



**REPUBLIC OF CYPRUS**  
**Planning Bureau**

**EEA GRANTS (2004-2009)**  
**EEA and Norwegian Financial Mechanisms**

**REPUBLIC OF CYPRUS**

**ANNUAL REPORT 2008**

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## **Glossary of Acronyms**

<b>EEA</b>	European Economic Area
<b>EU</b>	European Union
<b>FM</b>	Financial Mechanisms
<b>FMC</b>	Financial Mechanism Committee
<b>FMO</b>	Financial Mechanism Office
<b>IAS</b>	Internal Audit Service
<b>MoUs</b>	Memoranda of Understanding (EEA/EFTA-Republic of Cyprus, Norway-Republic of Cyprus)
<b>NGOs</b>	Non Governmental Organisations
<b>NFP</b>	National Focal Point
<b>PB</b>	Planning Bureau
<b>PP</b>	Project Promoter
<b>GOL</b>	Grant Offer Letter
<b>PIP</b>	Project Implementation Plan
<b>NMFA</b>	Norwegian Ministry of Foreign Affairs
<b>GIS</b>	Geographical Information System
<b>SC</b>	Steering Committee

## A. EXECUTIVE SUMMARY

The present Annual Report is the third of its kind in respect of the funds made available to the Republic of Cyprus by the Donor States through the EEA and Norwegian Financial Mechanisms (FMs) for the period 2004-2009. As was the case with the first and second Annual Reports, given that all issues covered are common to both FM, there will be a single Annual Report for 2008, with 3/10/2008 as the cut-off date.

What distinguishes this report from the previous ones, is the substantial progress in 2008 with regard to both the Individual Projects and the NGO Fund and consequently the overall implementation of the EEA Grants in the Republic of Cyprus. More specifically, following last year's Steering Committee meeting which was held on 9 November 2007, the selected proposals were forwarded to the Financial Mechanism Office (FMO) on the 29 November 2007 for approval by the Donor States. The FMO has so far communicated to the National Focal Point (NFP) the approval of four out of the five Individual projects submitted and the Grant Agreements and Implementation Contracts between the FMC and/or NMFA and NFP and between the NFP and the Project Promoters (PP) respectively were signed for two of the projects in the summer of 2008. These Projects are CY0011 "Revitalising the buffer zone - An Educational Centre and Home for Cooperation" and CY0014 "Restoration of Salamiou village old School building for use as a regional centre for environmental education". In addition the Grant Agreement for the project CY0013 "Cyprus Archaeological Digitization Programme – CADiP" has been signed on 12 September 2008 and the signing of the Implementation Contract has taken place on the 25 of September 2008. The Grant Agreement for the Project CY0012 "Preparation of an integrated management plan for the Paphos Forest" is expected to be signed soon.

In as far as the NGO Fund is concerned, the NFP proceeded with the selection of the NGO Fund Intermediary through an open public tender procedure, which was completed successfully on 11 July 2008 with the signature of the contract with the consortium of "First Elements Euroconsultants Ltd-Euroconsultants S.A". The Block Grant Application is at an advanced stage of preparation and the aim of the Intermediary is to launch the open call [at the end of](#) November 2008.

Overall it is noted that during the reporting period there has been a considerable progress in the Implementation of the FMs. All the key players involved on the Part of the beneficiary state (i.e. NFP, Paying Authority, PP and NGO Fund Intermediary) have demonstrated a high degree of responsibility and commitment for the successful implementation of the projects. As a result the various forms of assistance have moved from the programming phase to the first stages of actual implementation and the assistance under the FMs has thus become more visible among beneficiaries and the wider public. The effort for the next reporting period, will be concentrated on the completion of all procurement procedures for all the Individual Projects and the initiation of the sub projects implementation under the NGO Fund. The NFP and the FMO, in an effort to facilitate efficient implementation, organised a workshop in Cyprus in September 2008 for all stakeholders (NFP, PA, Project Promoters, NGO Fund Intermediary) on Monitoring and Reporting issues where the pertinent Guidelines were presented including detailed explanation for completion of the Project Interim Reports and Project Completion Reports.

Even though, the implementation of all projects under the EEA/Norwegian Financial Mechanism, is at an early stage, still it is believed that the expected results will have a positive impact on the sectors covered by the projects. This is expected to become more perceptible when the first results of the projects will be delivered and evaluated.

Finally the Addenda to the Annex A of the MOUs in regard to disbursement arrangements which were approved prior to the Annual Meeting of 2007 were signed in Brussels on the 7 December 2007.

## **B. REVIEW OF THE IMPLEMENTATION STATUS**

### **B1. GENERAL**

During the reporting period, the NFP proceeded with the formalisation of the system to be followed for the implementation of the assistance provided through the Financial Mechanisms (FM), with the preparation of a Document entitled “System Description of the EEA/Norwegian Financial Mechanisms”. The document was prepared by the NFP in cooperation with the Paying Authority and the Public Procurement Directorate of the Treasury. The document describes in detail the various stages starting from the programming stage, procurement, monitoring, payments, co-financing, auditing etc. The document was

presented to all Project Promoters and the NGO Fund Intermediary in a seminar organised by the NFP on 22 July 2008 and copies of the document were distributed as a Guide to the various Promoters for use during the implementation of their projects.

## **B2. Individual Projects**

Following the Call for Proposals for Individual Projects, through which 33 applications received (a list with all projects in **Annex 1**) and the completion of the evaluation process, eight Proposals with the highest score were submitted by the NFP before the Steering Committee meeting on 9 November 2007. The SC with the presence of the FMO and Donor States as observers, made its recommendation to the NFP about the main and reserve lists of proposals to be submitted to the FMO and the Donor States. The NFP forwarded, on the 29 November 2007, to the FMO for approval of their funding by the Donor States, the Applications Forms of the Projects on the main list. A reserve list of Proposals was also submitted. The lists of proposals consisted of the following projects:

### **Main List**

- A zero CO2 emissions electricity generation prototype (zero CO2).
- Preparation of an integrated management plan for the Paphos forest.
- Revitalizing the buffer zone-An Educational Centre and Home for Cooperation.
- Cyprus Archaeological Digitization Programme-CADiP.
- Restoration of Salamiou village old school building for use as a regional centre for environmental education.

### **Reserve List**

- Cultural heritage and community centre in Capedes village
- Species and habitat protection in ecologically important areas of Cyprus
- Restoration and rehabilitation of the western part of the Royal Manor in Potamia Village

The proposals covered a wide range of the priority areas set by the FM like environment, regional development, conservation of European cultural heritage, sustainable development as well as a wide range of Project Promoters. The project promoters included government departments, NGOs, local authorities and bodies governed by Public Law.

Following this submission, the five proposals on the main list were initially reviewed by the FMO and were then forwarded to external appraisal agents for evaluation. The external appraisal agents visited Cyprus during late 2007 and early 2008 and prepared the relevant appraisal reports. These reports were positive for all five projects and following submission of further clarifications, four of these were approved by the Donors. (The list of the approved projects, appears in **Annex 2**). The approval of the Project CY0015 entitled “A zero CO2 emissions electricity generation prototype (Zero CO2)” is still pending.

In the meantime the NFP proceeded with the preparation of the model Implementation Contract to be signed between the NFP and each Project Promoter (PP) following the signature of the Grant Agreement between the NFP and the Donor States. This Implementation Contract was submitted to various other services for comments (e.g. Paying Authority, Public Procurement Directorate etc) and finally to the Law Office of the Attorney General of the Republic.

As soon as the Grant Offer Letters (GOLs) of the four approved projects were received, separate meetings were held by the NFP, where the contracting procedures were discussed and the action plans regarding the procurement of each approved project were agreed with the various PPs. Representatives from the Directorate of Public Procurement and from other relevant departments (e.g. the Department of Information Technology Services), where appropriate, were also present at these meetings.

From the above meetings, it was concluded that for two of the projects (CY0014 – (Salamiou) and CY0011 – (NGO House) the PP faced procurement problems in respect of the intellectual property rights for professional services offered and completed prior to the approval of the projects. The NFP consulted the Public Procurement Directorate, which stated that the payments for these services could not be considered as eligible costs, unless an approved procurement procedure was/is followed to cover for these expenses.

Regarding state aid issues, no problems were encountered since all projects approved had gone through a state aid screening by the Commissioner for the Control of State Aid prior to their submission to the SC.

As far as the environment issues were concerned no such issues were raised for four of the projects during the appraisal by the external appraisal agents. The issue of the need for the preparation of an Environmental Impact Assessment (EIA) study was raised for Project Cy0015 (Zero CO<sub>2</sub> Emissions) and the PP undertook to pursue the matter further with the appropriate Government departments.

**Progress on each project:**

**A zero CO<sub>2</sub> emissions electricity generation prototype (zero CO<sub>2</sub>) – CY0015**

The aim of this project is to construct a prototype electric power station that will be operating based on renewable sources and will have zero CO<sub>2</sub> emission. The PP (University of Cyprus), believes that the proposed prototype holds the key to developing a regulated emissions-free renewable power station and make it a viable solution for the future.

The project will be completed in 30 months from its approval date. The total cost of the project is €886.535 whereas the EEA/ Norwegian Financial Mechanisms' contribution requested is €748.880 (or 84,47% of the estimated eligible cost).

The main activities of the project will be:

- ordering and installing the equipment
- operating the prototype
- monitoring the operation of the prototype under various conditions
- economic analysis and viability for a larger 100 MW station based on the operating experience of the prototype.

The FMO has not proceeded with the submission of the Project to the Donor States for approval as yet, awaiting for the issue of land use and erection of the installation permits necessary for the initiation of the project. The land use permit has already been approved by the Council of Ministers on 30 July 2008. The procedures for the erection permit are at an advanced stage and the PP expects that these will be completed by mid October 2008. Given the lengthy duration of the project (30 months) the PP has already begun the preparation of the relevant tender documents so that the tender is ready to be launched as soon as approval of the project takes place.

In order to address the issue of the need for an EIA, that is a pre-condition for the issuing of the erection permit by the Department of Town Planning and Housing, the PP has completed and submitted to this Department an EIA form. After examining the issue the Department has informed the PP that the size of the wind turbine does not require the views of the Environment Service on the EIA. As suggested by the appraisal agent in the appraisal report, this will be mentioned in the official letter for granting the erection permit.

### **Preparation of an integrated management plan for the Paphos Forest - CY0012**

The purpose of the project is the sustainable utilization of forest resources and benefits in the Paphos Forest, with the overall objective of improved forestry management and protection of biodiversity. The estimated eligible cost amounts to €536.500 and the duration of the project is estimated to 30 months.

The project shall include the following activities and results:

- Start-up, procurement of services and equipment;
- Elaboration of a draft management plan corresponding to the ecological requirements of the natural habitats and species present on the Natura 2000 site Paphos forest in order to ensure their favourable conservation status;
- Elaboration of monitoring plans for endangered species;
- Elaboration of final draft management plan;
- Consultation of draft plan and final draft plan with all stakeholders;
- Publicity, training and approval of the final plan.

The GOL, dated 4<sup>th</sup> June 2008, was accepted by the PP (Department of Forests) with its letter dated 26 June 2008. A completed PIP was also attached to the above letter. The NFP informed the FMO of the acceptance of the GOL on 7 July 2008. The Grant amounts to €447.226 (or 83.86 % of the total eligible project costs) and will be covered under the EEA Financial Mechanism.

The signature of the Grant Agreement between the NFP and the FMC will take place as soon as the Grant Agreement is forwarded to the NFP by the FMO. The signing of the Implementation Contract between the NFP and the PP will follow.

According to an action plan prepared by the Department of Forests regarding tender procedures, the following activities are expected to take place:

- Preparation of Tender documents for the management plan finalized by early October 2008 and publication of the Tender.
- Signing of contracts: beginning of January 2009 or latest by end of February
- Acquisition of vehicles required by end of 2008
- Tenders for procurement of GIS software and hardware to be completed in the first half of 2009

#### **Revitalizing the buffer zone- An Educational Centre and Home for Cooperation – CY0011**

The purpose of this project is to restore a building of historical importance and the establishment of its functionality as an intercultural center with the overall objective to conserve European cultural heritage with a view to initiate sustainable livelihoods in the buffer zone. The estimated total eligible cost is €1.022.804 and the estimated project's duration is 25 months.

The project shall include the following activities and results:

- Acquisition of a building in the buffer zone (for a value not exceeding €427.153)
- Restoration and equipment of the selected building in the buffer zone.
- Landscaping of the plot
- Publicity measures

The GOL dated 23 June 2008 (3rd version), was accepted by the PP (Association of Historical Dialogue and Research-AHDR) and subsequently by the NFP on the 24 June 2008. A completed PIP was attached to the acceptance letter. The Grant amounts to €749.920 (or 73.32% of total eligible project costs) and will be covered under both the EEA and Norwegian Financial Mechanisms.

Despite the fact that the decision for approval of this project was taken in early January 2008, yet, the Grant Agreements between the FMC and the Norwegian Ministry of Foreign Affairs, on the one side and the NFP on the other, were only signed on 27 June 2008 whereas the Implementation Contract between the NFP and the PP was signed on the 30 June 2008. This delay was mainly due to the fact that the PP was not in a position to meet all the conditions and obligations set out in the original GOL dated 7 January 2008. During this period it became necessary for the FMO to send 3 different GOLs dated 7 January 2008, 15 May 2008 and 23 June 2008 so that the PP could proceed with the acceptance of the Grant.

The PP was not in a position to accept the conditions set in the first two GOLs due to the following reasons:

- (a) Difficulty in meeting the co-financing requirement of providing at least 26.68% of the estimated eligible project cost. The co-financing component was finally secured from the following sources:
  - (i) A donation of an amount of €100.000 by the Swedish Ministry of Foreign Affairs in April 2008.
  - (ii) An amount of €118.324, through the Swiss Contribution under the “Framework Agreement between the Government of the Republic of Cyprus and the Swiss Federal Council concerning the Cooperation Programme between Cyprus and Switzerland to reduce Economic and Social Disparities within the enlarged European Union”.
  - (iii) An amount of €54.560 through the national budget of the Republic of Cyprus as part of the PP’s cash co-financing.
  
- (b) Difficulty in securing the funds necessary for the purchase of the real estate amounting to €427.153, which was the first activity of the project. This led the FMO to increase the 10% advance payment of the Grant to 30% which was included in the second GOL. The financial constraints of the PP however continued to exist so the FMO increased further the advance payment to 56.96% (included in the 3<sup>rd</sup> GOL), so that the whole amount necessary for the purchase of the property could be provided as an advance payment.

The above decision entailed that the FMO would transfer the whole amount of money required for the purchase of the property to the Planning Bureau, and the Planning

Bureau would undertake to pay the owner of the house directly. In this way the obligation by the PP to provide an advance payment guarantee, which was another issue causing delay in the acceptance process, was waived.

- (c) Difficulty in meeting the bank guarantee deposit requirement, for the amount of the co-financing required from own funds. This would result in lack of cash mobility by the promoter since the issuing of the bank guarantee would restrict access to the €100.000 donated by the Swedish Ministry of Foreign Affairs and which the Promoter intended to use in order to meet the initial expenses of the project. To resolve this problem as well as problems due to additional costs that the project promoter had to meet from the early stages of the project implementation (i.e. delay penalty of €12.458 imposed by the property owner and mortgage fees to be paid during the transfer of the building), the Promoter requested through the NFP an additional increase of the advance payment by €100.000 (i.e. total advance payment of €527,153 or 70.20% of the total estimated project eligible cost). The Donors approved the PP's request and the addenda to the Grant Agreements were signed by the Donors and the NFP on the 15 July 2008.
- (d) Unwillingness on the part of the PP to accept the condition for mortgage of the property in favour of the Cyprus Government for a period of 13 years. During this time the property cannot be sold without the consent of the Cyprus Government, thus ensuring the condition included in the GOL that the property remains in the ownership of the PP for a period of at least 10 years following project completion. The PP finally accepted this condition in June 2008.

Despite the signature of the Implementation Contract, the project continues to face problems since the purchase of the property has not yet taken place. The reason for the delay is the long procedure necessary for the transfer of property between buyer and seller at the Department of Lands and Surveys. At the cut off date of the report, both the NFP and the PP were waiting for the owner to complete the necessary procedures that would enable him to proceed with the transfer of the property. The last issue to be raised concerned the payment of the necessary taxes to the Department of Inland Revenue. Following the various consultations between the NFP and the competent Ministries, the issue was resolved and the Ministry of the Interior has requested on 3/10/2008 the Departments involved (Department of

Lands and Survey and Department of Inland Revenue) to proceed with all necessary procedures for the transfer of the property the soonest possible.

It should be noted in this respect that due to the high risk nature of the project, the Donors have included in the GOL the following conditions thus alleviating the pressure that would otherwise lie with the NFP and would make necessary imposing similar conditions on the PP:

- (a) Notwithstanding provisions in Articles 3.3 and 7.2 of the Grant Agreements assigning responsibilities to the Focal Point, the Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs will waive any claim for reimbursement from the Focal Point of funds that were lost due to irregularities or misuse of funds in the Project if the Focal Point shows that the loss and the circumstances related thereto are not due to negligent performance or non-performance of its duties, and the Focal Point has taken all reasonable measures to seek recovery of such funds.
- (b) Due to the high risk of the Project, notwithstanding Article 7.2.6 of the Grant Agreements, the Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs will waive any right to reimbursement of any amount unless and until the Project Promoter has reimbursed such amount to the Focal Point. The Focal Point shall take all reasonable measures to recover funds reimbursable according to Article 7.2 of the Grant Agreements from the Project Promoter when requested by the Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs.

As regards future steps, according to the action plan prepared by the PP concerning tender procedures, the following activities are expected to take place:

- (i) Restoration of the building:
  - Preparation of tender dossier for construction works to be finalized by December 2008
  - Tender procurement to be launched by January 2009
  - Tenders' submission by end of February 2009
  - Tenders' evaluation to be finalized by end March 2009
  - Signing of contracts by April 2009
- (ii) Recruitment of Project Manager
  - tender procedure is underway. The evaluation of tenders will be finalized by mid October.

(iii) Recruitment of Consultancy team (i.e. Architect, Quantity Surveyor, Civil and Mechanical Engineers , etc)

- Preparation of tender dossier by first week of October
- Approval of tender dossier by PPD by mid October
- Finalising tender procurement by early November.

(iv) Recruitment of Legal Advisor and Accountant

- Preparation of tender documents is underway
- Simplified tender procedure will be followed as soon as activity 1 is completed.

### **Cyprus Archaeological Digitization Programme-CADiP – CY0013**

The purpose of this project is the digitization of documentation and other information relating to all ancient monuments and to the movable antiquities found in the Paphos Museum with the overall objective of improving the management of information relating to antiquities. The project overall cost amounts to €394.967 and its duration is estimated to 24 months.

The completed Project shall include the following activities and results:

- Procuring and developing the Geographic Information System, including the purchase of hardware, system development for the automatic updating of spatial data from the servers of the Land and Survey Department, and the creation of a website making part of the database available to the public
- Purchasing software licenses
- Scanning of archival photos and drawings
- Digitisation of related information
- Training of system users
- Publicity activities.

The GOL dated 4 March 2008, was accepted by the PP (Department of Antiquities) on 26 May 2008. The NFP forwarded its acceptance of the GOL together with the completed PIP to the FMO on 30 May 2008. The grant amounts to €281.809 (or 71.35% of the total eligible project costs) and will be covered under the Norwegian Financial Mechanism.

A revision to the PIP was requested by the FMO regarding office expenses and the activities of the project. The revised PIP was sent to the FMO for approval on the 7 July 2008. The FMO requested further clarifications on 11 August and these were submitted by the NFP on 22 August 2008. The FMO agreed to the PIP on 26 August 2008.

The signature of the Grant Agreement between the NFP and the NMFA took place on the 12 September 2008 whereas the Implementation Contract between the NFP and the PP was signed on the 25 September 2008.

According to the action plan, prepared by the Department of Antiquities, regarding tender procedure for the development of the GIS, the following activities are expected to take place:

- Preparation of tender dossier to be finalized by mid October 2008
- Tender procurement to be launched by end October 2008
- Tenders submission by December 2008
- Tenders evaluation to be finalized by early January 2009
- Signing of contracts by the end of January 2009

Regarding the hiring of four archaeologists the PP will proceed through a government procedure for the recruitment of non-permanent staff.

### **Restoration of Salamiou Village Old School Building for Use as Regional Centre for Environmental Education Cyprus – CY0014**

The purpose of the project is to restore the old school building and establish the “Centre for Environmental Education” in the Salamiou Village with the overall objective to preserve the cultural heritage and increase the competences in the field of sustainable development in Cyprus. The total estimated eligible cost amounts to €735.040 and the project’s duration is estimated to 24 months.

The project shall include the following activities:

- Reconstruction of the old school building including installation of a solar heating system.
- Construction of a new building for sanitary facilities
- Purchase of furniture and IT equipment
- Project Management and promotion

The GOL, dated 20 May 2008, was accepted by the PP (Community Council of Salamiou), with their letter dated 7 June 2008. A completed PIP was attached to the said letter. A letter from the NFP, dated 17 June 2008, was sent to the FMO informing of the approval of the GOL and forwarding the PIP. The Grant amounts to €624.784 (or 85% of the total eligible project costs) and will be covered under the Norwegian Financial Mechanism.

The signature of the Grant Agreement between the NFP and NMFA took place on 7 August 2008 and the Implementation Contract between the NFP and the Project Promoter was signed on 26 August 2008.

Activities of the project are already under way with the publication of the Tender procurement for construction works on 18 July 2008. According to the action plan, prepared by the PP, regarding tender procedures and given that , the following activities are expected to take place:

- The tenders evaluation was finalized and submitted to the PPD for approval on 29/9/2009
- Signing of contracts by 25 October 2008
- Initiation of contract during the first half of November 2008

### **B3. NGO Fund**

#### **(a) Selection of NGO Fund Intermediary**

The Terms of Reference for the selection of the NGO Fund Intermediary were drafted by the NFP and agreed upon by the FMO in December 2008. The NFP had in parallel prepared the pertinent tender dossier in accordance with national and EU procurement legislation.

The Procurement Notice for the selection of the NGO Fund Intermediary through an Open Public Tender procedure was published on the 28 December 2007. It was also placed on the webpage of the NFP. The deadline for the submission of tenders was set for the 18 February 2008. The contract budget was set between €66.700 to €166.700 exclusive of VAT (4%-10% of the Fund in accordance with the FMO Guidelines).

The following four Tenders were submitted:

- The Cyprus Development Bank
- TDT Talos-NGO Support Centre – Michalis Avraam, Charter Accountants
- Atlantis Consulting S.A. – Atlantis Consulting Cyprus Ltd – LDK Consultants Engineers and Planners S.A.
- First Elements Euroconsultants Ltd – Euroconsultants S.A.

In accordance with regulation 9(1) of the Coordination of Procedures for the Award of Public Works Contracts, Public Supply Contracts and Public Service Contracts (General) Regulations of 2007 (No.201/2007), the Permanent Secretary of the Planning Bureau appointed, on 15 February 2008, three Officers of the Planning Bureau as members of the Evaluation Committee for the assessment of the Tenders and the preparation of the Evaluation Report.

The Evaluation Committee submitted the Evaluation Report on the Technical Offers to the Permanent Secretary of the Planning Bureau, in its capacity as President of the Tender Board of the Planning Bureau, on 18/3/2008 (more detailed information on the evaluation of the Technical Offers can be found in Annex 3 and sub-Annexes 3A, 3B, 3C). The report was approved by the Tender Board of the Planning Bureau and the Evaluation Committee proceeded with the preparation of the Evaluation Report on the Financial Offers (for details on the evaluation of the financial offers and the final selection of the Intermediary please see **Annex 4**).

Based on the Evaluation Report, the Tender Board of the Planning Bureau, on 16 May 2008, recommended as the most suitable NGO Fund Intermediary the consortium of “First Elements Euroconsultants Ltd-Euroconsultants S.A” for the amount of €146.250. The Evaluation Report together with this recommendation were forwarded to the FMO on 11 June 2008.

The FMO advised the NFP that it had no objection to the selection of the Intermediary on the 25 June 2008 and that the formal approval from the Donors will be made with the approval of the NGO Fund Application. Following this, the tender was awarded to the selected NGO Fund Intermediary and the relevant contract between the NFP and the successful tenderer was signed on the 11 July 2008.

## **b) Preparation of the Block Grant Application**

On the basis of the signed contract, the NGO Fund Intermediary shall prepare and submit to the Financial Mechanism Office in Brussels, via the NFP, the Block Grant Application. The NFP shall, along with the Block Grant Application, provide reasoned opinion on the block grant. The FMO shall organise an appraisal of the NGO Fund Intermediary Block Grant Application and might propose some adjustments, if required. In such case the Intermediary will revise the Block Grant Application and will re-submit it to the FMO via the NFP. Following this, the FMO shall submit its reasoned recommendation for decision to the Financial Mechanism Committee and the Norwegian Ministry for Foreign Affairs, which shall approve or reject the NGO Fund Intermediary Block Grant Application.

In case of a final rejection of the NGO Fund Intermediary Block Grant Application by the Financial Mechanism Committee and the Norwegian Ministry for Foreign Affairs, the contract of the NGO Fund Intermediary with the NFP will be terminated.

Following the approval of the NGO Fund Intermediary Block Grant Application, the required Grant Agreement shall be signed between the NFP and the Financial Mechanism Committee and the Norwegian Ministry for Foreign Affairs. A Project Implementation Plan (PIP) will be annexed to this Grant Agreement. The signature of the above Grant Agreement will be followed by the signing of the Implementation Contract between the NFP and the NGO Fund Intermediary.

Once this procedure is completed, the NGO Fund Intermediary shall proceed to the implementation of the activities with the publication of the open call for proposals. The open call for proposals is expected to be published [at the end of](#) November 2008. The NGO Fund Intermediary had submitted a draft Block Grant Application to the FMO for its initial comments at the end of August and the FMO responded on the 3 September 2008. On the basis of these comments, the Block Grant Application was suitably adjusted and submitted by the Intermediary to the NFP for further necessary processing on its part. The NFP expects to submit the Block Grant Application together with its reasoned opinion to the FMO, in early October 2008

#### **B4. Assessment of possible results and their impact to the priority sectors**

In the framework of the EEA Grants five Individual Projects are being promoted covering the priority sectors of Conservation of European Cultural Heritage, Promotion of Sustainable Development and Protection of the Environment. Furthermore, the NGO Fund covers primarily the priority sector Health and Childcare.

As regards the Conservation of European Cultural Heritage, the main results of the three projects in this priority sector will be the improvement of the tools for the management of cultural heritage and the restoration of cultural heritage buildings with establishment of their functionality for purposes contributing to the sustainable development of the surrounding areas. These results will contribute to a more integrated heritage-based policy for environmental and resource planning and management for sustainable development. Furthermore, the results of the projects will enhance the role of cultural heritage in contributing to social cohesion, upgrading the quality of life of people and improving the development of declining areas such as rural areas and the buffer zone.

The main result of the project in the priority sector of Sustainable Development will be the upgrading of the tools for the sustainable management and planning of forest resources. This will contribute to the better management and preservation of natural resources and to increasing the attractiveness of rural areas with a view to reversing the adverse demographic developments faced by these areas. As already mentioned above, the priority sector of Sustainable Development will also greatly benefit from the results of the projects for the Conservation of European Cultural Heritage.

Concerning the priority sector for the Protection of the Environment the main result of the project in this sector will be the establishment of pilot-infrastructure for the promotion of renewable energy sources, the use of which is of crucial importance for the protection of the environment.

The main result of the operation of the NGO Fund will be the support and promotion of NGO activities in the sectors of Health and Childcare and Youth. The priority sector that is expected to mainly benefit from the NGO Fund is the sector of Health and Childcare through the [promotion of initiatives of](#) volunteer organisations, thus strengthening their role in social

cohesion and inclusion. Furthermore, the Project will aim to make available a minimum of 20% of the funding for bi-communal projects that would benefit both communities within the priority sectors, with a view to encourage bi-communal contacts.

#### **B5. Information and Publicity Activities**

The NFP continues to update regularly its special webpage on EEA Grants providing information to stakeholders regarding the implementation of the FM. Within this framework, the minutes of the third Monitoring Committee Meeting, the first Steering Committee and the second Annual Meeting were placed on the NFP special webpage in March 2008.

The addenda to the MOUs and the final text of the NGO Fund Framework Document were also placed on the special webpage.

In addition, the main and reserve lists of Proposals for Individual Projects recommended by the SC for funding from the EEA Grants were announced on the webpage of the NFP.

Following the signature of Grant Agreements and Implementation Contracts for each Individual Project, a publication of the approval and a short description of each project will be announced in the media and placed on the special webpage. Such publications already look place for the Projects CY0011, CY0013 and CY0014. More specifically, following the signature of the Grant Agreement, regarding the project CY0011 (NGO House) a ceremony was held at the site of the project, where representatives from the Donors, the NFP, various embassies, Nicosia Municipality, NGO Organizations and teacher unions were present. An announcement was also made to the mass media regarding the event. The event also received TV coverage.

As regards Project CY0014 (Salamiou) the signing of the Implementation Contract between the NFP and the PP received publicity through the media (TV and Press). A press release was issued which was also placed on the special webpage.

A press release was also distributed to the mass media, following both the signing of the Implementation Contract between the NFP and the Department of Antiquities and the award of the contract by the NFP to the NGO Fund Intermediary.

A Workshop for the PPs for Individual Projects and the NGO Fund Intermediary, on project implementation, monitoring and payment procedures was held on the 22 July 2008 at the premises of the NFP. The workshop was attended by 30 people, mainly representatives of the project promoters, the NFP, the Department of Public Procurement, the Paying Authority and the Internal Audit (for the list of the participants see [Annex 5](#)) and during the workshop, the document prepared by the NFP “System Description of the EEA/Norwegian Financial Mechanisms” was presented in detail. The presentations were made by the NFP, the PA and the PPD. At the end of the workshop, all participants expressed their satisfaction for the quality of the workshop and noted that it enhanced their knowledge and understanding on the various aspects relating to the management of their projects.

A follow up seminar also took place on 8 September 2008 in cooperation with the FMO which covered reporting procedures and financial issues. This workshop was attended by 22 people, representing the same Departments/Services and Organizations as above (for the list of the participants see [Annex 6](#)). The presentations were made by three officers of the FMO and covered in detail the reporting structure including the interrelationship of PIR and PCR with the PIP and a detailed description of all the reports. In addition financial issues were covered including eligibility of expenditures and irregularities reporting. The workshop received positive comments from the participants since it provided them with useful information that will contribute to the successful implementation of the projects.

The independent authority designated to assume the responsibility for establishing an effective complaints procedure was agreed upon and this is the Crime Investigation Department of the Police. The complaints procedure is established and the information has been placed on the special webpage of the NFP ([Annex 7](#)).

## **B6. Irregularities**

No irregularities have been recorded during the reporting period. The NFP, based on the Irregularities Guidelines, is currently preparing a circular to all Project Promoters and the NGO Fund Intermediary, explaining the procedures to be followed regarding their obligation to report on irregularities during the implementation of the FMs. This circular is expected to

be sent to all relevant Departments/Organizations by mid October 2008. A copy of the circular will be placed on the special webpage of the NFP.

## **B7. Cross-cutting issues:**

### **Good Governance**

The principles of Good Governance will apply for the implementation and administration of all approved projects. The projects economics and budget will be transparent to the Cyprus Audit Office, Internal Audit Service and any external mechanism that needs to verify that all the expenses are made according to the project proposal.

In addition, all procurement procedures will be followed according to the laws of the Republic of Cyprus. It is noted in this respect that the Competent Authority for Procurement issues (the Public Procurement Directorate of the Treasury) will be issuing certificates of compliance for various stages of the contracting procedure thus ensuring good governance.

### **Sustainable Development**

#### **Environmental**

The key aspects of environment have been considered through the drafting of the projects and in general all the projects, directly or indirectly, will have positive environmental impacts. Depending on the Project, these impacts relate to biodiversity conservation, protection of Natura 2000 sites, of Special Protection Areas and of Nature Reserves, establishment of a well balanced ecosystem, raising environmental awareness, supporting environmental education, improving built environment, etc.

#### **Economic**

The economic viability of most of the projects is ensured through central and local government budgets. Where relevant, established international partnerships (e.g. Council of Europe) will also offer support. In a wider context, the Projects will support sustainable economic development.

## **Social**

The various projects will contribute to the promotion of the social aspect of sustainable development by:

- Creating/enhancing local employment opportunities
- Promoting social dialogue with the population in achieving maximum results
- Educating population in tolerance, mutual respect and cooperation between all communities of Cyprus.
- Improving the quality of life
- Improving public health and aesthetics of the environment.

## **Gender Equality**

All project promoters consider and emphasize that gender equality must be part of the entire processes, policies and actions. Through the projects, gender equality will be a key concept that will guide some of the operational and organizational decision and will ensure that the participation of the women will be at all levels and at all ranks of the projects.

## **B8. Bilateral Relations**

The results of all the five projects will contribute towards the enhancement of bilateral relations between the EEA EFTA countries and Cyprus. Each project though will achieve this through different activities, as follows:

- The exchange of expertise and transfer of knowledge will promote the enrichment of ideas and consultation with experts and NGOs from the EEA EFTA countries.
- The interchangeability of information can encourage further research which can be based on bilateral schemes.
- The participation of experts and consultant Officers from the EEA EFTA countries, in facilitating the implementation of the projects.

To facilitate this effort the NFP will consult with the FMO on ways for the Cyprus NGOs to get in contact with NGOs in the Donor States. In this connection, the NFP prior to the publication of the open call, will request the FMO to provide website links of NGOs in the donor states so that these can be made available to the NGOs in Cyprus

## **B9. Commitments and Disbursements**

Since the implementation of the Individual Projects and the NGO Fund is either at the very early stages or has not yet been initiated, no payments have been incurred during the reporting period. The only exception is the advance payment from the FMO to the NFP for the Project CY0011 (NGO House), for the amount of €427.153. As already noted, this amount has not yet been disbursed by the NFP since the transfer of the real estate has not yet taken place.

## **B10. Work Plan 2009**

The most important stages until the end of 2009 with regard to the implementation of the FM are expected to be as follows:

### **Individual Projects**

- Approval of the project CY0015 (Zero CO<sub>2</sub> emissions): September 2008
- Signing of relevant agreements between the NFP and the FMO and between the NFP and the PPs for the remaining two projects: i.e. CY 0015, CY0012: October 2008
- Completion of tender procedures:
  - Preparation of an Integrated Management plan for the Paphos Forest :  
January 2009 for management plan  
First half of 2009 for GIS software and hardware
  - Cyprus Archaeological Digitization Programme-CADiP :  
January 2009 for the development of GIS.
  - Restoration of Salamiou village old school building for use as a Regional Centre for Environmental Education: End of October 2008 for construction works
  - Revitalizing the buffer zone-An Educational Centre and Home for Cooperation:  
April 2009 for construction works.
- Various information activities according to the projects' publicity plans.

### **NGO Fund**

- Submission of final Block Grant Application by the NGO Fund Intermediary to the FMO through the NFP: October 2008

- Final approval by the FMO and the Donor States of the Block Grant Application of the NGO Fund Intermediary: **November** 2008
- Preparation of the Implementation Contract between the NFP and the NGO Fund Intermediary: October 2008
- Signing of relevant Agreements between the NFP and the FMO and between the NFP and the NGO Fund Intermediary: **November** 2008
- An announcement on the NGO Fund shall be distributed to the mass media and be placed on the special webpage regarding the decision for the selection by the Donor States of the NGO Fund Intermediary, upon the signature of the Grant Agreements and the Implementation Contract for the NGO Fund.
- Call for Proposals by the NGO Fund Intermediary: **end of November** 2008. The Open Call will be published in at least four daily newspapers with the largest circulation.
- Start of sub-projects implementation: **March** 2009
- Information activities to be held by the NGO Fund Intermediary (ie development of data bank of stakeholders, development of web site structure and features, training workshops, conference, information days etc): End of 2008 and first half of 2009.

### **General**

- Evaluation of tenders for the independent audit firm completed: October 2008.
- The signing of a contract with an independent audit firm to carry out the verification of payments and submit its reports to the Paying Authority shall be announced on the special webpage: October 2008.

### **Monitoring Committee Meetings**

Two monitoring Committee Meetings will be held during 2009 in order to examine the progress of projects (March and September 2009).

### **Bimonthly Meetings**

Every two months a meeting will be held between the NFP and each of the project promoters and the NGO Fund Intermediary in order to discuss implementation progress and possible

problems that might arise. During the meetings, the technical and financial progress towards the achievement of the objectives set out in the Grant Offer Letter and the PIP will be reviewed. Details on the working arrangements of the bimonthly monitoring meetings can be found in **Annex 8**.

#### **B11. Review of Annexes B and C of the MOUs**

Articles 7 and 8 of the Memorandum of Understanding on the implementation of the Norwegian/EEA Financial Mechanisms 2004-2009 stipulate that Annexes B and C shall be subject to review at the annual meetings. During the reporting period, no issues have arisen with regard to any modifications that need to be effected on the two Annexes.

### **C. ISSUES AND RECOMMENDATIONS**

The NFP considers that during the reporting period there has been substantial progress in the implementation of the Financial Mechanisms. The various forms of assistance have moved from the programming phase to the first stages of actual implementation thus enhancing visibility of the assistance both among beneficiaries as well as the wider public. The various key players involved on the part of the beneficiary state (i.e. NFP, PA, Project Promoters/ NGO Fund Intermediary etc) have exhibited a high sense of commitment for the successful implementation of the projects and they were facilitated to this effort to a great extent by the efficient cooperation received on the part of the FMO and the Donor States.

#### **C1. Outstanding Issues**

As regards the individual projects, the following outstanding issues are noted:

- (a) CY0011 – Revitalising the buffer zone - An educational centre and Home for Cooperation:
  - Delay in the purchase of the property and consequently of completion of activity 1 of the project and disbursement of the advance payment.
  - Launch and completion of tender procedures
- (b) CY0012 – Preparation of an Integrated Management plan for the Paphos Forest:
  - Submission of Grant Agreement from the FMO to the NFP for signature is pending. The signing of the Implementation Contract between the NFP and the PP will follow.

- Launch and completion of tender procedures
- (c) CY0013 – Cyprus Archaeological Digitisation Programme – CADiP:
  - Launch and completion of tender procedures
- (d) CY0014 – Restoration of Salamiou Village Old School Building for use as Regional Centre for Environmental Education:
  - Completion of the tender procedures regarding the construction works for the project.
- (e) CY0015 – A zero CO<sub>2</sub> emissions electricity generation prototype (zero CO<sub>2</sub>):
  - Submission by the FMO to the Donor States for approval is pending, subject to issue of land use (already obtained) and planning permits necessary for the initiation of the project.

As regards the NGO Fund, the outstanding issue is the submission of the Final Block Grant Application to the FMO for assessment and consequent approval by the Donor States.

Finally, another outstanding issue is the completion of the tender procedure for the recruitment of the auditors for the verification of the payment claims and the signing of the relevant contract.

## C2. Recommendations for the future reporting period

	<b>Recommendation</b>	<b>Action</b>	<b>Timing</b>
<b>Individual Projects</b>	<b>Expedite all necessary arrangements for the earliest possible completion of activity 1 (acquisition of the building) for the project:</b> - Revitalizing the buffer zone-An Educational Centre and Home for Cooperation	Project Promoter	Mid October 2008
	<b>Expedite all necessary arrangements for the earliest possible completion of the tendering procedures for the following Individual Projects :</b> - Restoration of Salamiou village old school building for use as a regional centre for environmental education - Revitalizing the buffer zone-An Educational Centre and Home for Cooperation - <b>Construction works</b> - <b>Consulting team</b> - <b>Project Manager</b> - <b>Legal Advisor and Accountant</b>	Project Promoter “ ) )Project Promoter ) )	End of October 2008   April 2009 November 2008 Mid October November 2008
	<b>Expedite all necessary arrangements for the earliest</b>		By mid of

	<b>possible preparation and signature of the Grant Agreement and Implementation Contract for the Project:</b> - Preparation of an Integrated Management Plan for the Paphos Forest	FMO/ Donors/ NFP	October 2008
	<b>Expedite all necessary arrangements for the earliest possible approval of the following Individual Project:</b> -A zero CO2 emissions electricity generation prototype (zero CO2) • to obtain all necessary permits  • to approve the project	Project Promoter  FMO/ Donors	Mid October 2008  October 2008
<b>NGO Fund</b>	<b>Expedite all necessary arrangements for the launching of the open call for proposals, as follows:</b>		
	Submission of Block Grant Application to FMO via NFP	Intermediary	mid October 2008
	Signing of Grant Agreements and Implementation Contracts	NFP/ FMO/ Donors/ Intermediary	November 2008
	Call for proposals	Intermediary	End of November 2008
	Evaluation of proposals	Intermediary	February 2009
	Start of sub projects implementation	Intermediary	March 2009
	<b>Recommendation</b>	<b>Action</b>	<b>Timing</b>
<b>General</b>	Complete tender procedures for the recruitment of independent audit firm to verify payment claims and contract signature	NFP	October 2008

# **ANNEXES**



<b>List of Applications received ranked according to the Evaluators assessment</b>												
<b>Application Number</b>	<b>Project Title</b>	<b>Applicant's Name</b>	<b>Legal Status</b>	<b>Priority Sector</b>	<b>Grant Requested</b>	<b>Total Project Eligible Cost</b>	<b>Grant Requested / Total Eligible Project cost</b>	<b>Total Project Cost</b>	<b>Bilateral Relations (B7)</b>	<b>TOTAL SCORE (B1-B6)</b>	<b>TOTAL SCORE (B1-B6)</b>	<b>RANK</b>
					<b>(EUR)</b>	<b>(EUR)</b>	<b>(%)</b>	<b>(EUR)</b>	<b>Y/N</b>	<b>min 26 max 130</b>	<b>in % terms (max 100)</b>	
33	Establishment of a pilot integrated management system for Waste from Electric and Electronic Equipment (WEEE) in Cyprus	Green Dot (Cyprus) Public Co. Ltd	NGO	Protection of environment	300.000	500.000	60,00%	500.000	N	109	83,85	1
10	A zero CO2 emissions electricity generation prototype (ZeroCO2)	University of Cyprus	Public Corporate Body	Protection of environment	748.880	886.535	84,47%	886.535	N	108	83,08	2
27	Preparation of an Integrated Management Plan for the Pafos Forest, in Cyprus	Ministry of Agriculture, Natural Resources and Environment - Department of Forests	Government Organization	Promotion of sustainable development	447.200	536.500	83,36%	595.700	N	103	79,23	3
19	WEEE Management and Environmental Impact Assessment from years of uncontrolled disposal of WEEE at the main landfill of Lemesos and other places	Lemesos Municipality	Local Authority	Protection of environment	628.083	739.800	84,90%	1.029.200	N	102	78,46	4

29	Revitalising the “Dead Zone”: An Educational Centre and Home for Cooperation	The Association for Historical Dialogue and Research	NGO	Conservation of European cultural heritage	740.300	846.381	87,47%	846.381	N	98	75,38	5
2	Cyprus Archaeological Digitisation Programme - CADiP	Department of Antiquities, Cyprus	Government Organization	Conservation of European cultural heritage	291.565	343.018	85,00%	343.018	N	94	72,31	6
9	Restoration of Salamiou village old school building for use as regional centre for environmental education	Salamiou Village Community Council, Paphos	Local Authority	Conservation of European cultural heritage	598.733	704.392	85,00%	704.392	N	92	70,77	7
30	Cyprus Health Interview Survey: A Baseline Assessment of risks, diseases and Health Care	Cyprus International Institute for the Environment and Public Health in Association with Harvard School of Public Health	NGO	Health and Childcare	636.635	748.982	85,00%	748.982	N	91	70,00	8
31	Cultural Heritage and Community Centre in Kapedes	Department of Town Planning and Housing	Government Organization	Conservation of the European cultural heritage	750.000	924.400	81,13%	924.400	N	90	69,23	9
24	Habitatwatch	Terra Cypria, the Cyprus Conservation Foundation	NGO	Protection of environment	477.617	561.902	85,00%	561.902	N	89	68,46	10
23	Restoration and rehabilitation of the western part of the Royal Manor of Potamia, Cyprus	Department of Antiquities, Cyprus	Government Organization	Conservation of European cultural heritage	750.000	1.253.109	59,85%	1,253,109	N	88	67,69	11
6	Urban re-development of the village core in the Community of Pano Platres	Community of Pano Platres	Local Authority	Conservation of European cultural heritage	706.790	831.518	85,00%	831.518	N	87	66,92	12

7	Sustainable Development of sulphur Springs at Kalopanayiotis Community	Community of Kalopanayiotis	Local Authority	Promotion of sustainable development	425.000	500.000	85,00%	500.000	N	86	66,15	13
12	Virtual Access to the modern history of Limassol through conservation and digitisation of invaluable municipal historical archiving documents (Archive-eLIB)	Municipality of Limassol	Local Authority	Conservation of European cultural heritage	708.900	834.700	84,93%	834.700	N	86	66,15	14
28	“Papoutsas” Natural Park	Association for the Protection of Palaichori Monuments	NGO	Promotion of sustainable development	750.000	882.353	85,00%	882.353	N	84	64,62	15
13	DAPESI Project – Drugs Addicts and ex-Prisoners for Employment and Social Inclusion	KENTHEA-Centre for Education about Drugs and Therapy of addicted Persons	NGO	Human Resource Development	750.000	922.700	81,28%	922.700	N	82	63,08	16
17	Unit for Infant and Child Development Education	Center for Preventive Paediatrics	NGO	Health and Childcare	277.158	326.068	85,00%	326.068	N	78	60,00	17
20	Scientific documentation of endangered medieval churches in the northern part of Cyprus	Neocleous Cultural Foundation	NGO	Conservation of European cultural heritage	655.468	902.848	72,60%	902.848	N	77	59,23	18
3	Restoration of a traditional house in Gourri village and conversion into a folk art museum	Nicosia District Administration	Government Organization	Conservation of the European cultural heritage	274.815	323.312	85,00%	323.312	N	76	58,46	19
32	Cyprus population-wide heart prenatal screening network	Specialised Paediatrics Foundation THALLO Ltd	NGO	Health and Childcare	647.694	761.993	85,00%	761.993	N	76	58,46	20

4	Restoration of the Polystipos Elementary School and conversion into a Cultural Centre	Nicosia District Administration	Government Organization	Conservation of the European cultural heritage	718.008	844.715	85,00%	844.715	N	75	57,69	21
21	Cyber Crime Unit	Cyprus Police (Criminal Investigation Department and Prosecution Office, Police Headquarters)	Government Organization	Implementation of Schengen Acquis Implementing Schengen/strengthening the judiciary	425.785	500.924	85,00%	539.564	Y	73	56,15	22
5	Blended learning Knowledge Management System (b-KMS) for new entrants and senior managers for Cyprus civil service	Cyprus International Institute of Management	NGO	Human Resource Development	421.804	496.240	85,00%	496.240		73	56,15	23
18	Conserving the cultural heritage of Idalion	Municipality of Idalion	Local Authority	Conservation of European cultural heritage	622.260	888.800	70,10%	888.800	N	72	55,38	24
15	Building a Destination Management system for Troodos Mountain resorts: A reviving opportunity for the 100 villages of the Troodos Region	Cyprus Tourism Organisation	Government Organization	Promotion of sustainable development	320.000	400.000	80,00%	400.000	N	72	55,38	25
26	Promotion of Lifelong Education & Social Interaction for University Students through eLearning & Web 2 Tools	Apoplous Learning LTD	NGO	Human Resource Development	750.000	883.000	84,94%	883.000	N	71	54,62	26
14	Training Program for Wardens and Officers for the Cyprus central Prison	IMCS Intercollege Ltd	Private educational institution	Human Resource Development	352.739	591.700	59,61%	591.700	N	63	48,46	27

22	Cyprus regional policy initiative targeting rural sustainability through agro-products processing	Community Council of Peristerona	Local Authority	Regional policy and cross-border activities	586.075	689.500	85,00%	689.500	N	58	44,62	28
11	Center for Women's Entrepreneurship	Cyprus Federation of Business and Professional Women	NGO	Human Resource Development	529.008	587.787	90,00%	587.787	N	56	43,08	29
16	Conservation of Cultural heritage as an Educational tool for the future generations	Sofia Foundation	NGO	Conservation of European cultural heritage	626.472	894.960	70,00%	894.960	N	51	39,23	30

### Applications that were not administratively compliant

Application number	Project title	Applicants name	Legal status	Priority sector	Grant Requested	Total project cost
1	The Lazarus project	Cyprus Collage of Arts	Educational Institution	Conservation of European Cultural Heritage	285.145	503.789

### Applications that did not pass the eligibility check

8	Managerial skill adaptation in the Meteorological Service of Cyprus to European and International legislation and procedures	Cyprus Meteorological Service	Government Organization	Human Resources Development	284.500	327.200
25	Establishment of a novel information system for the management of voluntary blood donations	University of Cyprus-Department of Chemistry and Computer science	Public Corporate Authority	Health and Child Care	750.000	965.890

## Annex 2

### EEA Grants – List of projects

No.	Project Title	Duration (months)	Grant Requested/ Approved €	Cofinancing €	Name and Status of PP/ Intermediary	Current Status
1.	A zero CO2 emissions electricity generation prototype (ZeroCO2) - <b>CY0015</b>	30	748,880	137,655 (27,531)*	University of Cyprus (Body governed by Public Law)	Approval still pending
2.	Preparation of an Integrated Management Plan for the Pafos Forest, in Cyprus - <b>CY0012</b>	30	447,226	89,274*	Dept of Forests (Govt Dept)	Grant Offer Letter accepted / PIP submitted. Submission of Grant Agreement by FMO pending
3.	Revitalising the buffer zone: An Educational Center and Home for Cooperation - <b>CY0011</b>	25	749,920	272,884 (172,884)**	Association of Historical Dialogue and Research (AHDR) NGO	Grant Agreement and Implementation Contract signed
4.	Cyprus Archaeological Digitisation Programme - CADiP - <b>CY0013</b>	24	281,809	113,158*	Dept of Antiquities (Govt Dept)	Grant Offer Letter accepted / PIP submitted . Grant Agreement and Implementation Contract signed
5.	Restoration of Salamiou village old school building, for use as a regional centre for environmental education - <b>CY0014</b>	24	624,784	110,256 (22,050)*	Salamiou Village Council (Community/Local Authority)	Grant Agreement and Implementation Contract signed
			<b><u>2,852,619</u></b>	<b><u>424,898*</u></b>		
	NGO Fund	18	1,500,000 (146,000) Mgt Fees	167,000*	First Elements Euroconsultants Ltd / Euroconsultants SA	Preparation of Block Grant Application by Intermediary

**Evaluation of Technical Offers**

A. The tender was published on 28 December 2007 and remained opened until 18 February 2008, ie for 53 days. It was an opened procedure and 16 interested economic operators requested and received the tender documents. Out of these, 10 were from Cyprus and 6 from abroad.

- B. The Evaluation Committee held three evaluation sessions on 25/2/2008, 27/2/2008 and 5/3/2008. The assessment was carried out on the basis of the following documents:
- (a) Tender Documents for the selection of a Contractor through an Open Tender Procedure and with award criterion the most economically advantageous tender .
  - (b) The Technical Offers of the Tenderers

C. The Evaluation Criteria used and the corresponding weighting factor were as follows:

<i>Evaluation Criteria</i>	<i>Weighting factor (%)</i>
<b><i>CRITERIA GROUP A: Approach and Methodology</i></b>	<b><i>70%</i></b>
<i>Understanding the requirements of the contract scope</i>	<i>15%</i>
<i>Methodologies, support tools and quality assurance</i>	<i>20%</i>
<i>Breakdown of the contract scope into activities and deliverables</i>	<i>30%</i>
<i>Contract scope implementation schedule</i>	<i>5%</i>
<b><i>CRITERIA GROUP B: Project Team</i></b>	<b><i>30%</i></b>
<i>Organisational effectiveness of the Project Team</i>	<i>10%</i>
<i>Clarity of the responsibilities and duties of the experts in relation to the activities of the contract</i>	<i>20%</i>
<b><i>TOTAL</i></b>	<b><i>100%</i></b>

D. The conclusions of the Evaluation Committee were as follows:

- (i). Tender No. 2 submitted by the consortium of TDT Talos – NGO Support Center – Michalis Avraam Charter Accountants was disqualified due to the fact that according to Part A: Instructions to Economic Operators of the Tender Documents, Point 2.17, the period of validity of the Tender Guarantee should expire 1 month after expiry of the period of validity of Tenders i.e 18/9/2008 whereas the Tender Guarantee submitted by the Tenderer expires on 17/8/2008.
- (ii). The results of the evaluation of the other three Technical Offers were as follows:

- (a) The Technical Offer of Tenderer No 1 - The Cyprus Development Bank covers, in general terms, the requirements of the Terms of Reference, with the exception of some aspects that are not dealt with such as the quality assurance procedures, the risks that are simply mentioned without any further explanation, the basic requirements that should be included in the Implementation Agreements with End Recipients as regards bi-communal projects and in-kind contributions from End Recipients. Nevertheless, the Technical Offer lacks of enough detail that would allow the Contracting Authority to fully assess it as regards the proposed approach and methodology as a whole. The Technical Offer provides for a very experienced Project Team with an input of 36 person-months that presents a good cohesion as all its members come from the same institution (The Cyprus Development Bank). As a result its score comes to 75,5%.
- (b) The Technical Offer of Tenderer No. 3 – Atlantis Consulting S.A.- Atlantis Consulting Cyprus Ltd – LDK Consultants Engineers & Planners S.A. covers adequately and extensively the requirements of the Terms of Reference, with the exception of some aspects that are not dealt with such as the basic requirements that should be included in the Implementation Agreements with End Recipients as regards bi-communal projects and in-kind contributions from End Recipients. Furthermore, the proposed methodology for implementing the Contract Scope is not explicitly described and can only be partially deducted from the description of the activities and the proposed Budget for publicity is very limited. The Technical Proposal provides for an experienced Project Team with an input of 31,3 person-months. Nevertheless, this Team is quite large in number with 2 of the Key Experts coming from outside the consortium and these facts raise concerns about the cohesion of the Project Team. As a result its score comes to 81,17%.
- (c) The Technical Offer of Tenderer No No. 4 – First Elements Euroconsultants Ltd – Euroconsultants S.A. covers adequately and extensively the requirements of the Terms of Reference, with the exception of the basic requirements that should be included in the Implementation Agreements with End Recipients as regards bi-communal projects and the budget for the Information and Publicity Plan (instead it is specified that 1 person month will be supplied). This Technical Offer is the only one that specifies that in-kind contributions from End Recipients will be accepted and this is a very positive point. The Technical Proposal provides for an experienced Project Team with an input of 40,5 person-months that presents the prospects of good cohesion. The use of two sub-contractors for specific tasks ensures that specialized tasks such as the development of Cash-flow and financial management systems, quality assurance and design, development and implementation of an online database will be carried out by specialists in the fields. As a result its score comes to 93,01%.
- E. On the basis of the results of the evaluation process of the Technical Offers explained above, the Evaluation Committee proposed to open the Financial Offer Sub-envelopes

of the following three Tenders that had obtained an overall mark which was at least equal to 70% and a mark that is not less than 50% for each Evaluation Criterion, according to the conditions included in the tender documents:

- No. 1 – The Cyprus Development Bank (overall mark-75,5%).
- No. 3 – Atlantis Consulting S.A.- Atlantis Consulting Cyprus Ltd – LDK Consultants Engineers & Planners S.A. (overall mark-81,17%).
- No. 4 – First Elements Euroconsultants Ltd – Euroconsultants S.A. (overall mark-93,01%).

The tables with the scores on the basis of the evaluation criteria is attached as sub-annexes 3A, 3B, 3C.

PLANNING BUREAU – TENDER 31/2007PART C: TECHNICAL OFFER EVALUATION CRITERIA

Tender No: 1

Name of Tenderer: THE CYPRUS DEVELOPMENT BANK

<b>CRITERIA GROUP A: APPROACH AND METHODOLOGY</b>						
NR	Award Criteria	Weighting Factor %	Weighted Score			
			Evaluation Committee			Average
			Niki Santama	Ioanna Kleanthous	Leda Scordelli	
1	Understanding the requirements of the Contract Scope	15	9	8	10	9
2	Methodologies, support tools and quality assurance	20	13,5	12,5	14	13,33
3	Breakdown of the contract scope into activities and deliverables	30	20,5	21	21,5	21
4	Contract scope implementation schedule	5	5	5	5	5
	<b>TOTAL GROUP A</b>	<b>70</b>				<b>48.33</b>
<b>CRITERIA GROUP B: PROJECT TEAM</b>						
1	Organisational effectiveness of the Project Team	10	8	9	9	8,67
2	Clarity of the responsibilities and duties of the experts in relation to the activities of the contract	20	18,5	19,5	17,5	18,5
	<b>TOTAL GROUP B</b>	<b>30</b>				<b>27,17</b>
	<b>TOTAL GROUPS A+B</b>	<b>100</b>				<b>75,50</b>

PLANNING BUREAU – TENDER 31/2007PART C: TECHNICAL OFFER EVALUATION CRITERIA

Tender No: 3

Name of Tenderer: ATLANTIS CONSULTING S.A – ATLANTIS CONSULTING  
CYPRUS LTD – LDK CONSULTANTS ENGINEERS &  
PLANNERS S.A.

<b>CRITERIA GROUP A: APPROACH AND METHODOLOGY</b>						
NR	Award Criteria	Weighting Factor %	Weighted Score			Average
			Evaluation Committee			
			Niki Santama	Ioanna Kleanthous	Leda Scordelli	
1	Understanding the requirements of the Contract Scope	15	13	13	13,5	13,17
2	Methodologies, support tools and quality assurance	20	14,5	13,5	15	14,33
3	Breakdown of the contract scope into activities and deliverables	30	23,5	24	23	23,5
4	Contract scope implementation schedule	5	4,5	4,5	4,5	4,5
	<b>TOTAL GROUP A</b>	<b>70</b>				<b>55,50</b>
<b>CRITERIA GROUP B: PROJECT TEAM</b>						
1	Organisational effectiveness of the Project Team	10	7	7.5	7	7,17
2	Clarity of the responsibilities and duties of the experts in relation to the activities of the contract	20	18,5	19,5	17,5	18,5
	<b>TOTAL GROUP B</b>	<b>30</b>				<b>25,67</b>
	<b>TOTAL GROUPS A+B</b>	<b>100</b>				<b>81,17</b>

PLANNING BUREAU – TENDER 31/2007PART C: TECHNICAL OFFER EVALUATION CRITERIA

Tender No: 4

Name of Tenderer: FIRST ELEMENTS EUROCONSULTANTS LTD –  
EUROCONSULTANTS S.A.

<b>CRITERIA GROUP A: APPROACH AND METHODOLOGY</b>						
NR	Award Criteria	Weighting Factor %	Weighted Score			
			Evaluation Committee			Average
			Niki Santama	Ioanna Kleanthous	Leda Scordelli	
1	Understanding the requirements of the Contract Scope	15	14,5	15	14,5	14,67
2	Methodologies, support tools and quality assurance	20	19	20	19	19,33
3	Breakdown of the contract scope into activities and deliverables	30	26,5	27,5	26	26,67
4	Contract scope implementation schedule	5	4,5	5	4,5	4,67
	<b>TOTAL GROUP A</b>	<b>70</b>				<b>65,34</b>
<b>CRITERIA GROUP B: PROJECT TEAM</b>						
1	Organisational effectiveness of the Project Team	10	9	10	8,5	9,17
2	Clarity of the responsibilities and duties of the experts in relation to the activities of the contract	20	18,5	19,5	17,5	18,5
	<b>TOTAL GROUP B</b>	<b>30</b>				<b>27,67</b>
	<b>TOTAL GROUPS A+B</b>	<b>100</b>				<b>93,01</b>

**Evaluation of Financial Offers**

- A. The Tender Board of the Planning Bureau, during its meeting of 21/4/2008, has approved the Evaluation Report on the Technical Offers prepared by the Evaluation Committee and has proceeded with the opening of the Financial Offer Sub-Envelopes of the three Tenders found to be admissible in the stage of verification of the participation credentials and that have obtained an overall mark which is at least equal to 70% and a mark that is not less than 50% for each Evaluation Criterion. These Financial Offers were as follows:

No. 1 The Cyprus Development Bank	€166.700
No. 3 Atlantis Consulting S.A.- Atlantis Consulting Cyprus Ltd – LDK Consultants Engineers & Planners S.A.	€ 86.780
No. 4 First Elements Euroconsultants Ltd – Euroconsultants S.A.	€ 146.250

- B. The Evaluation Committee held a session on 6/5/2008 for the evaluation of the Financial Offers. At an initial stage the Checking of the Financial Offers Completeness was carried out and all three Financial Offers were found complete.

Once the Financial Offers completeness was verified, the Evaluation Committee proceeded with their evaluation in accordance with the method described on pages 26-27 of Part A of the Tender Documents: Instructions to the Economic Operators, as follows:

- (a) **Relative Cost C of each Tender by applying the formula below:**

$$C = \frac{\text{Financial Offer of the Lowest Bidder}}{\text{Financial Offer under Evaluation}} \times 100$$

The results are as follows:

No. 1	The Cyprus Development Bank $\frac{86.780}{166.700} \times 100 = \mathbf{52.06}$
No. 3	Atlantis Consulting S.A.- Atlantis Consulting Cyprus Ltd – LDK Consultants Engineers & Planners S.A. $\frac{86.780}{86.780} \times 100 = \mathbf{100}$
No. 4	First Elements Euroconsultants Ltd – Euroconsultants S.A. $\frac{86.780}{146.250} \times 100 = \mathbf{59.34}$

146.250

**(b) Final Mark of each Teder by applying the formula below:**

$$L = T \text{ eighty per cent (80\%)} + C \text{ twenty per cent (20\%)}$$

where:

T = the Technical Offer Evaluation Mark included in the Evaluation Report, here below repeated for easy reference:

No. 1 – The Cyprus Development Bank (75,5%)

No. 3 – Atlantis Consulting S.A.- Atlantis Consulting Cyprus Ltd – LDK Consultants Engineers & Planners S.A. (81,17%)

No. 4 – First Elements Euroconsultants Ltd – Euroconsultants S.A (93,01%).

C = the Relative Cost of the Financial Offer

C . The results were as follows:

No. 1 The Cyprus Development Bank  
75,5 (80%) + 52,06 (20%) = **70,81**

No. 3 Atlantis Consulting S.A.- Atlantis Consulting Cyprus Ltd – LDK Consultants Engineers & Planners S.A.  
81,17 (80%) + 100 (20%) = **84,94**

No. 4 First Elements Euroconsultants Ltd – Euroconsultants S.A.  
93,01 (80%) + 59,34 (20%) = **86,28**

D. Therefore the Evaluation Committee recommended that the tender be awarded to the tenderer no. 4 –First Elements Euroconsultants Ltd – Euroconsultants S.A. The Tender Board of the Planning Bureau agreed with this recommendation during its meeting of 16 May 2008.

**Financial Mechanisms EEA/Norway**  
**Information Day “System Description of the EEA/  
 Norwegian Financial Mechanisms”**  
**22 July 2008**

<b>A/A</b>	<b>Name</b>	<b>Service</b>
1.	Takis Tsintídes	Department of Forest
2.	Androulla Georgiou	Department of Forest
3.	Philippos Prodromou	University of Cyprus
4.	Katia Georgiou	University of Cyprus
5.	Achillides Zenon	University of Cyprus
6.	Charis Psaltis	AHDR
7.	George Chrysostomou	AHDR
8.	Kyriacos Nicolaou	Nicolaou & Konnides Q.S
9.	Christos Ioannides	Nicolaou & Konnides Q.S
10.	Efthemia Alpha	Department of Antiquities
11.	Chrysanthe Kounnou	Department of Antiquities
12.	Maria Vrikki	Department of Antiquities
13.	Andreas Zachariades	Internal Audit
14.	Yianna Ioannou Xenofontos	Internal Audit
15.	Kostakis Aygoustis	Salamiou Community Council, President
16.	Maria Georgiou	Salamiou Project Architect
17.	Loukis Tapakis	Salamiou Project- Filagrotiki Ltd
18.	Marianna Manouchou Aspri	Office of Accountant General – Paying Authority
19.	Athena Pitsillidou	Office of Accountant General – Paying Authority
20.	Christina Stephanou	Office of Accountant General – Paying Authority
21.	Christina Paradisioti	PPD – Treasury
22.	Theodosia Tsiolas	PPD – Treasury
23.	Marilena Ioannidou	First Elements Euroconsultants
24.	Panayiotis Pastos	First Elements Euroconsultants
25.	Pantelis Demetriou	First Elements Euroconsultants
26.	Voula Stylianou	Planning Bureau
27.	Ioanna Cleanthous	Planning Bureau
28.	Leda Skordelli	Planning Bureau
29.	Yiola Melanides	Planning Bureau
30.	Dafne Mavrommati	Planning Bureau

**Financial Mechanisms EEA/Norway**  
**Workshop on Reporting and Financial Issues**  
**8 September 2008**

<b>A/A</b>	<b>Name</b>	<b>Service</b>
1.	Marilena Ioannidou	First Elements Euroconsultants
2.	Panayiotis Pastos	First Elements Euroconsultants
3.	Pantelis Demetriou	First Elements Euroconsultants
4.	Katia Georgiou	University of Cyprus
5.	Achillides Zenon	University of Cyprus
6.	Marianna Manouchou Aspri	Office of Accountant General – Paying Authority
7.	Athena Pitsillidou	Office of Accountant General – Paying Authority
8.	Christina Stephanou	Office of Accountant General – Paying Authority
9.	George Lazaris	Office of Accountant General – Paying Authority
10.	Maria Georgiou	Salamiou Project Architect
11.	Savvas Maliotis	Salamiou Project – Filagrotiki Ltd
12.	Takis Tsintides	Department of Forest
13.	Despo Pilidou	Department of Antiquities
14.	Chrysanthe Kounnou	Department of Antiquities
15.	Charis Psaltis	Association for Historical Dialogue and Research (AHDR)
16.	Ninos Savvides	Planning Bureau
17.	Voula Stylianou	Planning Bureau
18.	Leda Skordelli	Planning Bureau
19.	Ioanna Kleanthous	Planning Bureau
20.	Yiola Melanides	Planning Bureau
21.	Dafne Mavrommati	Planning Bureau
22.	Chryso Pourou	Planning Bureau

## COMPLAINTS PROCEDURE

### **1. Scope of the procedure**

The purpose of the complaints procedure is to ensure that members of the public wishing to complain or report irregularities regarding the implementation of the financial mechanisms have a simple means of doing so, that their complaint is handled with an open mind and in confidentiality and that incidents of mismanagement and corruption are uncovered and corrected.

The complaints procedure applies where the nature of the complaint indicates a threat to the proper use of the financial mechanisms, or where mismanagement or corruption by those charged with managing the funds is alleged. When the complaint concerns a public procurement process, the recourse mechanisms (i.e. appeal) available, i.e. the Tender Review Authority established under Cyprus Law 101/2003, should be used.

### **2. Members of the public**

Members of the public wishing to address their concerns regarding possible mismanagement or corruption of the financial mechanisms will be granted confidentiality. There will be no reprisal of members of the public who give information in good faith. Members of the public who suspect mismanagement or corruption, but are unsure of their case, are encouraged to share their concerns with the Financial Mechanisms Office (FMO), the National Focal Point or any other agent responsible for the management of the financial mechanisms.

### **3. Advertising the procedure**

The complaints procedure is public. Both policy and contact information on where complaints can be addressed, is available by the FMO and the National Focal Point on their respective websites, advertised during events related to the mechanisms or provided on request. The information is available in English on [www.eeagrants.org](http://www.eeagrants.org) and in Greek and English on the website [www.eeagrants.gov.cy](http://www.eeagrants.gov.cy).

To this effect, relevant information is set out below:

- The Good Governance and Anti-corruption policy and the complaints procedure;
- The name, postal address, direct telephone number and direct e-mail address of the FMO Director and the Head of the National Focal Point:

- ❖ FMO Director  
Ms Stine Andresen  
Rue Joseph II, 12-16  
1000 Brussels, BELGIUM  
Tel.: 32 (0) 2 286 1701  
Email: [sla@efta.int](mailto:sla@efta.int)

- ❖ Permanent Secretary  
Planning Bureau  
Mr Andreas Moleskis  
Vyronos Avenue, 29  
1096, Nicosia, CYPRUS  
Tel.: 357 22 602803

Email: [amoleskis@planning.gov.cy](mailto:amoleskis@planning.gov.cy)

- Contact information of audit and control institutions supervising the FMO (EBoA, the Norwegian Office of the Auditor General) and the respective national audit institutions or ombudsman's office in Cyprus where members of the public can, if they prefer, address their complaint or report an irregularity:
  - ❖ EFTA Board of Auditors (EBoA)
    - Per A. Engeseth
    - Chairman of the EBoA
    - Office of the Auditor General
    - Pilestredet, 42
    - P.O. Box 8130 Dep
    - N-0032 OSLO
    - +47 22 24 12 97
    - [per.engeseth@riksrevisjonen.no](mailto:per.engeseth@riksrevisjonen.no)
  - ❖ The Office of the Auditor General of Norway
    - Mr Jørgen Kosmo
    - P.O. Box 8130 Dep
    - 0032 Oslo, NORWAY
    - Tel.: 00 47 22 24 10 00
    - Email: [riksrevisjonen@riksrevisjonen.no](mailto:riksrevisjonen@riksrevisjonen.no)
  - ❖ Audit Office of the Republic of Cyprus
    - Ms Chrystalla Georghadji
    - 6, Deligiorgi Street
    - 1406 Nicosia, CYPRUS
    - Tel.: 00357 22 401300
    - Email: [cao@audit.gov.cy](mailto:cao@audit.gov.cy)
  - ❖ The Office of the Commissioner for Administration (Ombudsman)
    - Ms Eliana Nikoloaou
    - Era House
    - Diagorou 2
    - 1097 Nicosia, CYPRUS
    - Tel.: 00357 22 405500
    - Email: [ombudsman@ombudsman.gov.cy](mailto:ombudsman@ombudsman.gov.cy)

#### **4. Complaints handling**

The procedure in the Republic of Cyprus for dealing with complaints indicating threat to the proper use of the financial mechanisms or in cases where mismanagement or corruption by those charged with managing the funds is concerned, is as follows:

- Any member of the public who wishes to submit a complaint can do so by visiting the Crime Investigation Department, either at the Police Headquarters level or at the District level and making an official complaint through a signed statement. Alternatively, he/she may submit the complaint in writing to the above Department and will then be called upon to provide a written signed statement.
- The Police will examine the complaint and will investigate whether a crime has been committed in violation of any Law.

- When the investigation is completed, then the case is forwarded to the Attorney General.
- The Attorney General studies the report of the Police and decides whether there is sufficient evidence for the case to be forwarded to Court or not.
- The member of the public is kept informed on the progress regarding the complaint submitted, on a regular basis.

At the same time, the Focal Point (Planning Bureau) is also kept informed on the progress regarding the complaint submitted.

Any complaints or information regarding possible mismanagement or corruption of the financial mechanisms received by the FMO or the Focal Point shall, as appropriate, be shared between the institutions of the donor and the Cyprus Government. The Focal Point, the external monitoring agent and any other institution, linked to the case, shall provide the FMO with any information necessary to review the complaint.

**Bimonthly Monitoring meetings-working arrangements**

## General

According to Article 3.4 of the Implementation Contract signed between the NFP and the Project Promoter (PP), meetings will be held every two months between representatives of the two parties until completion of the implementation of the project and approval of the Project Completion Report. The purpose of these meetings will be that of monitoring and co-ordinating the overall progress and implementation of the project. More specifically it will review the technical and financial progress towards the achievement of the objectives set out in the Grant Offer Letter and the Project Implementation Plan.

The Project Manager, appointed by the PP will be responsible for the project implementation and the day-to-day management of the project. His role will be to administer and resolve all issues concerning the management of the project including identification, specification and planning of tasks, monitoring of activities and reporting. The Project Manager shall be present at the meetings with the NFP and he will be expected to inform the meeting on any problems arising, on the progress made against the timeplan, explaining the reasons for any delay as well as how the time lost will be made up so that the project remains on track.

**Working Arrangements**

1. The meeting will take place every two months. The location, date and an agenda for each meeting will be communicated by the NFP to the PP and any other relevant Parties at least 5 working days in advance.
2. Standard items in the Agenda, will be the following:
  - (i) Review Project Indicators measuring results and project purpose achievement.
  - (ii) Issues of sustainability (e.g. necessary personnel, budget for maintenance of equipment etc).
  - (iii) Constant review of the timeplan for project implementation presented by the Project Manager.
  - (iv) Review of the “Recommendations” table of the last meeting (see paragraph 6 below).
3. Twice a year a review of the Risk Assessment Plan will take place and appropriate recommendations will be made,if necessary.

4. The parties will endeavour, within their competence, to resolve any matters arising, promptly and effectively. They will draw attention to any problems relating to the successful implementation of the project and formulate suggestions whenever they deem necessary.
5. Where project modifications/amendments require the prior approval of the FMC/NMFA, these will be notified promptly and in writing, to the Planning Bureau (NFP) for review and further processing.
6. Minutes of every meeting will be taken by an Officer of the NFP, and circulated to all parties within 8 working days. In order to facilitate the prompt taking of necessary actions, a "Recommendations" Table will be prepared after each meeting and be sent out electronically to all parties within two working days of the meeting. The table will include the recommendations/conclusions of the meeting for actions that need to be taken, the service/person responsible for action as well as the timing (see attached Annex).

**Recommendations Table for the Meeting dated .....**

**Project Title: .....**

Issue	Recommendation / Conclusion	Action to be taken	Responsibility for action	Timing

Signature: .....

Name: .....

Title: .....

Date: .....

**Audit Plan**

The Internal Audit Service has planned for early November 2008 to perform an audit on the system set up by the Planning Bureau, under its task as a National Focal Point, for the management of the Projects implemented under the EEA/Norwegian Financial Mechanisms.

As regards the audit of the individual projects, this will be carried out within 2009 when the projects will be at a more advanced stage of implementation. The Internal Audit Service will decide on one specific project, taking into consideration the implementation progress and the budget involved.