FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY" on the one part, and

The Government of the Republic of Cyprus, hereinafter referred to as "THE RECIPIENT", acting for and on behalf of the Republic of Cyprus

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 13 June 2001 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: 2003/005-856
Title: Special aid package 2003 for the northern part of Cyprus
Duration: Until 30/11/2005

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of € 12 million hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 30/11/2005 subject to the provisions of this Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which has not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 30/11/2006. All disbursements must be completed by the deadline for disbursement. THE COMMISSION may, however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the
disbursement period of the EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.

**ARTICLE 4 - ADDRESSES**

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

**for the COMMUNITY:**

*European Commission*
Directorate General Enlargement
B – 1049 Brussels
Fax: +32 2 296 87 51

**for THE RECIPIENT:**

*Permanent Delegation of the Republic of Cyprus to the EU*
2, Square Ambiorix
B – 1000 Brussels
Fax: +32 2 735 45 52

**ARTICLE 5 - NUMBER OF ORIGINALS**

This Memorandum is drawn up in duplicate in the English language.

**ARTICLE 6 - ENTRY INTO FORCE**

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum.

Done at
Date

for THE RECIPIENT

for THE COMMUNITY

Encl.
1. ANNEX 1: Framework Agreement (Annexes A, B and C)
2. ANNEX 2: Financing Proposal
3. ANNEX 3: Visibility/Publicity

[Signature]

[Signature]
ANNEX A

General Conditions relating to Financing Memoranda

In these General Conditions, the term “Recipient” shall mean the Government of the Republic of Cyprus.

TITLE I
FINANCING OF MEASURES

Article 1 - COMMITMENT OF THE COMMUNITY

The financial commitment of the Community “EC Grant”, the amount of which is laid down in the Financing Memorandum, shall determine the limit within which expenditure will be covered by duly approved contracts (forming a “Measure”).

In the case of the participation to Community Programmes and Agencies, the Commission contribution will be committed and disbursed according to the agreements signed with the Republic of Cyprus on their participation in the said Programmes and Agencies.

Any expenditure over and above the EC Grant shall be borne by the Recipient.

Article 2 - AVAILABILITY OF THE EC GRANT

Where the execution of a Measure depends on financial commitments from the Recipient’s own resources or from other sources, the EC Grant shall become available at such time as the financial commitments of the Recipient and/or the other sources of funds, as set out in the Financing Memoranda, have themselves become available. The Recipient shall provide due evidence of the availability of these resources.

TITLE II
IMPLEMENTATION

Article 3 - GENERAL PRINCIPLE

The management of the Community assistance programmes shall be decentralised to the Recipient on the basis of systems and procedures which comply with the provisions of Title IX of the Financial Regulation applicable to the general budget of the European Communities relating to external aid, in accordance with Council Regulation (EC) N° 555/2000\(^1\) and with the provisions of the latest version of the Decentralised Implementation System (D.I.S.) Manual, notified to the Recipient.

\(^1\) OJ L68, 16/03/2000.
Article 4 - EXTENDED DECENTRALISATION

If the conditions specified in Annex B are met, and as foreseen in Article 7.4 of the Council Regulation (EC) No 555/2000, the Commission may decide on a case-by-case basis to extend the decentralisation and set up an Extended Decentralisation Implementation System (EDIS) for the programmes with Cyprus by waiving all ex-ante controls. The main objective of extended decentralisation is to familiarise the Recipient with the joint responsibility principles that underpin the implementation of the Structural Funds by Member States. Extended decentralised implementation will be subject to ex-post control by the Commission.

Article 5 - GENERAL PRIVILEGES

Personnel taking part in Community financed Measures and members of their immediate family may be accorded no less favourable benefits, privileges and exemptions than those usually accorded to other expatriates employed in the Republic of Cyprus under any other bilateral or multinational agreement or arrangements for economic assistance and technical co-operation programmes. The provisions of this Article do not confer diplomatic status on personnel taking part in the Community financed Measures.

TITLE III
PROCUREMENT AND EXECUTION OF CONTRACTS

Article 6 - GENERAL PRINCIPLE

The Recipient shall follow the procurement and contracting rules set out in the Practical Guide to EC external aid contract procedures.

Article 7 - EXTENDED DECENTRALISATION

Detailed conditions applicable to EDIS are set out in Annex B to this Agreement.

Article 8 - ELIGIBILITY

Tendering procedures for works, supply and service contracts shall be open on equal terms to all natural and legal persons of the countries referred to in Art. 7 of Regulation (EC) No 555/2000.

Article 9 - ORIGIN OF SUPPLIES

The supplies required for the performance of works, supply and service contracts must originate, as defined by the provisions laid down in Articles 22 to 26 of Regulation (EC) No 2913/92, in the countries allowed to participate pursuant to Article 8.

Article 10 - DISBURSEMENT

Contracts are eligible for payment from the EC grant only if they are concluded before the expiry date fixed for contracting in the Financing Memorandum. The last payment for such contracts must be effected no later than the expiry date fixed for disbursements in the Financing Memorandum. Extensions of this period should be exceptional and must be approved by the Commission.
Within the limit set on the EC Grant, requests for funds shall be presented to the Commission by the Recipient in accordance with the schedule set out in the Financing Memorandum. Documentary evidence relating to payments made in respect of the Measure shall be made available in support of the request for funds where the Commission so requires. However, certain contracts covered by the Measure may provide for direct payment by the Commission to the contractors. Each contract shall lay down the rate and the time of such payments, together with the documentary evidence to be produced.

**Article 11 - CURRENCY**

Contracts financed from the EC Grant and the related tenders shall be expressed in Euro unless otherwise agreed with the Commission on a case-by-case basis, while payments to contractors shall be made either in Euro or in the currency of the Republic of Cyprus to a maximum of the Euro-value stipulated in the contract.

Exchange rate losses shall not be financed out of the EC Grant.

For payments in the currency of the Republic of Cyprus, the conversion rate between Euro and national currency shall be the exchange rate published by the European Central Bank on the last but one working day at the Commission in the month preceding the month during which the expenditure was recorded.

For amounts fixed by the clearance of accounts and conformity clearance decisions, the conversion rate between Euro and national currency shall be the exchange rate published by the European Central Bank on the last but one working day at the Commission in the month preceding the month during which the decision was taken.

**Article 12 - ESTABLISHMENT AND RIGHT OF RESIDENCE**

Natural and legal persons participating in tendering procedures and works, supply or service contracts shall be granted equal and provisional right of establishment and residence in the Republic of Cyprus where this is justified by the nature of the contract. This right shall remain valid for one month after the contractor is selected.

Contractors and natural persons and members of their family whose services are required for the contract shall enjoy similar rights for the duration of the contract up to one month following the final acceptance of work performed under the contract.

**Article 13 - TAX AND CUSTOMS ARRANGEMENTS**

1. No taxes, duties, or other charges having an equivalent effect shall be charged to the Community’s financial contribution.

2. The Recipient shall apply to contracts financed by the Community tax and customs arrangements no less favourable than those applied to the most-favoured State or most-favoured international organisation.

3. Imports under supply contracts concluded by the Cypriot authorities and financed out of the EC Grant shall be allowed to enter the Republic of Cyprus without being subject to customs duties, import duties, taxes or fiscal charges having equivalent effect.
The Recipient shall ensure that the imports concerned will be released from the point of entry for delivery to the contractor as required by the provisions of the contract and for immediate use as required for the normal implementation of the contract, without regard to any delays or disputes over the settlement of the above-mentioned duties, taxes or charges.

4. Contracts for supplies or services provided by Cypriot or external firms, financed out of the EC Grant, shall not be subject in the Republic of Cyprus to value added tax, documentary stamp, registration duties or fiscal charges having equivalent effect, whether such charges exist or are to be instituted.

5. Natural and legal persons, including expatriate staff, from the Member States of the European Union executing technical co-operation contracts financed out of the EC Grant shall be exempted from business and income tax in the Republic of Cyprus.

6. Personal and household effects imported for personal use by natural persons (and members of their immediate families), other than those recruited locally, engaged in carrying out tasks defined in technical co-operation contracts shall be exempt from customs duties, import duties, taxes and other fiscal charges having equivalent effect, the said personal and household effects being either re-exported or disposed of in the state in accordance with the regulations in force in the state of the Recipient after termination of the contract.

7. Natural and legal persons importing professional equipment shall, for the purpose of a contract financed out of the EC grant, if they so request, benefit from the system of temporary admission as defined by the national legislation of the Republic of Cyprus in respect of the said equipment.

**Article 14 - IMPORT AND FOREIGN EXCHANGE ARRANGEMENTS**

1. The Recipient shall undertake to authorise the import or acquisition of foreign exchange required for implementation of a Measure. It shall also undertake to apply its national rules on foreign exchange on a non-discriminatory basis to the countries authorised to participate pursuant to Article 9.

2. The Recipient shall grant the permits necessary to repatriate funds received in respect of Measures, in accordance with the foreign exchange control regulations in force in the Republic of Cyprus.

**Article 15 - INTELLECTUAL PROPERTY**

If studies are financed under this Financing Memorandum, the Commission and the Recipient shall be entitled to use the data contained in such studies and to publish it or pass it on to third parties.

All reports and data such as maps, diagrams, drawings, specifications, plans, statistics, calculations and supporting records or materials acquired, compiled or prepared by consultants in the performance of contracts financed with the EC Grant shall be confidential and shall be the property of the Recipient. The Commission shall have access to all these reports and data.
Article 16 - DISPUTES BETWEEN THE RECIPIENT AND A CONTRACTOR

The Recipient shall undertake to reach agreement with the Commission before a final position is taken on any request from the contractor for compensation not covered by the contract. If no agreement can be reached, the Commission shall not be liable for any amounts granted unilaterally including those granted by the Recipient.

TITLE IV
GENERAL AND FINAL PROVISIONS

Article 17 - PUBLICITY

Measures shall be implemented in such a way to ensure maximum publicity for the Community’s involvement at all times. Actions of communication and information shall be determined in close collaboration with the EC Delegation in the Republic of Cyprus.

Special attention shall be devoted to implementing these provisions at events, and in all public or official written material connected with Measures. Objects, equipment and documentation connected with a Measure shall carry the Community flag with the text in the language of the Recipient. The symbols identifying the Community shall be of the same size and appearance as any symbols identifying the Recipient, should the latter be present.

Article 18 - FOLLOW-UP OF MEASURES

In following the execution of the Measure, the Commission may request any explanation and, where necessary, may agree with the Recipient on a new orientation for the Measure which is deemed to be better adapted to the objectives in view.

The Recipient shall make reports to the Commission following the time-schedule laid down in the Financing Memorandum, throughout the period of execution of the Measure and after completion thereof.

The Commission will in the light of the reports and where appropriate of the ex-post evaluation, proceed to the official closure of the Measure and will inform the Recipient of the date of official closure of the Measure.

Article 19 - INSPECTION AND AUDITS

1. The Commission shall have the right to send its own agents or authorised representatives to undertake any technical, accounting or financial assignments it may consider necessary to monitor the implementation of a Measure.

2. Notwithstanding the controls made by the recipient, the Commission and the European Court of Auditors, in the accomplishment of their responsibilities under the Treaties establishing the European Communities, shall have the right to undertake technical or financial audits on the spot and on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of a Measure.
3. With a view to ensuring an efficient protection of the financial interests of the Community, in conformity with the Regulation (EC/Euratom) No 2988/95, the Commission may also undertake on the spot checks and controls as foreseen by the Regulation (EC/Euratom) No 2185/96.

4. The Recipient shall be notified when agents appointed by the Commission or the European Court of Auditors are sent to the site of a Measure.

5. To this end the Recipient:

- shall undertake to provide any information or documents requested and to take any measures to facilitate the work of persons undertaking such audits or inspections;

- shall keep full accurate and systematic records of the files and accounts required to identify the work, supplies or services financed under this Financing Memorandum and the supporting documents relating to local expenditure in accordance with best accounting practice;

- shall assist the Commission and the European Court of Auditors, in the accomplishment of their responsibilities under the Treaties establishing the European Community, in auditing the Measure's accounts, if necessary, on the spot;

- shall ensure that the Commission's representatives can inspect any accounting or other documents relating to a Measure and shall assist the European Court of Auditors in monitoring the use made of the EC Grant.

6. The Commission, or its authorised representatives, may also carry out an ex-post evaluation and a final audit of Measures. The ex-post evaluation will assess the achievement of the objectives/targets of Measures as well as the impact on the sector concerned. In case the objectives / targets have not been achieved, the Commission reserves the possibility to recover part or whole of the funds.

The final audit will review the financial data of a Measure, evaluate uncontracted and/or undisbursed funds, provide an independent opinion on the legality, eligibility, reliability and consistency of contracts and disbursements as well as on their compliance with the provisions of this Framework Agreement and the relevant Financing Memorandum. On this basis the audit will establish, after consultation with the recipient, the balance of funds which shall be reimbursed to the Commission.

The Commission shall, on the basis of the audit conclusions, take a formal Decision called a “Conformity Clearance Decision” on the expenditure to be excluded from Community financing and reimbursed.

7. The amount to be recovered in accordance with the conformity clearance Decision, shall be communicated to the Recipient who shall ensure that the amount is credited to the Commission in Euro within two months of notification of the decision. The Commission may however, on a case by case basis, decide that any amount to be credited to it shall be offset against payments due to be made by the Commission to the Recipient under any Community assistance Measure.
8. The amount recovered in accordance with the conformity clearance Decision shall not be reallocated to the Measure.

9. Where the time limits fixed in the conformity clearance Decision are not respected, any outstanding amount shall generate interest at a rate equal to the Euribor rate for three month deposits published by the European Central Bank plus 1,5 % points. That rate shall be the monthly average of the month in which the decision referred to in these articles was notified.

**Article 20 - CLOSURE OF MEASURES**

The Commission will decide on a case by case basis when to close a Measure and discharge the Recipient from its financial responsibilities on the basis of the results of the audits carried out.

**Article 21 - CONSULTATION – DISPUTES**

1. Any matter relating to the implementation or interpretation of this Financing Memorandum shall give rise to consultation between the Recipient and the Commission. This procedure may, if necessary, lead to this Financing Memorandum being amended.

2. Where there is a failure to carry out an obligation set out in the Financing Memorandum and these General Conditions, which has not been the subject of remedial measures taken in due time, the Commission may suspend the financing of the Measure, after consultation with the Recipient.

3. The Recipient may decide to withdraw wholly or partially from a Measure with the Commission's approval.

4. Any decision taken by the Commission to suspend financing or by the Recipient to withdraw totally or partially from a Measure shall be notified to all interested parties in writing.

**Article 22 - NOTIFICATION - ADDRESSES**

Any communication or agreement between the Community and the Recipient shall be recorded in writing, giving the number and title of the Measure.

This shall be sent by letter to the authorised addressee at the latter's address. In emergencies, communications by fax or e-mail shall be allowed, provided they are immediately confirmed by letter. The addresses are set out in this Financing Memorandum.
ANNEX B
Special conditions applicable to Extended Decentralisation (EDIS)

Article 1 - CONDITIONS

If, during the course of implementation of a Measure, the following conditions are met, the Commission may decide on a case-by-case basis to grant the Recipient, following its request, extended decentralisation (i.e. waive Commission ex-ante approval on tenders and contracts and perform ex-post control instead).

1. THE CONDITIONS SET OUT IN THE ANNEX TO COUNCIL REGULATION (EC) No 555/2000 FOR WAIVING THE EX-Ante APPROVAL OF THE COMMISSION OF MEASURE SELECTION, TENDERING AND CONTRACTING BY THE RECIPIENT ARE AS FOLLOWS:

1.1. Minimum criteria and conditions for decentralising management to Implementing Agencies in applicant countries to be fulfilled:

1.1.1. Minimum criteria for assessing the ability of Implementing Agencies in applicant countries to manage aid. The following criteria shall be applied by the Commission in assessing which Implementing Agencies in partner countries are able to manage aid on a decentralised basis:

(1) there should be a well-defined system for managing the funds with full internal rules of procedure, clear institutional and personal responsibilities;

(2) the principle of separation of powers must be respected so that there is no risk of conflict of interest in procurement and payment;

(3) adequate personnel must be available and assigned to the task. They must have suitable auditing skills and experience, language skills and be fully trained in implementing Community programmes.

1.1.2. Minimum conditions for decentralising management to Implementing Agencies in applicant countries. Decentralisation to applicant countries with ex post control by the Commission may be considered for an Implementing Agency where the following conditions are met:

(1) demonstration of effective internal controls including an independent audit function and an effective accounting and financial reporting system which meets internationally accepted audit standards;

(2) a recent financial and operational audit showing effective and timely management of Community assistance or national measures of similar nature;

(3) a reliable national financial control system over the Implementing Agency;

(4) procurement rules which are endorsed by the Commission as meeting requirements of Title IX of the Financial Regulation applicable to the general budget of the European Communities;
(5) Commitment by the National Authorising Officer to bear the full financial responsibility and liability for the funds.

1.2. Respect of specific provisions concerning, inter alia, invitations to tender, scrutiny and evaluation of tenders, the award of contracts and the implementation of Community public procurement directives (See Article 3 Procurement, hereafter).

1.3. This approach shall not prejudice the right of the Commission and the European Court of Auditors to check the expenditure.

2. The Recipient must formally accept full financial responsibility for the use of the EC Grant.

Article 2 - INDEPENDENT AUDIT BODY

As part of EDIS, a functionally Independent Audit Body (IAB) should confirm in an annual report that reliable financial control systems exist within the relevant implementation structures as well as effective accounting and financial reporting systems, which meet internationally accepted audit standards.

The Independent Audit Body is responsible for the audit of all relevant implementation structures including the National Fund. In particular it will audit the annual accounts of the NF and IA(s)/CFCU and ensure that annual reports are sent to the Commission on implementation of Community assistance programmes.

Article 3 - PROCUREMENT

In the case of extended decentralisation (EDIS), the procurement rules prescribed by the Practical Guide to EC external aid contract procedures apply. National procurement rules may be used provided the conditions listed in Council Regulation (EC) No 555/2000 are met subject to approval by the Commission.

Article 4 - COMMISSION ASSESSMENT

In order to grant EDIS to the Recipient, on the basis of the conditions listed in Article 1, the Commission will perform an assessment of the capacity of the Recipient to assume the tasks and responsibilities of EDIS.

This assessment will be based on a Checklist previously communicated to the Recipient, and in which all the issues to be assessed by the Commission in the context of EDIS will be addressed. This Checklist will include a detailed questionnaire for the Recipient.

On the basis of the written answers to the questionnaire and the statement of readiness, supported by an audit trail mapping out the overall management and control system, addressed by the recipient to the Commission, the Commission will make a preliminary assessment.

The final assessment will be made following an assessment mission to the Republic of Cyprus, resulting in an assessment report.

Based on this report, the Commission will decide on granting EDIS to the Recipient.
Article 5 - COMMISSION CONTROLS

Notwithstanding the controls and audits undertaken in conformity with Article 19 of Annex A, Commission controls will be exercised on an interim evaluation and ex post basis through verification of accounts and operational evaluations. Any non-compliance with established rules - individual irregularity or systematic errors - will result in financial corrections (recovery and/or withdrawal of financing) in accordance with provisions of Article 19 of Annex A.

Article 6 - MONITORING AND EVALUATION

The monitoring and evaluation systems should be able to provide reliable operational details of the implementation of the EU funded assistance. Monitoring Reports should be issued by the Implementing Authorities. Interim Evaluation reports, which review the performance and the design of the assistance, should be performed by independent external evaluators. The Monitoring and the Interim Evaluation Reports will be submitted to appropriate monitoring committees to be set up for these purposes and to the Commission Services. Ex-post Evaluations, which describe the impact of the assistance, should be performed by independent external evaluators and submitted to the Commission Services.
ANNEX C: ARBITRATION

Any dispute between the Contracting Parties, arising out of the Framework Agreement or a Financing Memorandum, which is not settled by applying the procedures laid down in Article 16 or Article 21 of the General Conditions relating to Financing Memorandum, shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

The parties to such arbitration shall be THE RECIPIENT on the one side and THE COMMISSION on the other side.

The Arbitral Tribunal shall consist of three arbitrators appointed as follows:
- one arbitrator shall be appointed by THE RECIPIENT;
- a second arbitrator shall be appointed by THE COMMISSION;
- the third arbitrator (hereinafter sometimes called “THE UMPIRE”) shall be appointed by agreement of the parties or, if they shall not agree, by the Secretary-General of the United Nations.

If either side fail to appoint an arbitrator, such an arbitrator shall be appointed by THE UMPIRE.

Should any arbitrator appointed in accordance with this provision resign, die or become unable to act, another arbitrator shall be appointed in the same manner as the arbitrator whose place he takes: such a successor shall have all the powers and duties of the original arbitrator.
FINANCING PROPOSAL:

SPECIAL AID PACKAGE 2003 FOR THE NORTHERN PART OF CYPRUS

1. Objectives and Description

Objective 1: promoting economic development in the northern part of Cyprus

- Project 1: Infrastructure and rehabilitation project for the main cities in the northern part of Cyprus

The project aims to support the economic development of the northern part of Cyprus via infrastructure and rehabilitation activities. These should improve the quality of life for the citizens, make their cities more attractive, preserve their cultural heritage and provide work to a number of companies/people following the tendering/contracting of the works planned.

Due to the urgency and the specific situation in the northern part, the list of projects below is indicative. According to the assessment made by the UN and the Commission of the conditions in the northern part, the projects could be adjusted during the course of implementation (but still in the field of infrastructure and rehabilitation activities).

The activities envisaged by the project are as follows:

Component A: Nicosia:
- Modernisation of water/sanitation system
- Rehabilitation and modernisation of the old market

Component B: Famagusta
- Modernization of water/sanitation system
- Water-tank tower
- Famagusta Master Plan

Component C: Kyrenia
- Modernisation of water/sanitation system
- Urban design and improvement of public facilities Phase I

- Project 2: Private sector development

The main purpose of the project is to support the economic development of the northern part of Cyprus by improving the conditions for enterprise development.

The main activities envisaged under the project include:
- Grant scheme for SMEs
- E-commerce strategy for the business community
Support to agro-based SMEs to comply with the acquis communautaire
Sustainable development linked to environmental protection

**Project 3: Feasibility studies for economic development projects**

The main purpose of the project is to provide the technical studies and plans for the economic development of the northern part of Cyprus in strategic areas. This might be done under the form of several studies on specific issues, or more strategic work under the form of Master Plans-type studies. This project will be linked to project 1 but also be open to municipalities not benefiting from project 1.

Feasibility studies will be carried out taking into account, whenever possible, the requirements for project preparation under the Structural and Cohesion Funds. This would enable a smooth transition to Structural and Cohesion Funds (including preparation of project pipeline) should a settlement take place.

The main activities envisaged under the project include (non-exhaustive list):

- Technical studies in the **environment** sector (with special focus on the impact of economic development aspects);
- Technical studies with regard to **infrastructure projects** (with special focus on water/sanitation aspects, and including rehabilitation aspects);
- Technical studies with regard to **economic development**.

**Objective 2: Bringing the northern part of Cyprus closer to the EU**

**Project 4: Support to Civil Society**

The main purpose of the project is, following up on the first project of this type financed through the 4th EU-Cyprus Financial Protocol, to promote the development of a culture of civil society in the northern part of Cyprus, to create links with the Greek Cypriot civil society and EU NGOs.

The main activities envisaged under the project include:

- Grants provided to NGOs (grant scheme)
- Training activities aiming at the strengthening of civil society organisations

The main sectors targeted are: Human Rights, Cultural Heritage, Education and Training, Health, Journalism, Civil Society strengthening, Social affairs and employment, Consumer protection, Equal opportunities, Conflict resolution.

The main beneficiaries will be the Turkish Cypriot NGOs active in the above-mentioned fields.

The selection of actions to be financed will follow a detailed procedure to be agreed with the EC in the initial phase of the project. First the EC will approve the detailed guidelines for assessment, development and implementation of civil society actions to be financed. These guidelines will include comprehensive selection criteria, to be implemented by the project director and by the Civil Society Advisory Committee. This committee composed of two Greek Cypriots,
two Turkish Cypriots, and a representative of the EC Delegation in Cyprus, will be selected by the European Movement Cyprus Council (in charge of implementing the project) and the EC Delegation, in consultation with the project director.

- **Project 5: Support to Trade Unions**

  The main purpose of the project is to increase the links between trades unions of both Cypriot communities, and improve their understanding of EU practices in such fields as employment and social affairs, education and training, and other areas.

  The project will finance training activities aimed at strengthening the understanding of the acquis and best practice in the EU by trade union members;

  This will be implemented via a grant provided to the All Cyprus Trade Union Forum (ACTUF, pan-Cypriot organisation representative of the Cypriot Trade Union organisations) on the basis of an approved work-programme of joint/parallel activities. The ACTUF is the most appropriate partner for the implementation of this project, since it unites in its ranks all Cypriot Trade Union structures, including 9 Greek and 8 Turkish Cypriot member organizations.

  The activities will be formulated in a process of consultation and discussion within the Permanent Committee of the ACTUF.

  The following criteria are set for the formulation of the activities:

  - Involvement of all Trade Unions;
  - Involvement of trade unionists at all levels;
  - Organization of activities that are cost effective, i.e. local activities (to the extent that this is possible given the circumstances) in order involve maximum number of participants (rather than study visits abroad);
  - Schedule of a number of seminars to cover essential issues in the field of employment and social affairs, giving emphasis among other things to gender and youth employment;
  - Organize seminars both of general trade unionist interest and of particular (e.g. sectoral) interest.

  The beneficiaries will therefore be the Trade Union organisations members of the ACTUF and their members.

- **Project 6: Information on the EU and on the acquis**

  The main purpose of the project is to provide updated and precise information on the EU and in particular the acquis communautaire to target groups of the civil society in the northern part of Cyprus.

  The main activities are as follows:

  - Seminars, workshops, training activities and other events
➢ Other communication activities building on the experience of past Communication strategy activities
➢ Translation of parts of the acquis and other documents into Turkish language

2. **Budget**

A breakdown by project of the special aid package 2003 is as follows:

<table>
<thead>
<tr>
<th>#</th>
<th>Title of the project</th>
<th>DAC Sector Code</th>
<th>Total Budget Mio €</th>
<th>Budget Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Infrastructure and rehabilitation project for the main</td>
<td>14020</td>
<td>6.0</td>
<td>B7-041</td>
</tr>
<tr>
<td></td>
<td>cities in northern Cyprus</td>
<td>41040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Private sector development</td>
<td>25010</td>
<td>2.0</td>
<td>B7-041</td>
</tr>
<tr>
<td>3</td>
<td>Feasibility studies for economic development projects</td>
<td>14020</td>
<td>1.0</td>
<td>B7-041</td>
</tr>
<tr>
<td></td>
<td></td>
<td>41040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Support to Civil Society</td>
<td>92010</td>
<td>1.5</td>
<td>B7-041</td>
</tr>
<tr>
<td>5</td>
<td>Support to Trade Unions</td>
<td>15050</td>
<td>0.5</td>
<td>B7-041</td>
</tr>
<tr>
<td>6</td>
<td>Information on the EU and on the Acquis</td>
<td>53010</td>
<td>0.9</td>
<td>B7-041</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.1</td>
<td>B7-041A</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>12.00</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. **Implementation**

a) **Financial and Project Management by Cyprus**

(1) Projects 1, 2, and 3 of this programme will be implemented by the European Commission and UNOPS according to Art. 53 1 (c) FR in keeping with the Financial and Administrative Framework Agreement concluded between the European Union and the UN on April 29, 2003. In this context, Project 4 will be implemented through negotiated procedure with the European Movement Cyprus Council as a single tenderer (this is made necessary by the unique networking experience and contacts of the EMCC with NGOs in the northern part of the island).

(2) Project 5 of the programme is intended to be decentralised. It will be managed in accordance with the Extended Decentralised Implementation System (EDIS) procedures as set down in the EDIS Accreditation Decision and the Agreement on the implementation of EDIS (EDIS Implementation Agreement: EIA), concluded
between Cyprus and the Commission\(^1\). Prior to the conclusion of the said agreement, implementation will exceptionally follow DIS procedures\(^2\). Extended decentralisation will, however, apply from 1 May 2004 at the latest.

The National Aid Co-ordinator (NAC) will have overall responsibility for programming, monitoring (except financial management matters) and implementation of Community assistance programmes and projects. The National Authorising Officer (NAO) and the Project Authorising Officers (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the EDIS Implementation Agreement and/or DIS Manual and other instructions of the Commission, and that all contracts required to implement the Financing Memorandum are awarded using the procedures and standard documents defined and most recently published by the European Commission for the implementation of External Actions.

The National Fund (NF) in the Treasury of the Republic of Cyprus, headed by the NAO, will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. The NAO shall have overall responsibility for financial management of the pre-accession funds. He shall ensure that the DIS/EDIS rules, regulations and procedures pertaining to procurement, reporting and financial management as well as Community State Aid rules are respected, and that a reporting and project information system is functioning. This includes the responsibility of reporting all suspected and actual cases of fraud and irregularity. The NAO shall have the full overall accountability for the EU funds of a programme until the closure of the programme.

However, if in the preparatory phase of project 5 some elements appear which could lead to a slow down or prevent the correct and timely implementation of the project, the European Commission reserves the right to manage this project according to Art. 53 1 (c) of the FR.

**b) Contracting and disbursement deadline**

All contracts must be concluded by 30.11.2005.

All disbursements must be made by 30.11.2006.

Budgetary commitments which have not given rise to payments during three years counted from the date of the legal commitment will be de-committed.

**c) Clearance of Accounts Procedure and Recovery of Funds**

A clearance of accounts procedure in line with Art. 53 para 5 of the FR and Art.42 of the Implementing Rules to the Financial Regulation\(^3\) will be put in place.

---


\(^3\) Commission Regulation 2342/2002 of 23.12.2002
Any proven irregularity or fraud\textsuperscript{4} discovered at any time during the implementation of the programme will lead to the recovery of funds by the Commission.

If the implementation of a measure appears not to justify either a part or the whole of the assistance allocated, the Commission is to conduct an appropriate examination of the case, in particular requesting the beneficiary country to submit its comments within a specified period of time and to correct any irregularity.

Following the examination referred to in the previous paragraph, the Commission may reduce, suspend or cancel assistance in respect of the measures concerned if the examination reveals irregularity, an improper combination of funds or a failure to comply with one of the conditions in the financing memorandum and in particular any significant change affecting the nature or conditions of implementation of the measure for which the Commission's approval has not been sought. Any reduction or cancellation of the assistance is to give rise to recovery of the sums paid.

Where the Commission considers that an irregularity has not been corrected or that all or part of an operation does not justify either all or part of the assistance granted to it, the Commission is to conduct a suitable examination of the case and request the beneficiary country to submit its comments within a specified period. After the examination, if the beneficiary country has undertaken no corrective measures, the Commission may:

(a) reduce or cancel any advance;

(b) cancel all or part of the assistance granted to the measure.

The Commission is to determine the size of a correction taking into account the nature of the irregularity and the extent of any failures in the management and control systems.

The Commission will recover any funds not used by the expiry date of the programme. A final written declaration with supporting documentation shall be issued by the NAO 2 months after all payments have been made, showing the total amount contracted and disbursed. A final bank reconciliation showing the existing balances in the NF/IA/CFCU shall also be enclosed. Notwithstanding the recovery of unused and ineligible funds after expiry of the Financing Memorandum, a complementary recovery order may be issued after the final audit of the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum has been carried out, taking into account the independent opinion of the final audit.

The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of notification. If the NAO does not repay the amount due to the Community, the beneficiary country shall refund this amount to the Commission. Interest on

\textsuperscript{4} As defined under number 8a (Audit and Anti-fraud Measures by the Candidate Countries) of this document.
account of late payments shall be charged on sums not repaid by applying the rules specified in the Financial Regulation governing the Community Budget.

d) Financial Flows

For project 5, the Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Cyprus in August 2001. Funds will be transferred following requests from the NAO onto a separate bank account, denominated in €, which will be opened and managed by the NF in the Central Bank.

aa) Transfer of Funds to the National Fund

A first transfer of up to 20% of the funds to be managed locally, representing pre-financing\(^5\) will be sent to the NF following signature of the Financing Memorandum and the Note of instructions from the NF to the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. Furthermore, the NAO must submit to the Commission the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function will be carried out.

Two further transfers of up to 30% each of the funds to be managed locally will be made; The second transfer will be triggered when 5% of the budget has been disbursed by the IAs and the CFCU. The third transfer may be requested when 35% of the total budget in force is disbursed. A fourth transfer will be made when 70% of the total budget in force is disbursed and when all expenditure has been incurred (i.e. fully contracted). No later than 2 months after all payments have been made, the National Fund will submit a final declaration of expenditure, which will trigger a balancing operation of all transfers against final certified expenditure incurred, which at that point will be equal to payments made (closure of expenditure)\(^6\).

Exceptionally, the NAO may request an advance payment of more than the percentages mentioned above in accordance with the procedures laid down in the aforesaid Memorandum of Understanding. Save for express prior authorisation from the Commission HQs, no interim payments may be made if the trigger points mentioned above have not been respected.

bb) Transfer of Funds to the Implementing Agencies

The National Fund will transfer funds to IAs, including the Central Financing and Contracting Unit (CFCU), in accordance with the Note of Instructions from the NFs to the IAs/CFCU where applicable. Bank accounts for sub-programmes shall be opened in the name of the relevant Implementing Agency/CFCU in charge of the financial administration of the sub-programme in line with Art. 13 of the MoU on the establishment of the National Fund.

---

\(^5\) As defined in Art. 81.1.b.i of the Financial Regulation
\(^6\) As defined in Art 105 of the Implementing Rules
Each individual Note of Instructions will be endorsed in advance by the European Commission. In cases where the NF is itself the paying agent for the CFCU/IA, there will be no transfer of funds from the NF to the CFCU/IA.

The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO), appointed by the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

For those contracts with funds retained for a warranty period the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses.

The Implementing Agency further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued, will annually be provided by the NAO to the Commission.

c) Interest

In principle, all bank accounts\(^7\) will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme.

e) Implementing Agencies will be responsible for sub-programmes as follows:

<table>
<thead>
<tr>
<th>#</th>
<th>Tittle of the project</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Infrastructure and rehabilitation project for the main cities in northern Cyprus</td>
<td>European Commission DG ELARG Via UNOPS</td>
</tr>
<tr>
<td>2</td>
<td>Private sector development</td>
<td>European Commission DG ELARG Via UNOPS</td>
</tr>
<tr>
<td>3</td>
<td>Feasibility studies for economic development projects</td>
<td>European Commission DG ELARG Via UNOPS</td>
</tr>
<tr>
<td>4</td>
<td>Support to Civil Society</td>
<td>European Commission DG ELARG</td>
</tr>
</tbody>
</table>

\(^7\) In particular, but not exclusively, accounts run by the NF, the CFCU and IAs.
<table>
<thead>
<tr>
<th>#</th>
<th>Title of the project</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Support to Trade Unions</td>
<td>Ministry of Labour and Social Insurance, All Cyprus Trade Union Forum</td>
</tr>
<tr>
<td>6</td>
<td>Information on the EU and on the Acquis</td>
<td>European Commission DG ELARG</td>
</tr>
</tbody>
</table>

f) Nature Conservation

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-Directive⁸ must be documented⁹.

g) Twinning

Not applicable

4. Monitoring and Evaluation

The monitoring and Assessment operations will follow the procedures defined under the DIS/EDIS system.

The Commission services shall ensure that an ex-post evaluation is carried out after completion of the Programme.

5. Audit Anti-Fraud Measures

a) By the Beneficiary Countries¹⁰

Each year an audit plan and a summary of the findings of the audits carried out shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

Appropriate financial control shall be carried out by the competent national financial control authority (Auditor General) with respect to the implementation of the programme.

Beneficiary countries shall ensure investigation and satisfactory treatment of suspected and actual cases of fraud and irregularity following national or Community controls.

---

¹ this project may be re-centralised and implemented by the European Commission and UNOPS according to Art. 53 1 (c) under the conditions stated in this Financing Proposal.
⁹ In Annex EIA to the corresponding investment project fiche.
¹⁰ In accordance with the rules set down in Art. 54 of the Financial Regulation.
Irregularity shall mean any infringement of a provision of national or Community law, this Financing Memorandum or ensuing contracts or resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

(i) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities,
(ii) non-disclosure of information in violation of a specific obligation, with the same effect,
(iii) the misapplication of such funds for purposes other than those for which they are originally granted.

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94\[11\].

In particular, all suspected and actual cases of fraud and irregularity as well as all measures related thereto taken by the national authority must be reported to the Commission services without delay. Should there be no suspected or actual cases of fraud and irregularity to report, the beneficiary country shall inform the Commission of this fact at the end of each quarter.

Beneficiary Countries shall take any appropriate measure to prevent and counter any active or passive corruption practices at any stage of the procurement procedure or grant award procedure or during the implementation of corresponding contracts.

Active corruption is defined as the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official for himself or for a third party for him to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Communities' financial interests.

Passive corruption is defined as the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Communities' financial interests.

\[11\] OJ L 178; 12.7.94; p. 43-46
b) By the Commission

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and audits by the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Candidate Country concerned and on-the-spot checks.

In order to ensure efficient protection of the financial interests of the Community, the Commission may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96.\textsuperscript{14}

The controls and audits described above are applicable to all contractors and subcontractors who have received Community funds.

The accounts and operations of the National Fund, and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the Commission’s discretion by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the “General Conditions relating to the Financing Memorandum” attached to the Framework Agreement.

6. Visibility/Publicity

The appropriate Programme Authorising Officer will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the Commission Delegation. Further details are included in the Annex “Visibility/Publicity” (enclosed).

7. Special conditions

In the event that agreed commitments are not met for reasons which are within the control of the Government 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 pre-accession programme.

\textsuperscript{14} OJ L 292; 15.11.1996; p. 2-5
INFORMATION AND PUBLICITY FOR THE CYPRUS PRE-ACCESSION PROGRAMME OF THE EUROPEAN COMMUNITIES

1. Objective and scope

Information and publicity measures concerning assistance from the European Community Cyprus Pre-accession Programme are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the Cyprus Pre-accession Programme.

2. General principles

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:


Specific provisions concerning ISPA are included in:


Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. Information and publicity concerning Cyprus Pre-accession Programme

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Memorandum and shall concern both programmes and other forms of assistance.
The costs of information and publicity relating to individual projects shall be met from the budget for those projects.

When Cyprus Pre-accession programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:

- billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from Cyprus Pre-accession programme:

- measures to make potential beneficiaries and the general public aware of Cyprus Pre-accession programme assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.

- measures targeting applicants for public aids part-financed by Cyprus Pre-accession programme in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Cyprus Pre-accession Programme in accordance with the provisions outlined above.

4. Visibility of EU assistance in business circles and among potential beneficiaries and the general public

4.1 Business circles

Business circles must be involved as closely as possible with the assistance, which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries,
particularly SMEs. These should include an indication of the administrative procedures to be followed.

4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the Cyprus Pre-accession Programme, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Programme in question. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and Cyprus Pre-accession programme in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the Cyprus Pre-accession Programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by Cyprus Pre-accession programme should, on the title page,
contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.

Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.

The above-mentioned principles shall also apply to audio-visual material.

5. Special arrangements concerning billboards, commemorative plaques and posters

In order to ensure the visibility of measures part-financed by the Cyprus Pre-accession Programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

Billboards

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

Commemorative plaques

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part financing together with a mention of the relevant Programme (Cyprus Pre-accession programme).

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. Final provisions

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC
Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.

In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.