in time and effectively
- Full commitment of beneficiary and twinning partners
- Timely availability of adequate resources

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**Unallocated IB facility**
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<th>Preconditions</th>
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<td>• The beneficiaries allocate appropriate human and financial resources to the specific task.</td>
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<td>• Full participation of senior management</td>
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<td>• The Steering Committee ensures that a clear timetable is defined</td>
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- All partners held accountable for their actions
Time Implementation Chart

Project number

Project title: Unallocated Institution Building Facility

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<tr>
<th>Twinning (standard/light) and Technical Assistance</th>
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<th>2005</th>
<th>2006</th>
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Due to the nature of the facility the various phases of the project cycle will most probably run in parallel.
Cumulative Contracting and Disbursement Schedule

Project number

Project title: Unallocated Institution Building Facility

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<th>2004</th>
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<th>2006</th>
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Due to the nature of the facility the contracting and disbursement schedule is an indicative estimation only.