COMMISSION DECISION
C/2006/3391 of 01/08/2006

on the financial contribution of the Transition Facility for strengthening institutional capacity in the Republic of Cyprus
(Only the English 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 environment, nuclear safety, internal market, 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 administrative capacity, 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 Environment Service (Ministry of Agriculture, Natural Resources and Environment), the Public Procurement Directorate (Treasury of the Republic), and the Department of Labour Inspection (the Ministry of Labour and Social Insurance).

(5) 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 3 July 2006,
HAS ADOPTED THIS DECISION:

Article 1

The Commission approves a financial contribution of € 3 200 000 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 Environment Service (Ministry of Agriculture, Natural Resources and Environment), the Public Procurement Directorate (Treasury of the Republic), and the Department of Labour Inspection (the Ministry of Labour and Social Insurance) shall be the Implementing Agencies for the Programme.

Article 3

Contracts covered by the financial contribution shall be signed no later than 15 December 2008.

3. The deadline for execution of contracts shall be 15 December 2009.

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 2006

1. Identification

Beneficiary: THE REPUBLIC OF CYPRUS
Programme: Transition Facility National Programme 2006
CRIS-Number: 2006/018-185
Year: 2006
Cost: € 3 200 000
Implementing Authorities: Planning Bureau, the Environment Service (Ministry of Agriculture, Natural Resources and Environment), the Public Procurement Directorate (Treasury of the Republic), Department of Labour Inspection (Ministry of Labour and Social Insurance).

Expiry Dates:
Contracting: 15 December 2008
Execution of contracts: 15 December 2009

Sector Codes: (according to DAC-list)
Objective 1: Environment 41010
Objective 2: Internal Market 24010
Objective 3: Administrative capacity 15140
Budget Line: 22 03 01
Commission Task Manager: Alessandra Viezzer
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 2006 Transition Facility National Programme for Cyprus. It will focus on three main objectives, i.e. environment, internal market, and administrative capacity. Under this programme the Transition Facility support will cover the preparation of management plans for Natura 2000 sites; strengthening of the capacity of the Radiation Protection and Nuclear Safety Regulatory Authority of Cyprus; support for the introduction, application and deployment of a total solution for the implementation of electronic procedures in conducting public procurement competition in Cyprus; and assistance to continue the interim evaluation of EU funded programmes.

The present programme will be implemented by the following Implementing Agencies: the Planning Bureau, the Environment Service (Ministry of Agriculture, Natural Resources and Environment), the Public Procurement Directorate (Treasury of the Republic), and the Department of Labour Inspection (Ministry of Labour and Social Insurance).

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.

*Project selection*

A total of 3 separate objectives have been identified by the Cypriot authorities for the 2006 Transition Facility National Programme. These are Environment, Internal Market and Administrative Capacity. 4 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, as well as Transition Facility projects, 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. Three of the four project proposals are second phases or continuation of projects funded by the Transition Facility under the 2004 National Programme.

Attention was also paid to avoiding 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 2006 Transition Facility National Programme for Cyprus will focus on the following sectors:

Objective 1 – Environment

Project 2006/018-185.01.01 - Preparation of Management Plans for "Natura 2000" sites

The aim of this project is to contribute towards the effective implementation of the Natura 2000 directives (Habitats (92/43/EEC) and Birds (79/409/EEC) Directives and all related EU acquis and policy) by preparation of management plans for selected Natura 2000 sites. The following seven sites are proposed to be included in the present project: Cha Potami, Episkopi Morou Nerou, Xeros Potamos, Mavrokolympos, Periochi Asgatas, Akrotiri Aspro-Petra tou Romiou and Periochi Lefkaron.

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, parameters, etc.;
- Analysis, synthesis and evaluation of data collected;
- Identification of 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.

This will result in management plans being prepared for the selected sites. The project will be implemented through a technical assistance contract.

The project builds on a similar project funded under the 2004 Transition Facility National Programme for Cyprus whereby assistance was provided for the preparation of
management plans for eight Natura 2000 sites (Project 2004/016-926.02.02 - Preparation of management plans for NATURA 2000 sites).

**Project 2006/018-185.01.02 - Strengthening the capacity of the Radiation Protection and Nuclear Safety Regulatory Authority of Cyprus**

The project aims to improve the efficiency and effectiveness of the existing system for radiation protection, nuclear safety and radioactive waste management in Cyprus.

In particular the objective of the project is to improve the infrastructure, administrative and operational capacity of the Regulatory Authority (Radiation Inspection and Control Service, Department of Labour Inspection) and of the relevant supporting and co-operating institutions in Cyprus for the efficient protection of the workers, the patients, the public and the environment from risks due to ionizing radiation, in line with the EURATOM *acquis* and the International Atomic Energy Agency (IAEA) standards.

The implementation of this project will involve the following activities:

- Assessment of the administrative and operational capacity of the nuclear safety and radiation protection system;
- Assessment and upgrading of the licensing, inspection and enforcement system;
- Assessment and upgrading of the environmental radioactivity and reporting system;
- Assessment of the emergency preparedness and response;
- Assessment of radioactive waste management;
- Assessment and upgrading of the system for security of sources, shipment of radioactive material and combatting of illegal trafficking;
- Training of inspectors and stakeholders target groups;
- Procurement of equipment.

This project includes both institution building and a small investment component and will be implemented through a technical assistance contract and a supply contract.

**Objective 2 – Internal Market**

**Project 2006/018-185.02.01 - Introduction, application and deployment of a total solution for the implementation of electronic procedures in conducting public procurement competitions in Cyprus**

The objective of the project is to develop the institutional, operational and technological environment for the introduction, application and deployment of a total solution for the implementation of electronic procedures in conducting public procurement competitions in Cyprus, including the establishment and operation of a computerized electronic procurement system fully exploiting the efficiencies of electronic public procurement and meeting industry’s expectations. The result will be the development of an electronic public procurement information system, supporting the implementation electronically, of the procedures for the conducting *inter alia* of individual contract competitions (open, restricted and negotiated procedures); repetitive contract competitions (dynamic purchasing system and framework agreements); e-extensions to contract award procedures (e-auctions); e-ordering and e-invoicing.

Assistance will be provided for the following activities
– Development and implementation of the system;
– Purchase of the necessary equipment for the operation of the new system;
– Training of users;
– Awareness raising and promotion;
– Initial system support activities including operational support until the system is fully handed over to the purchaser.

The project builds on a project in the field of public procurement funded under the 2004 Transition Facility National Programme for Cyprus (Project 2004/016-926.01.01 – Measures to develop the implementation capacity of the Cyprus Authorities in applying the European Public Procurement legislative package). It will be implemented through a single turnkey contract comprising both institution building and supply of equipment.

**Objective 3 – Administrative Capacity**

**Project 2006/018-185.03.01 – Interim Evaluation of EU funded projects**

The project aims to strengthen the evaluation culture in Cyprus and in particular to provide the Cypriot authorities responsible for the management of the Transition Facility with clear information and assessment of on-going programmes in order to increase efficiency of implementation.

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.

Specifically, the project 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 builds on a similar project funded under the 2004 Transition Facility National Programme for Cyprus (Project 2004/016-926.05.01 – Interim Evaluation of EU funded projects). It will be implemented through a technical assistance contract.
## 5. BUDGET

<table>
<thead>
<tr>
<th>Objective/Project</th>
<th>Transition Facility Funding (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Institution Building (IB)</td>
</tr>
<tr>
<td><strong>Objective 1: ENVIRONMENT</strong></td>
<td></td>
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<tr>
<td>Project 2006/018-185.01.01 – Preparation of Management Plans for &quot;Natura 2000&quot; sites</td>
<td>0.600</td>
</tr>
<tr>
<td>Project 2006/018-185.01.02 – Strengthening of the Radiation Protection and Nuclear Safety Regulatory Authority of Cyprus</td>
<td>0.230</td>
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<tr>
<td><strong>Objective 2: INTERNAL MARKET</strong></td>
<td></td>
</tr>
<tr>
<td>Project 2006/018-185.02.01 - Introduction, application and deployment of a total solution for the implementation of electronic procedures in conducting public procurement competitions in Cyprus</td>
<td>1.800</td>
</tr>
<tr>
<td><strong>Objective 3: ADMINISTRATIVE CAPACITY</strong></td>
<td></td>
</tr>
<tr>
<td>Project 2006/018-185.03.01 - Interim Evaluation of EU funded projects</td>
<td>0.250</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>2.880</td>
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</tbody>
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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 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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