COMMISSION DECISION

C/2005/4745 of 8/12/2005
on the financial contribution of the Transition Facility for strengthening institutional capacity to the Republic of Cyprus

(Only the Greek text is authentic)

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, administrative and control structures in agriculture, and environment and administrative capacity 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 the Structural Funds. The actions funded by this Decision in relation to those needs, in the areas of social policy and employment as well as transport policy, 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 under pre-accession aid, as well as through a number of other checks, that those criteria are fulfilled by the Planning Bureau, the Public Works Department (Ministry of Communication and Works), the Department of Labour Inspection (the Ministry of Labour and Social Insurance), Department of Merchant Shipping (Ministry of Communications and Works), the Public Administration and Personnel Department (Ministry of Finance).
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 14 October 2005,

HAS ADOPTED THIS DECISION:

Article 1

The Commission approves a financial contribution of € 6 400 000 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 November 2004.

2. The Planning Bureau, the Public Works Department (Ministry of Communication and Works), the Department of Labour Inspection (the Ministry of Labour and Social Insurance), Department of Merchant Shipping (Ministry of Communications and Works), the Public Administration and Personnel Department (Ministry of Finance) shall be the Implementing Agencies for the Programme.

Article 3

1. Contracts covered by the financial contribution shall be signed no later than 15 December 2007.

2. The deadline for execution of contracts shall be 15 December 2008.

Article 4

This Decision is addressed to the Republic of Cyprus.

Done at Brussels, […]

For the Commission

[...]  
Member of the Commission
FINANCING PROPOSAL ON THE IMPLEMENTATION OF THE TRANSITION FACILITY IN THE REPUBLIC OF CYPRUS FOR 2005

1. Identification

Beneficiary: THE REPUBLIC OF CYPRUS

Programme: Transition Facility National Programme 2005

CRIS-Number: 2005/17/643

Year: 2005

Cost: € 6 400 000

Implementing Authorities: Planning Bureau, Public Works Department (Ministry of Communication and Works), Department of Labour Inspection (Ministry of Labour and Social Insurance), Department of Merchant Shipping (Ministry of Communications and Works), Public Administration and Personnel Department (Ministry of Finance).

Expiry Dates
- Contracting: 15 December 2007
- Execution of contracts: 15 December 2008

Sector Codes (according to DAC-list)

- Objective 1: Environment 41010
- Objective 2: Transport Policy 21010
- Objective 3: Social Policy and Employment 16110
- Objective 4: Administrative capacity 15040 99810

Budget Line: 22 03 01

Commission Task Manager: Alessandra Viezzer, DG Enlargement
2. **SUMMARY**

For the period 2004-2006, a Transition Facility has been 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 Transition Facility is thus a continuation of assistance provided under pre-accession aid to fund institution building activities according to the same principles.

The present financing proposal represents the 2005 Transition Facility National Programme for Cyprus. It will focus on four main objectives, i.e. **environment**, **transport**, **social policy and employment** and **administrative capacity**. Under this programme the Transition Facility support will cover the upgrading of the capacity of the Department of Labour Inspection for the assessment and management of air quality in Cyprus; the strengthening of the administrative capacity of the Cyprus Ports Authority; a study and implementation of intelligent transport systems and the development of a geographic information system to incorporate information regarding Trans-European networks in Cyprus as part of a EU-wide GIS; technical assistance for the improvement of the capacity of the Cyprus competent authority, the social partners and the workers of the construction industry, extractive industry and dockworks on health and safety at work issues; training of Cyprus Civil service organisations on specialised European Union issues; and an unallocated institution building envelope.

The present programme will be implemented by the following Implementing Agencies: the Planning Bureau, the Public Works Department (Ministry of Communication and Works), the Department of Labour Inspection (Ministry of Labour and Social Insurance), the Department of Merchant Shipping (Ministry of Communications and Works), and the Public Administration and Personnel Department (Ministry of Finance).

3. **STRATEGY**

*Programming Priorities*

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. The 2003 Comprehensive Monitoring Report highlights a number of areas where further improvements are needed in relation to the adoption, implementation and enforcement of the *acquis*. Other findings and recommendations from the overall monitoring process as well as lessons learnt from the implementation of the *acquis* following accession on 1 May 2004, were also taken into account by the Cypriot authorities when designing this programme.
A total of 4 separate objectives have been identified by the Cypriot authorities for the 2005 Transition Facility National Programme. These are Environment, Transport, Social Policy and Employment and Public Administration/Administrative Capacity. 6 project proposals have been submitted by the Cypriot authorities. These project proposals have been discussed in detail with the relevant Commission services.

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 bilaterally or through other Community mechanisms.

Attention was also paid to avoid overlaps with other EU assistance instruments, in particular the Structural and Cohesion Funds. Maximum synergies between all sources of financing were considered.

4. **OBJECTIVES AND DESCRIPTION**

The 2005 Transition Facility National Programme for Cyprus will focus on the following sectors:

**Objective 1 – Environment**

*Project 2005/17/643.01.01 - Upgrading the capacity of the Department of Labour Inspection for the assessment and management of air quality in Cyprus*

This project aims at reinforcing the Department of Labour Inspection (Ministry of Labour and Social Insurance) with regard to the implementation of environmental *acquis* in the field of air quality and more specifically with regards to the obligations of the Framework Directive 96/62/EC relating to monitoring, assessment and management of air quality.

Assistance will be provided:

1. To upgrade the existing Calibration Laboratory to the level of an accredited National Reference Laboratory for ambient air quality measurement;

2. To enhance the capacity of the Department of Labour Inspection through:

   a) the design and implementation of an advanced quality control/quality assurance system (including the development of standard operating procedures), including training of personnel;
b) the assessment of air quality through the application of a comprehensive modelling system. An emission inventory database will also be developed.

This project includes both institution building and investment components and will be implemented through three contracts (twinning light, supply contract and one technical assistance contract).

The project will build upon and not duplicate the deliverables of the project “Air Pollution Monitoring System in Cyprus” funded under the 2003 National Pre-accession Programme for Cyprus.

**Objective 2 – Transport Policy**

*Project 2005/17/643.02.01 - Strengthening of the administrative capacity of the Cyprus Port Authority*

The project aims to promote the establishment of a modern port system, including the separation of state and commercial activities. The project has the following objectives:

1. to enhance the effective operation of the Cyprus Port Authority through the development of a modern organisational, functional and management capability in order to improve the management and functioning of the port system, including the enhancement of maritime safety relating to port areas as well as the application of best practice measures and improved reporting requirements.

2. to improve the capacity of major stakeholders (mainly shipping agents, licensed porters, stevedores) to implement the relevant EU *acquis* and practices.

The project focuses only on institution building to be delivered through a single technical assistance contract covering the following activities:

1. restructuring the Cyprus Port authority and redesigning the port system including the preparation of an implementation plan for further development and improvement of the national port system, preparation of new draft legislation, preparation of a proposal for a new structure for the Cyprus Port Authority, preparation of a feasibility plan for setting up a Container Handling Company, assessment of the IT system, etc.;

2. carrying out of a training programme for the Cyprus Port Authority and stakeholders and development of a training programme to be carried out by the CPA in the future.

*Project 2005/17/643.02.02 Study and implementation of intelligent transport systems and development of a geographical information system to incorporate information regarding Trans-European Networks as part of an EU-wide GIS*

The project aims to contribute to the improvement of the quality and efficiency of the transport system in Cyprus via:

1. the design of a comprehensive Intelligent Transport System (ITS) to be introduced in Cyprus and the implementation of some of its key features;
the development of a Geographical Information System (GIS) application relating to the Trans-European Networks, as part of a pan-European GIS.

This project includes both institution building and investment components and will be implemented a turnkey technical assistance contract focusing on the three following aspects as follows:

1. analysis and design of the ITS and GIS including assessment of the existing situation in Cyprus as regards available data, systems and processes; review of successfully implemented ITS and GIS systems in other member states; design of the ITS and GIS; preparation of a feasibility study and cost-benefit analysis for ITS; and preparation of specifications for the selected ITS components and GIS;

2. implementation of selected ITS components including training for the users of the system;

3. implementation of the GIS including users training.

**Objective 3 – Social policy and employment**

*Project 2005/17/643.03.01 Technical Assistance for the improvement of the capacity of the Cyprus competent authority, the social partners and the workers in the construction industry, mineral extracting industry and dockworks on health and safety at work issues*

The aim of the project is to contribute to the enforcement of Health and Safety acquis in Cyprus. In particular, the project has the following two objectives:

1. to enhance the capacity of the Department of Labour Inspection (DLI) of the Ministry of Labour and Social Insurance relating to the enforcement of the legislation on Safety and Health at Work especially in the construction and extractive industries and dockworks. This will be done through an assessment of the current situation, the development of a set of recommendations, preparation of inspection checklists and of an inspection manual. The project will also fund a risk assessment study on occupational risks and preparation of best practice guides.

2. to enhance the capacity of the public services and the private enterprises (management staff and workers) of the above sectors to effectively comply with the legislation on Safety and Health at Work. In this respect, an intensive training programme will be carried out for around 2,000 people in both the public and private sector in the construction and extractive industries and dockworks. People targeted will be safety officers, safety representatives in both public and private sectors as well as other relevant people (i.e. architects and engineers, etc.).

This project includes both institution building and a minor investment component and will be implemented through a technical assistance contract and a supply contract.
Objective 4 – Public Administration/Administrative Capacity

Project 2005/17/643.04.01 Training of Cyprus Civil Service organisations on specialised EU issues
The aim of the project is to contribute to strengthen the administrative capacity of Cyprus Civil Service organizations to implement the *acquis communautaire* and generally to operate effectively in the EU administrative context.

The focus will be on those areas highlighted by the 2003 Comprehensive Monitoring Report as areas where the Cyprus authorities were required to step up their efforts to ensure adequate implementation and enforcement of the *acquis*.

The following sectors will be prioritised: Internal Market, Rural and Environmental Development/Fisheries, Transport, Customs and Taxation, Employment and Social Affairs, Enterprise and Industry/Energy, Education and Training/Audiovisual, Justice and Public Finance. A learning needs analysis will be undertaken followed by the preparation of a learning programme to be implemented and evaluated.

The project focuses only on institution building to be delivered through a single technical assistance contract. 430 training days will be provided.

Project 2005/17/643.04.02 – Unallocated Institution Building Facility

This project consists of an envelope for yet unspecified institution building projects to provide assistance through twinning, twinning light and other forms of technical assistance to specific urgent and unforeseen needs. In particular, this facility may help to assist in completing the adoption and implementation of *acquis* in particular areas where assistance is still necessary, to strengthen the institutional and operational capacity of public administration bodies in view of the role in the implementation of the EU *acquis* and to develop human resources of public administration institutions relevant for the implementation of the EU *acquis*. The use of these funds is subject to prior approval of the European Commission.
### 5. BUDGET

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<thead>
<tr>
<th>Objective/Project</th>
<th>Transition Facility Funding (thousand €)</th>
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<tbody>
<tr>
<td></td>
<td>Institution Building (IB)</td>
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<tr>
<td>Objective 1: ENVIROMENT</td>
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<tr>
<td>Project 2005/17/643.01.01 – Upgrading the capacity of the Department of Labour Inspection for the assessment and management of air quality in Cyprus</td>
<td>0.500</td>
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<tr>
<td>Objective 2: TRANSPORT POLICY</td>
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<tr>
<td>Project 2005/17/643.02.01 Strengthening the administrative capacity of the Cyprus Port Authority</td>
<td>1.000</td>
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<tr>
<td>Project 2005/17/643.02.02 Study and implementation of Intelligent Transport Systems and development of a geographic information system to incorporate information regarding Trans-European Networks in Cyprus as part of an EU-wide GIS</td>
<td>0.550</td>
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<tr>
<td>Objective 3: SOCIAL POLICY AND EMPLOYMENT</td>
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<td>Project 2005/17/643.03.01 Technical Assistance for the improvement of the capacity of the Cyprus competent authority, the social partners and the workers in the construction industry, mineral extracting industry and dockworks on health and safety at work issues</td>
<td>1.833</td>
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<tr>
<td>Objective 4: STRENGTHENING OF ADMINISTRATIVE CAPACITY</td>
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<tr>
<td>Project 2004/17/643.04.01 Training of Cyprus Civil Service organisations on specialised EU issues</td>
<td>1.500</td>
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<tr>
<td>Project 2005/17/643.04.02 Unallocated Institution Building Facility</td>
<td>0.572</td>
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<td>TOTAL</td>
<td>5.955</td>
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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.

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