



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



**ANNUAL REPORT 2009**

**for the**

**EUROPEAN ECONOMIC AREA (EEA)**  
**FINANCIAL MECHANISM**

**2004-2009**

**REPUBLIC OF CYPRUS**

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**GLOSSARY OF ACRONYMS**

<b>AHDR</b>	Association of Historical Dialogue and Research
<b>EEA</b>	European Economic Area
<b>EU</b>	European Union
<b>FM</b>	Financial Mechanism
<b>FMC</b>	Financial Mechanism Committee
<b>FMO</b>	Financial Mechanism Office
<b>GA</b>	Grant Agreement
<b>GOL</b>	Grant Offer Letter
<b>GPS</b>	Global Positioning System
<b>IAS</b>	Internal Audit Service
<b>MC</b>	Monitoring Committee
<b>MoU</b>	Memorandum of Understanding (EFTA States-Republic of Cyprus)
<b>NGOs</b>	Non Governmental Organisations
<b>NFP</b>	National Focal Point
<b>PA</b>	Paying Authority
<b>PB</b>	Planning Bureau
<b>PP</b>	Project Promoter
<b>PIP</b>	Project Implementation Plan
<b>PIR</b>	Project Interim Report
<b>PM</b>	Project Manager
<b>PPD</b>	Public Procurement Directorate, Treasury
<b>QS</b>	Quantity Surveyor
<b>NMFA</b>	Norwegian Ministry of Foreign Affairs
<b>GIS</b>	Geographical Information System
<b>SC</b>	Steering Committee
<b>UN</b>	United Nations

## A. EXECUTIVE SUMMARY

The present Annual Report is prepared in accordance with Article 5 of the MOU signed between the EFTA States and the Republic of Cyprus on 16 September 2005 in relation to the implementation of the EEA Financial Mechanism (FM) for the period 2004-2009 under which an amount of €1,260,000 has been made available to Cyprus.

The report reflects the implementation of the EEA FM during the period of October 2008-October 2009 (with a cut off date of 27 October 2009) and contains information with regard to the progress made towards the approval and implementation of individual projects, the implementation of the NGO Fund, on cross cutting issues, publicity measures, commitments and disbursements and actions/activities planned for the next reporting period.

This report is characterised by the completion of the procedure of the open call for the Individual Projects announced in August 2006 and the commencement of the implementation stage of all approved projects and of the NGO Fund. Of these projects, three are solely funded by the Norwegian FM, one is solely funded by the EEA FM and one project as well as the NGO Fund are co-financed by both the EEA and Norwegian FM. A list of the approved projects under the EEA FM is highlighted in grey in the table below:

EEA Financial Mechanism 2004 - 2009 - FINAL ALLOCATIONS						
Project Title	Project Duration (months)	Grant Approved €	Allocation between Financial Mechanisms		Cofinancing €	Name and legal status of PP/ Intermediary
			FMC	NMFA		
<b>CY0011:</b> Revitalising the buffer zone: An Educational Center and Home for Cooperation	25	749,920	332,740	<b>417,180</b>	272,884 (172,884)**	Association of Historical Dialogue and Research (AHDR) NGO
<b>CY0012:</b> Preparation of an Integrated Management Plan for the Pafos Forest, in Cyprus	30	447,226	447,226	-	89,274*	Dept of Forests (Govt Dept)
<b>CY0013:</b> Cyprus Archaeological Digitisation Programme - CADiP	24	281,809	-	<b>281,809</b>	113,158*	Dept of Antiquities (Govt Dept)
<b>CY0014:</b> Restoration of Salamiou village old school building, for use as a regional centre for environmental education	24	624,784	-	<b>624,784</b>	110,256 (22,050)*	Salamiou Village Council (Community/Local Authority)
<b>CY0015:</b> A zero CO2 emissions electricity generation prototype (ZeroCO2)	24	748,856	-	<b>748,856</b>	137,679 (27,535)*	University of Cyprus (Body governed by Public Law)
		<b>2,852,595</b>				
<b>CY0017:</b> NGO Fund	18	1,499,967 (146,250) Mgt Fees	404,991	<b>1,094,976</b>	167,033*	First Elements Euroconsultants Ltd/ Euroconsultants SA
<b>TOTAL:</b>		<b>4,352,562</b>	1,184,957***	<b>3,167,605</b>		

\* To be covered by National Funds

\*\* Includes also financial contribution under the Swiss Mechanism (€118,324)

\*\*\* Does not include FMO management costs and costs for appraisal, monitoring and ex post evaluation

More specifically, during the reporting period, the approval process for the remaining project was completed and the Grant Agreement and the Implementation Contract of the Project in question i.e. CY0012 "Preparation of an Integrated Management Plan for the Pafos Forest in Cyprus" were signed. In addition, the tendering/contracting procedures for the approved projects were initiated, with mixed results. These procedures were successfully completed for the project CY0012 and activities for its actual implementation are ongoing. For the remaining project however (CY0011 "Revitalising the buffer zone - An Educational Centre and Home for Cooperation"), this reporting period is characterised by substantial delays in the tendering/contracting phase that affect in a negative way the actual commencement of project activities.

Regarding the project CY0011 "Revitalising the buffer zone - An Educational Centre and Home for Cooperation" there was a delay in the submission of the designs and the securing of the planning permit from the Nicosia Municipality, with a subsequent delay in the launching of the tendering procedures for the restoration of the building.

This reporting period marks also the completion of all the necessary procedures for the commencement of activities under the NGO Fund. Following the last annual Meeting, the GA between the NFP and the Financial Mechanism Committee /Norwegian Ministry of Foreign Affairs and the IA between the NFP and the NGO Fund Intermediary were signed on 30 January and 12 February 2009 respectively. Subsequently, the NGO Fund Intermediary proceeded with the publication of the open call for sub-project proposals, their evaluation, the selection of sub-projects to be financed and the signing of the relevant implementation agreements with the successful applicants. It is noted in this respect that all targets set within the NGO Framework document have been met, i.e. (a) the allocation of the funds is according to the percentages set for the two priority areas (max. 70 % for the area of Health and Childcare and min. 30 % for the area of Empowerment of young people in the civil society) and (b) over 40 % of the funding was made available for bi-communal projects that would benefit both communities within these priority sectors, with a view to encouraging bi-communal contacts, thus surpassing the set minimum of 20% .

Overall it is noted that during the reporting period there has been a considerable progress in the implementation of the FM even though for the CY0011 project various factors caused delays in the tender procedures and subsequently to the commencement of actual implementation of the project.

The effort for the next reporting period will be concentrated on the completion of all procurement procedures and the initiation of the implementation for the CY0011 Individual Project. In addition, the efforts will also extend to the successful implementation of the already ongoing project, i.e. CY0012, as well as to the successful implementation of the sub projects under the NGO Fund.

Even though the implementation of the individual project CY0011 under the EEA FM has not progressed as planned, still it is believed that the expected results will be fully achieved and they will have a positive impact on the sector covered by the project. As regards the project CY0012, the activities of which are at a more advanced stage and are expected to be completed on time without any particular problems in the achievement of its objectives, the impact on the priority sector as well as on the various target groups will be considerable.

Concerning the NGO Fund subprojects, although their implementation is still at a very early stage, it is expected that the aims of the Fund will be fully achieved since the Fund Intermediary as well as the end recipients exhibit great enthusiasm and commitment.

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

### **B1. Implementation Framework and Regulatory environment**

During the reporting period, the NFP took various actions aiming at facilitating the implementation of the assistance offered through the FM on the basis of the implementation framework and regulatory environment of the Mechanism. More specifically, the following actions were taken:

- a) The tender procedure for the contracting of services to implement audits for the projects approved under the Financial Mechanism on behalf of the NFP was successfully completed in accordance with the Public Procurement Law. The tender was awarded to the audit firm Deloitte and Touche and the relevant contract was signed on the 19<sup>th</sup> of December 2008 for the amount of €53,700. The Audit Firm prepared an Audit Planning Document describing in detail the procedures for the audits to take place and has so far audited all PIRs submitted by the PPs as well as all monthly payment claims submitted to the NFP by the PP for the Project CY 0014 (Salamiou Project).
- b) Following the completion of the System Description Guide in the summer of 2008, a relevant circular was issued on 5 November 2008 on Irregularities and on the reporting procedures to be followed by the PP and NGO Fund Intermediary on the specific issue.
- c) Bimonthly meetings were established between the NFP and the Project Promoters (PP) in order to discuss the progress of the projects and suggest solutions for overcoming any problems that may arise.
- d) The NFP ensured that all actions taken by the PPs for tendering /contracting for the individual projects were in compliance with the Public Procurement Directives. In this respect all tenders carried out so far for the various project components received a relevant Letter of Compliance from the Public Procurement Directorate of the Treasury (PPD) which is the national competent Authority for procurement Issues.
- e) The NFP ensured that the highest ranked proposals submitted within the framework of the NGO Fund corresponding to the total available amount of the NGO Fund plus another 20% of this amount, were submitted by the NGO Fund Intermediary to the State Aid Commissioner for screening of their compliance with the State Aid Rules prior to the Selection Meeting. As regards the individual projects, no further State Aid issues were raised 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.
- f) The NFP ensured that in the case of the individual projects all procedures emanating from the relevant environmental directives were followed. It is noted in this respect that no further issues were raised for the approved projects following their appraisal by the external appraisal agents. Regarding the need for the preparation of an Environmental Impact Assessment (EIA) study for Project CY0015 (Zero CO2 Emissions) after examination of the issue by the competent department, the PP was informed that the small size of the wind turbine to be procured through the project does not require the preparation of such a study and the Environment Service expressed its non objection for the implementation of the project.

Further to the above, the Internal Audit Service, performed during December 2008 an audit for the system set up by the Planning Bureau under its task as NFP for the management of the Projects implemented under the FM and concluded that the system is reflecting the requirements as these are set in the Memorandum of Understanding signed between the Republic of Cyprus and the Donor States and is compatible with the Rules and Procedures and Guidelines under the FMs.

A second (follow up) audit was performed by the Internal Audit Service at the Planning Bureau during the first week of September 2009 covering the procurement procedures for the selection of the NGO Fund Intermediary as well as the payments performed for projects CY0011, CY0014 and CY0017. The Report prepared has not identified any findings and confirmed the conclusions of the first audit.

As regards problems encountered during the reporting period and proposed solutions, the major horizontal problem relates to the delays in the procurement procedures that could occur for reasons outside the control of the PP e.g. appeals to the Tender Review Authority, the need to relaunch in view of unsuccessful tenders etc., which consequently delays project commencement. The solution to such problems is the close monitoring on behalf of the NFP and the readjustment of the project timeframe by the PP in order to take account of the delays.

## **B2. Individual Projects**

During the reporting period, the Donor States through the FMO finalized the approval procedures of all individual projects under both the Norwegian and EEA FMs. The approved projects under the EEA FM are shown below together with the date of the grant decision, of the signing of the Grant Agreement and of the Implementation Contract:

- CY0011 - Revitalizing the buffer zone-An Educational Centre and Home for Cooperation (7/1/2008, 27/6/2008, 30/6/2008)
- CY0012 – Preparation of an Integrated Management Plan for the Pafos Forest, in Cyprus (2/6/2008, 20/11/2008, 18/12/2008)

The projects approved cover the priority areas set by the FM of Sustainable Development and Conservation of European Cultural Heritage. The PPs include a government department and an NGO.

No difficulties were faced for the signing of the Grant Agreements by the NFP and of the Implementation Contracts by the PPs. All conditions set in the Grant Offer Letters were accepted by the NFP and the PPs and a follow up of these conditions is carried out by the NFP. The Implementation Contracts were prepared by the NFP on the basis of a Model Contract drafted by the NFP and reviewed by the Legal Service.

As a general statement on the progress in respect of the status of the individual projects, it is noted that during the reporting period the PPs have taken all necessary actions for the implementation of their projects, i.e. preparation of tender documents, public procurement procedures for provision of services, supplies, construction works etc.

Relating to project CY0012, the PP successfully completed tender and contracting procedures and is currently implementing the project.

For project CY0011, there was a considerable delay in launching the tender for reconstructing the building due to complications faced during the stage of the issue of the planning permit by the Nicosia Municipality. As a result the CY0011 project is facing a tight implementation schedule and a close monitoring by the NFP through meetings, letters, emails etc is exercised in an effort to expedite all steps for its successful execution and timely completion.

A more detailed analysis of the status of the projects appears below:

### **PROGRESS ON EACH INDIVIDUAL PROJECT**

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

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 grant approved under both FMs amounts to €749,920 (EEA: €332,740, Norwegian €417,180). The PP is the Association of Historical Dialogue and Research, (AHDR), a bi-communal NGO.

### ***Project activities***

The project includes 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.

### ***Tender procedures and Project progress***

- Activity 1 is already completed as the purchase of the building took place on the 14<sup>th</sup> of October 2008 for a value of €427,153. It is noted that, in order to secure the condition imposed by the FMO that "the real estate purchased will remain in the ownership of the PP for at least 10 years following project completion", during the transfer of the title deeds between the property owner and the Project Promoter, the property was put into mortgage in favour of the Government of the Republic of Cyprus for a period of 13 years.
- The tender procedure for the recruitment of the Project Manager was completed and a contract was signed on the 27<sup>th</sup> January 2009 for an amount of €16,988 (+VAT).
- The tender procedure for the recruitment of the Consultancy team (i.e. Architect, Quantity Surveyor, Civil and Mechanical Engineers, etc) was finalised and a contract was signed on the 30<sup>th</sup> April 2009 for an amount of 52.500 (+VAT). It is noted in this respect that following consultations with the PPD with regard to the intellectual property rights for professional services offered and completed prior to the approval of the project, the PP followed approved procurement procedures (i.e. the negotiated tender procedure) for the recruitment of the team and the payments for these services are therefore considered as eligible costs.
- The tender procedure for the Accountant was finalized and the relevant contract was signed on the 6<sup>th</sup> May 2009 for an amount of €3,000 (including VAT).
- In the meantime the PP/Consultancy team prepared the designs and other studies and documents (e.g. electromechanical studies, Quantity Surveyor (QS) reports etc), necessary to be submitted to the Nicosia Municipality for the issuing of the town planning and construction permits. According to the procedure, the application for the construction permit follows the issue of the planning permit.
- The PP proceeded on the 13<sup>th</sup> February 2009 with the application for the issue of the planning permit. The NFP forwarded a letter dated 19<sup>th</sup> February 2009 to the Nicosia Municipality requesting that all necessary procedures are expedited. It was expected that the permit would be issued by May 2009. However there was a substantial delay due to the fact that the designs submitted to the Nicosia Municipality for approval included a full scale restaurant/roof garden which constituted an activity not included in the original plans.

Both the NFP and the FMO objected to the above development and following the FMO's suggestion, a meeting was held in Cyprus on the 30<sup>th</sup> July 2009 between the FMO, the Donors (represented by Norway), the NFP, the PP and the competent department of the Nicosia Municipality to resolve the issue. During the meeting, the three parties i.e. the NFP, the FMO and the Donor States, explained that the plan for a restaurant is not in line with the main objectives of the Project which are a) the

purchase and renovation of the building and b) the establishment of the Educational centre, and cannot therefore be accepted.

The three parties also noted that the changes that had been introduced into the designs, did not keep the functions and did not define specific designated areas originally presented during the application process (e.g. Museum and Exhibition Centre, Archives, Center for digitization, Research centre, Educational Centre for children and Educators, etc). They therefore requested the PP that the designs to be submitted should be along the lines of the designs originally presented to the various donors, since these designs reflect in a satisfactory manner the agreed functions.

Following the meeting and after an exchange of correspondence between all parties, it was finally agreed that a set of revised designs should be finalized that would reflect these requirements and be resubmitted to the Nicosia Municipality for approval and issue of the planning permit.

Even though it was stressed to the PP that due to the very tight timeline for the implementation of the project, they should proceed immediately with the revision of the plans so that the relevant Committee of the Nicosia Municipality would be able to issue the permit within July, the PP provided the Municipality with the revised designs in August at which time, the competent Committee ceased its meetings for the summer holidays. Since the revised designs contained a lot of changes they had to be reviewed again by two different committees before they could be approved. According to the Nicosia Municipality the decision will be positive and the approval is expected to be officially granted on 29 October 2009 upon conclusion of the relevant meeting of the Nicosia Municipality Board.

As a consequence of the substantial delay that incurred during the stage of the application of the planning permit, the project is facing a very tight implementation time frame. The PP in an effort to minimize the risk of not completing the project on time, took up the NFP's suggestion and revised the construction period from 15 to 12 months and also agreed to adhere to the following timeframe:

- Submission of tender documents by PP to the PPD: by mid October 2009
- Issue of letter of compliance by PPD for tender documents: by 23<sup>rd</sup> October 2009
- Publication/Launching of construction tender: by 30<sup>th</sup> October 2009
- Deadline for submission of tenders: by 27<sup>th</sup> November 2009
- Evaluation of tenders by PP: by mid December 2009
- Issue of letter of compliance by PPD for the tender procedure: by end December 2009
- Notification of successful/unsuccessful tender: by early January 2010
- Expiry of tender appeals period: mid January 2010
- Signing of contract: by end of January 2010
- Completion of project within 12 months (i.e. February 2011)

Initially, this timeframe was a few days behind schedule due to the fact that the tender dossier originally prepared by the consultancy team for the construction tender and submitted to the PPD on 12 October 2009, was of poor quality and had to be redrafted. However, the new tender dossier submitted on 21 October 2009, was approved by the PPD on 27 October 2009 and therefore the tender is expected to be launched on 30 October 2009 as planned.

An additional issue raised following the preparation of the latest cost estimates, prepared by the QS, is the increased construction costs which according to these estimates would be around €523,000 (incl. VAT). Comparing to the construction cost included in the PIP (€442,000 incl. VAT), the PP has to provide an additional €81,000 from own resources thus raising the issue of sustainability. In this connection, the NFP proposed during the bimonthly meeting of September, that the PP could examine the possibility of applying to the Ministry of the Interior for various financial incentives that are available according to the regulations on "listed Buildings" such as subsidies towards

reconstruction costs, subsidies towards loan interests, taxation motives (i.e. exemption of property tax, exemption of transfer fees) etc. The NFP also noted that, according to the rules and procedures, the submission of application for these incentives, should take place before or at least during the construction works for the building. The PP undertook to take up the issue without delay.

### ***PIP modification***

An updated PIP had to be prepared by the PP in order to reflect (i) the €100,000 provided as an additional advance payment by the FMO in July 2008, (ii) to update the entire time schedule of the activities due to the delays occurred in the acquisition of the property and during the planning permit application and (iii) to update the costs estimates since the procedures for the recruitment of both the Project Manager and the Consultancy team had been completed, so that the real expenditure could be incorporated in the document. The PIP was sent to the PP in January 2009 and is expected to be submitted to the NFP soon.

### ***Bi-monthly meetings***

Regarding the monitoring of the progress and implementation of the project, six bi-monthly meetings took place between the PP and the NFP during the period between September 2008 and September 2009. The last meeting was held on 16 September. The minutes of these meetings are copied also to the FMO for information of the Donor States.

### ***Risk Assessment***

The risks identified at the application stage related to (i) the particular crossing point of Ledra Palace being closed by initiative of either side, (ii) the Planning permit by the Nicosia Municipality not being granted on time which would result in a consequent delay regarding the starting date of the renovation works, (iii) the relative inexperience of the Board of the AHDR with managing conservation projects and (iv) the warning of the owner of the house to impose a penalty if the purchase of the house took place beyond the 11 January 2008.

From the above risks only risk (i) has not materialized so far. Regarding risk (iii) above, the impact of the risk has been minimized since a full project management team of professionals has been employed (i.e. project manager, architects, engineers, QS and certified accountants). However there are still signs of inexperience from the PP as well as the Project Manager's side as to the way they should pursue and handle various issues and problems that occur during the project implementation procedure. As a result the NFP is in close contact with the PP so as to facilitate the whole process in the best possible way.

As far as risks (ii) and (iv) are concerned, these have already materialized. Since the building was finally purchased in October 2008 the owner received from the PP's own funds an additional amount of €12,458 as a penalty. Regarding the planning permission, its approval has been considerably delayed for all the reasons that have been stated above in the relevant paragraph. As already mentioned above due to the substantial delay that incurred, the construction period has been revised from 15 to 12 months.

A new risk identified during the bimonthly meeting on 16 September 2009 from the PP's side concerns the various delays that could arise before or during the construction period, due to the area in which the building is situated e.g. issue of permits by the UN for all workers for entering the area. The NFP suggested that such risks which could lead to delays in the project's activities should be included in the tender documents for the information of prospective tenderers.

Finally another risk not previously identified concerns the sustainability of the project especially in view of the possibility of increased cost for reconstruction works. The NFP has been advising the PP since the time of the project's approval, to continue and enhance its efforts for securing additional funding from other donors as well as by applying for the various financial incentives for the category

of “listed buildings” under which the property in question belongs, so that project sustainability is strengthened.

### **CY0012 – Preparation of an Integrated Management Plan for the Pafos Forest**

The purpose of the project is the sustainable utilization of forest resources and benefits in the Pafos Forest, with the overall objective of improved forestry management and protection of biodiversity. The estimated eligible cost amounts to €536,500 whereas 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 duration of the project is estimated to 30 months. The PP is the Department of Forests.

#### ***Project Activities***

The project includes the following activities and results:

Start-up, procurement of services and equipment; Elaboration of a draft management plan; 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.

Following the acceptance of the GOL by the PP, the signing of the Grant Agreement between the NFP and the FMC and of the Implementation Contract between the NFP and the PP took place on the 20<sup>th</sup> November and on the 18<sup>th</sup> December 2008 respectively.

#### ***Tender procedures***

- The tender procedure concerning the service contract with the project team was launched on the 23<sup>rd</sup> October 2008 and the contract was signed on the 10<sup>th</sup> March 2009 for an amount of €279,800 + VAT with an execution period of two years.
- The PP proceeded with the purchase of part of the equipment, including two 4WD Jeeps, 10 GPS, a digital camera.
- Tender procedures have also been completed, and contracts are expected to be signed soon, for the acquisition of the following equipment items: 4 personal computers and a plotter.
- Tenders will be launched soon for the GIS system, as the relevant tender documents are currently being finalised by the Forest Department.

#### ***Project Progress***

Field data collection by forest staff, which began as early as September 2008, was completed in May 2009 (earlier than planned). Data from other government services, including the Game Fund is also being gathered and transferred to the contractor. The contract foresees the preparation of 10 Monitoring Plans, the first 5 of which must be delivered in December 2009, and the rest in April 2010. The Descriptive Part of the Management Plan is due to be submitted in February 2010 (earlier than planned). Preparation of all plans by the contractor has begun. The Contractor has also prepared the relevant specifications of the GIS. Overall, the project is progressing as planned and is on schedule. It is noted that with the start of field data collection, it became evident that labour cost of the forest staff will be much higher than estimated (€200,000 instead of €110,800) due to more detailed work required. This difference will be covered by the government budget and will be presented in the PIRs as ineligible cost.

As far as the indicators identified in the PIP, the status of the results is as follows:

- Training of staff:
  - Number of Forest Dept and Game Fund staff capable to identify and map forest habitat types: the baseline was 4 and the target was set at 14. However, training of a bigger number of staff was deemed necessary for the requirements of the Project, since the need to gather a big amount of field data in a relatively short time, for submission to the Contractor, arose. Therefore, so far 56 foresters have received training.

- Acquisition of equipment: Most of the equipment planned has been obtained, except for the GIS software which will be purchased before the end of 2009.

#### ***Risk assessment***

The identified risks in the application with regard to Start-up, procurement of services and equipment (**Activity 1**) relate to possible delays, insufficiencies or errors in the tender process which could lead to delays in the Project progress and/or poor quality of the Experts Team and of the equipment purchased. With regard to the Experts Team, the tendering process was completed as planned and no significant problems or delays have occurred. Concerning the procurement and purchase of equipment, as previously mentioned, no significant problems or delays have been encountered.

The risk of delayed gathering of forest data (**Activity 2**) was handled with success, with the decision to start collection of forest vegetation data in September of 2008, instead of May 2009. Further risks identified within the PIP for this activity include the reluctance of other government departments to provide timely necessary information (e.g. meteorological data, geology of the area etc). This has not been an issue so far, as there is smooth cooperation between the various departments involved with the PP and the experts' team.

Finally, the risk of poor quality of work by consultants was identified, however this has not been an issue, as all deliverables so far (quarterly progress reports, webpage etc) have been prepared and submitted as per the set timeframe and were of an acceptable quality.

#### ***Bi-monthly Meetings***

So far, four bimonthly meetings have been held at the Planning Bureau (on 24/2/09, 5/5/09, 29/7/09 and 25/9/09), during which briefing was provided by the project manager on all aspects of the project, the project progress was discussed and future actions agreed.

#### ***Public Consultations***

Two meetings were arranged between the PP, representatives from the experts team and local communities which are located in the Pafos Forest area. The meetings took place on the 8<sup>th</sup> and 9<sup>th</sup> September 2009, in the villages of Polis Chrysochous and Kampos Tsakkistras, with the presidents of 17 communities, in order to discuss social issues concerning the area, as well as the management and administration of the Pafos Forest. The communities were informed on the purpose and content of the management plan being prepared, as well as on the activities already underway. A questionnaire was prepared and circulated to the communities for their input and views with regard to the management and development of the Pafos Forest.

### **B3. NGO Fund**

The objective of the Fund for Non Governmental Organisations (NGO Fund) is to support the participation of civil society organisations in the reduction of economic and social disparities in the Republic of Cyprus by providing financing to NGO projects in two selected priority areas, i.e. Health and Childcare and Empowerment of Young People in Civil Society. According to the NGO Fund Set Up, a maximum share of 70% of the funding will be made available to projects addressing the "Health and Childcare" priority and a minimum share of 30% of the funding will be made available to projects addressing the "Empowerment of young people in the civil society" priority. Furthermore, a minimum of 20% of the funding will be made available for bi-communal projects that would benefit both communities within the priority areas.

The total assistance available for the purpose of the NGO Fund is €1,667,000. The allocation for the NGO Fund through the Financial Mechanisms is €1,500,000 representing 90% of the Fund (24,29% is the EEA Financial Mechanism contribution and 65,69% is the Norwegian Financial Mechanism contribution). The remaining 10% (€167,000) corresponding to the required co-financing of the Fund, will be covered from the national budget. Out of the total assistance available, an amount of

€146,250 concerns the management fees of the NGO Fund Intermediary i.e. “First Elements Euroconsultants Ltd-Euroconsultants S.A”.

The grants provided from the NGO Fund will be in the range of €15,000 to €70,000 per end-recipient whereas the support from the NGO Fund will cover up to 90% of the total eligible cost of each project. End recipients will be obliged to provide at least 10% of the total eligible cost per project as co-financing. Each project will have maximum of 12 months duration. The NGO Fund Project will be completed in 22 months.

### ***Project Progress***

Regarding developments since the last Annual meeting, the NGO Fund Intermediary prepared and submitted to the FMO in Brussels, via the Planning Bureau in its capacity as NFP, the Block Grant Application on the 9<sup>th</sup> of October 2008. The FMO submitted its reasoned recommendation for decision to the FMC and the NMFA, which approved the NGO Fund Intermediary Block Grant Application on 1 December 2008.

Following the approval of the NGO Fund Intermediary Block Grant Application, a Grant Agreement was signed on 30 January 2009 between the Planning Bureau – NFP and the FMC and the NMFA. Subsequently, an Implementation Agreement was signed on 12.2.2009 between the Planning Bureau – NFP and the NGO Fund Intermediary, marking the start of the actual implementation period for the activities under the NGO Fund. By the report’s cut off date, the following activities took place:

- The NGO Fund Intermediary launched on the 9<sup>th</sup> of December 2008 an Open Call for the submission of proposals covering the whole amount available under the NGO Fund. The Open Call remained open for three months up to the 9<sup>th</sup> of March 2009. The Intermediary received 114 project proposals (see [Annex 1](#)). However after the first eligibility screening, ten proposals were classified as non eligible and the relevant NGOs were informed accordingly. Two appeals were submitted and the NGO Fund Intermediary explained to the applicants the reasons for the non-eligibility of their proposals which were on technical issues.
- The Intermediary proceeded with the selection of the evaluators for the above project proposals through an open call published in the press and on its website on 15.1.2009. On the 30<sup>th</sup> of March 2009, a workshop was held to inform all relevant evaluators of the evaluation process to be followed so that the best possible uniformity in marking could be achieved. All evaluators signed a declaration for confidentiality.
- By mid April 2009, the evaluators submitted their evaluations of the project proposals. Based on the results of the evaluators, the Intermediary ranked the evaluated proposals by their scores and then the list of projects proposed for funding was prepared. The highest ranked proposals corresponding to the total available amount of the NGO Fund plus another 20% of this amount were then submitted by the Intermediary to the State Aid Commissioner for screening of their compliance with the State Aid Rules. By the end of May 2009, the State Aid Commissioner completed the screening of projects and one project was regarded as having no compliance with the State Aid rules and was withdrawn from the selection list.
- Following the State Aid screening, the Intermediary called up on the 30<sup>th</sup> of June 2009, the Selection Committee Meeting which decided on the final list of the projects to be funded under the NGO Fund, ensuring at the same time that the allocation of the funds was according to the percentages set for the two priority areas and that the bi-communal aspect was met. At the Selection Committee Meeting were present the five members of the Selection Committee and the representatives from the NFP and the FMO/Donor States, who attended the meeting as observers. The list of participants at the Selection Committee Meeting is shown in [Annex 2](#). Thirty three projects were finally selected by the Selection Committee. Sixteen of these projects were bi-communal (48,5%) and ten were bilateral (30,3%). The details of all proposals

selected for funding under the NGO Fund, are shown in [Annex 3](#): 51.5% of the Projects related to the Health and Childcare priority sector, 18.2% to the priority sector of empowerment of Young people in the Civil Society and 30,3% to both priority sectors. More information can be found in the Graphs in [Annex 5](#).

- Following the decision of the Selection Committee, all applicants with approved projects were notified by the Intermediary and they were called to sign the Implementation Agreements, a model of which had already been prepared by the Intermediary. Meanwhile, within two weeks of the decision of the Selection Committee, the Intermediary informed all other applicants whose applications were rejected that they were not selected and the reasons for the rejection.
- The Implementation Agreements of all 33 projects were signed in September /October 2009. However the eligibility period of the projects could start from the 1<sup>st</sup> of July 2009, since the decision of the Selection Committee for the funded projects was made on the 30<sup>th</sup> of June 2009. In view of that, some of the end-recipients initiated activities before the signing of the contracts. By September 2009, all sub-projects had begun their implementation. After the signing of the Agreements between the Intermediary and the end-recipients, all projects received by the Intermediary an advance payment of up to 40% of their eligible grant, with a maximum amount of €28,000. In total, an amount of €608,201.20 has been disbursed so far to the end recipients.
- Following the signing of the Implementation Agreements with successful applicants, the Intermediary prepared and submitted to the NFP on the 22<sup>nd</sup> of September 2009, a list of the approved and rejected applications as well as information on the approved projects. The list of all approved grant applications was published on 25/9/2009 on the websites of both the Intermediary ([www.eeangofund.org.cy](http://www.eeangofund.org.cy)) and the NFP ([www.planning.gov.cy](http://www.planning.gov.cy) – EEA Grants).
- In order to support successful end-beneficiaries in the proper financial and administrative management of their projects according to the rules and regulations of the NGO Fund in Cyprus, of the EEA Grants and of the national legislation where applicable, the Intermediary organised on the 12<sup>th</sup> of October 2009, a Project Management Workshop, where representatives from the NFP and the Norwegian Embassy in Athens also attended. During the workshop, end-recipients were informed mainly of their reporting obligations within the context of the Implementation Agreement already signed between them and the NGO Fund Intermediary. Furthermore, end-recipients were informed about the need for an analytical accounting system, to report on irregularities and to provide publicity to the funding received from the EEA and Norwegian FMs and the Republic of Cyprus in support of their projects.

### ***Risk Assessment***

As regards the “Risks” identified at the application stage for possible low level of participation in the programme’s dissemination action (info-days, workshops, etc.) organised by the Intermediary, it is noted that through the on-going communication with the stakeholders, the publicity of the relevant events through the press releases and the Intermediary’s website, this risk has been minimised and participation in the above events of all stakeholders concerned, was very satisfactory.

### ***Indicators***

During the reporting period, most of the Project indicators as described in the Project Implementation Plan (PIP) were met. In fact, the targeted values for most of these indicators were not only met but surpassed, such as the number of bi-communal projects selected for funding (targeted 8, actual 16), the number of funded projects (targeted 30, actual 33), number of participants attending NGO Fund events (targeted 200, actual over 300). One open call was made, a website was created and four workshops/info days were organised, all as per the relevant indicators.

**Bi-monthly Meetings**

Three bi-monthly Monitoring meetings were held between the representatives of the Intermediary and the NFP, in accordance with the Implementation Contract. At the end of each bi-monthly meeting, the NFP prepares a table of recommendations for the necessary actions to be taken by the Intermediary for the implementation of the project before the next bi-monthly meeting which is sent to the Intermediary together with the meeting's minutes. This table is reviewed at the following bi-monthly meeting and updated accordingly.

**B4. Information and Publicity Activities****General Publicity of the FM**

The NFP continues to update regularly its special webpage providing information to the public regarding the implementation of the FM. Within this framework, the minutes of the fourth and fifth Monitoring Committee Meeting held in September 2008 and March 2009 respectively, as well as those of the third Annual Meeting of October 2008 were placed on the NFP special webpage.

Following the signature of Grant Agreements and Implementation Contracts during the last term of 2008 and early 2009 for the Individual Project of CY0015 and the NGO Fund, a press release was issued regarding the ceremony that took place at the NFP premises for the signing of each Implementation Contract providing also a short description of the respective project. The press releases were distributed to the media and placed on the special webpage of the NFP.

Furthermore, a press release was issued by the NFP on 19 December 2009 and placed on the special webpage, regarding the signing of the contract for the "Supply of Services for conducting audits on projects co-financed by the European Economic Area (EEA) and the Norwegian Financial Mechanisms" between the NFP and the Independent Audit Firm "Deloitte and Touche".

**Publicity carried out by the Individual Projects**

Regarding the publicity activities for the individual projects, these were carried out in accordance with the publicity plan described in the project application taking however into account the project progress during the reporting period. As a result, the publicity activities for the project CY0011, for which the tendering procedure has not yet been completed, are rather limited.

Concerning the project CY0011, there have been a number of publications in the press such as "Alithia" newspaper (July 2008) and "Politis" Newspaper dated 12 January 2009 (see [Annex 8](#)). The NFP reminded the PP of the obligation to erect a billboard at the site of the building and this is expected to take place soon.

For the project already under implementation i.e. CY0012 "Preparation of an Integrated Management Plan for the Pafos Forest, in Cyprus", all activities envisaged under Phase 1 of the Publicity described in the application form were promoted as follows:

- The construction of a special webpage for the project which has been created by the project team, as per the conditions of the contract signed. The address of the webpage is [www.pafosforest.eu](http://www.pafosforest.eu)
- The inauguration event for the Project took place on 30 April 2009 at the Holiday Inn in Nicosia. The Minister of Agriculture, Natural Resources and the Environment addressed the event. There were over 100 participants from various Government Departments, semi-governmental organisations, NGOs, local authorities and the private sector. Presentations were made by the Department of Forests as the PP, the Game Fund and the Consultants Team.
- Eleven different types of posters have been created within the framework of promoting project publicity, demonstrating various aspects of the Pafos forest landscapes, flora and fauna.
- Publications concerning the project have appeared in local newspapers and magazines (Magazine "Forest Treasures 2009" and newspapers "Phileleftheros" (dated 15 December 2008) and "Simerini" (dated 17 May 2009)) (see [Annex 8](#))

- Four bill boards will be erected on site around November 2009.

### Publicity for the NGO Fund

A number of publicity activities were carried out for the NGO Fund as follows:

- Regarding the launch of the NGO Fund in Cyprus, this was held on 9<sup>th</sup> December 2008, at the Holiday Inn in Nicosia, where two hundred representatives of Cypriot NGOs attended. At the launch, which was supported by the Royal Norwegian Embassy in Athens, addresses were delivered by the Minister of Education and Culture Dr. Andreas Demetriou, followed by the Permanent Secretary of the Planning Bureau Dr. Andreas Moleskis and the Political Advisor of the Ministry of Foreign Affairs of Norway, Ms Gry Larsen. The participants were informed of the call for project proposals under the NGO Fund in Cyprus by the Managing Director of First Elements Euroconsultants Ltd and the Project Manager of the Project. Short presentations were also made by a number of Norwegian NGOs. A cocktail reception followed the formal part, where Cypriot NGO representatives had the opportunity to network among themselves and meet representatives of Norwegian NGOs to discuss the development of joint projects.
- Following the launch of the NGO Fund, a workshop was held on Wednesday 28<sup>th</sup> of January, 2009, at Holiday Inn Hotel, Nicosia by the NGO Fund Intermediary for informing interested Non-Governmental Organisations (NGOs) on successful proposal preparation for the two priority areas of the NGO Fund of a) Health and Childcare and b) Empowerment of Young People in the Civil Society. The workshop was attended by 150 representatives of Cypriot NGOs, a significant number of which were Turkish Cypriots. The presentations were made by the Managing Director of First Elements Euroconsultants and the Project Manager. The workshop received positive comments from the participants since it provided them with useful information that would contribute to the successful submission of project proposals. An indicator of the success of the workshop in the large number of bi-communal proposals submitted by the closing deadline since out of the 114 submitted applications, 44 were of a bi-communal nature. During the above events there was clear visibility of the support provided by the FMs for the NGO Fund through posters, the presentations made and the written material that was distributed (e.g. Application form, Guide for applicants etc)
- A promotional brochure of approximately 5 pages was prepared and published in 500 copies and distributed to the target groups (including grant beneficiaries, local and regional authorities, relevant stakeholders, etc), in order to enhance awareness about the project. They included information about the overall project objectives, activities in the project and their outputs, possibilities to participate in training and networking events, grant scheme components and eligibility criteria etc (Annex 7).
- The NGO Fund Intermediary established a website in the English language dedicated to the Fund which contains all relevant information (on launching of the Fund, application materials and documents, workshops etc) .The Website was launched on 9 December 2008 and the relevant address is <http://www.eeangofund.org.cy> .The Intermediary also submitted a publicity plan to the NFP, which serves as the basic tool for the publicity of the NGO Fund in Cyprus.
- Following the signing of the Implementation Agreements with all successful applicants, the list of all approved grant applications was published on the websites of both the Intermediary and the NFP on 25 September 2009.
- A number of publications were made in the press as follows:
  - Sunday Mail, 21 December 2008 on the NGO Fund Launch
  - Financial Mirror, 4-10 March 2008 on the NGO Fund
  - The Cyprus Weekly, 16-22 January 2009 regarding the call for Evaluators (Annex 8).

## **B5. Assessment of the distribution of the Grants among the priority sectors**

In the framework of the EEA FM, the Individual Projects being promoted cover the priority sectors of Conservation of European Cultural Heritage and Promotion of the Sustainable Development. Furthermore, the NGO Fund covers primarily the priority sector Health and Childcare. It can be concluded therefore that despite the small number of projects, the Grants are distributed to a wide spectrum of the priority sectors. In this way the impact of the projects will reach a far larger number of target groups ranging from educators to pupils, from local communities to academics and from researchers to children and youth.

The overall benefits for the priority sectors in question are expected to be substantial. As regards the Conservation of European Cultural Heritage, the main results of the project in this priority sector (i.e. CY0011 - NGO House) 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 project 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 the buffer zone. The target groups of the project therefore are mainly the public at large and in more specific terms, the inhabitants of the area where the project is being implemented, i.e. the deprived area around the buffer zone. The impact of the project of the NGO House will additionally have an impact on the target groups of Educators, researchers and pupils as it will provide the premises for an intercultural Educational Centre and will thus contribute to promoting communication between people from different ethnic, religious or linguistic backgrounds.

The main result of the project in the priority sector of Sustainable Development (Pafos Forest) 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. One of the main target groups are the inhabitants of the surrounding villages and it is expected that the impact from the project will be substantial. It is for this reason that the PP as well as the contractor of the project have already proceeded to public consultations with 17 villages on the activities of the project and its objectives.

As regards the NGO Fund, the main result of its operation 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 (17 proposals out of the 33 approved proposals concern this area and another 10 approved proposals concern both priority areas). Furthermore, upon completion of the selection process, the Fund has made available 48,5% of the funding for bi-communal projects that will benefit both communities within the priority sectors, with a view to encourage bi-communal contacts. It is expected that the impact of the NGO Fund on the target group of the NGOs in Cyprus will be considerable both in view of its size (1.6 mln Euro can assist a significant number of NGOs) as well as of its nature, since the demanding set up of the Fund itself, will result in the enhancement of their capacity to implement projects for the benefit of their members and of the civil society in general.

## **B6. Assessment of the impact of projects on Cross-cutting issues:**

Taking into account that one of the two Individual Projects (CY0011) is still at the stage of the tender/contracting procedures, as well as that the NGO Fund is still at an early implementation stage, a comprehensive assessment of their impact on the cross cutting issues is, at this stage, rather premature. The following can however be noted:

## **Sustainable Development**

### **Environmental**

One of the individual projects i.e. the Pafos Forest (CY0012) will have a positive impact on environmental sustainability and more specifically, it will have positive effects in respect to biodiversity and maintenance of flora and fauna as well as increase the environmental services provided by the forest.

### **Economic**

Due to the nature of the projects, the economic dimension of the sustainable development is not a significant part of the projects. However, as far as the financial drivers of the projects are concerned, these are sustainable since the economic viability of most of the projects is ensured through central and local government budgets.

### **Social**

The various projects will contribute to the promotion of the social aspect of sustainable development to a great extent. All projects will increase public understanding of sustainability and will influence positively the citizens' sustainability behaviour. They will also contribute to a more integrated policy/planning/management for sustainable development.

Regarding project CY0011, one of its central targets is to invest in peace and stability in Cyprus. The Educational centre aims to educate children and adults alike in tolerance, mutual respect and cooperation between all communities in Cyprus. More particularly, the project will increase awareness about the need for social sustainability as well being for all Cypriots irrespective of religion, ethnic group or language barriers.

Concerning the Project CY0017 (NGO Fund), its very nature and the fact that one of its two priority areas concerns Health and Childcare, ensure that its impact on social sustainable development will be positive. A large proportion of the selected subprojects concerns health issues and their implementation will therefore create positive effects for public health.

### **Gender Equality**

Due to the character of the individual projects and of the NGO Fund, gender equality issues are not that relevant and as a result the impact on this cross cutting issues will be limited. However all projects fully respect the gender equality principles and PPs are fully aware of their importance. A general characteristic of all projects is that the project teams include both men and women and in this sense the principle of equal participation and representation of women in the decision making is promoted. In addition as the projects involve the participation of civil society organisations, they will have a greater impact on gender equality. As NGOs tend to have a high woman participation profile, these projects will provide the opportunity to women to participate in all phases of project implementation. As regards the project CY0011 in particular, the education to be offered at the Educational Centre will have as a cross cutting issue gender equality and empowerment of women. Not only the teaching staff will be gender balanced, but the content of the curriculum will emphasise issues of gender equality and human rights.

### **Good Governance**

The principles of Good Governance apply for the implementation and management of all approved projects which are characterised by transparency and openness. The projects' economics and budget are transparent to the National Audit Authorities as well as to those of the FM. In addition, the financial figures as well as all other key project information are available to the independent auditors (Deloitte and Touche) commissioned by the NFP in order to verify payment claims and submit relevant Reports to the Paying Authority. The team of Auditors is also strengthened by specialised experts on the specific areas of the projects supported by the Grants who act as independent monitoring agents and report on the physical progress of the projects to the NFP.

As regards adherence to national and European Commission Procurement Rules, all PPs are obliged according to the Implementation Contract signed between them and the NFP, to follow the Public Procurement Law of 2006 (L.12(1)2006) which is fully harmonised with the EU Directives, for procurement of goods, services and construction works funded under their respective projects. In this respect good governance is further strengthened through the issue of certificates of compliance by the Competent Authority for Procurement issues (Public Procurement Directorate of the Treasury) at the various stages of the contracting procedure. All contracts signed within the reporting period, have secured such certificates.

The NFP has also taken additional measures for the prevention of corruption by:

- (a) Involving the civil society organisations (Social Partners and NGOs) in the national monitoring process. Seven members out of the 14 members of the monitoring committee that has been set up by the NFP, come from these sectors. The responsibilities of the MC include among others the reviewing and assessing of the overall progress of projects, the recommendation of corrective actions, wherever necessary and the approval of the Annual Report(s) to be submitted by the NFP. Within this framework, two monitoring Committee Meetings were held during 2009 in order to examine the progress of projects (March and November).
- (b) Ensuring the publication of an open call for the proposals under the NGO Fund and that external evaluators, commissioned by the NGO Fund Intermediary through an open procedure, would undertake the evaluation of these proposals.

Concerning measures taken for the identification of potential mismanagement and corruption, the following measures were taken by the NFP:

- (a) Preparation of a circular based on the Irregularities Guidelines, explaining the procedures to be followed regarding the obligation of the PPs and of the NGO Fund Intermediary, and the need to report on irregularities during the implementation of the FM. This circular was sent to all relevant Departments/Organizations on 5 November 2008 and a copy was placed on the special webpage of the NFP. During the reporting period four irregularities reports were submitted by the NFP to the FMO covering the last two quarters of 2008 and the first two quarters of 2009. No irregularities have been recorded during the reporting period.
- (b) Placement of the national Complaints Procedure for the projects funded under the FM on the special webpage of the NFP.

As regards the impact of each individual project and of the NGO Fund on the cross cutting issue of Good Governance, it is noted that as described above, a general characteristic is that they all respect the legislative and political requirements for transparent procedures especially in the area of public procurement. Another general characteristic is that they are expected to contribute to better public access to information. In addition for a number of projects, their impact will be greater as they improve the participation of civil society into the decision making process. Such projects are a) the Pafos Forest (CY0012) with the participation of the local communities and the civil society organisations in the dialogue with the Authorities responsible for the management of the Forest, and b) the Home for Cooperation (CY0011) with the involvement of NGOs as beneficiaries of the project. As regards the NGO Fund (CY0017) it is expected that the impact will be substantial on the NGOs themselves in that it will help them to improve their accountability and capacity for efficient project implementation.

## **B7. Assessment of the effects of projects on Bilateral Relations**

The results of the 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.

More tangible effects from the projects on the bilateral relations between the EEA EFTA states and Cyprus are expected from the subprojects under the NGO Fund. It is noted in this respect that the NGO Fund Intermediary included in the Selection criteria, a specific criterion through which additional points would be awarded to proposals that contribute to the strengthening of bilateral relations between Cyprus and the EEA/EFTA states. As a result under the NGO Fund, 10 out of the 33 approved projects are bilateral projects that will be implemented with partners from Norway and Iceland. The total budget for these projects is €444,588 or 29% of all approved projects. They cover both NGO Fund priority areas, namely Health and Childcare and Empowerment of young people in the Civil Society.

### **B8. Commitments and Disbursements**

In accordance with Article 5 of the Agreement between the EFTA States and the EC on the EEA Financial Mechanism 2004-2009, an amount of €1,260,000 shall be made available to Cyprus. During the reporting period all the available amount following deduction of FMO management costs etc has been committed. In total an amount of €1,184,957 has been committed for the two (2) individual projects and the NGO Fund.

By the cut off date the amount disbursed by the FMO under the EEA Financial Mechanism totals €345,465 (29%). This disbursement level is considered satisfactory since all forms of assistance were initiated and is expected to increase substantially within 2010 at which time activities of the CY0011 will be underway and activities of the CY0012 and sub-projects of the NGO Fund will be completed. An analysis of the financial status including disbursements made and contracted amounts can be seen in [Annex 6](#).

The PA has not reported any problems related to the disbursements. Three PIRs were in total submitted to the FMO for reimbursement for the Projects CY0011 and CY0012 and for the NGO Fund. All PIRs were approved and all amounts claimed, were reimbursed by the FMO. As already noted, once the expenditure claimed in the PIR has been verified by the Independent Auditors this is pre-financed by national funds. The amount received from the FMO in respect of each PIR is therefore deposited in the Government General Account.

### **B9. Work Plan 2010**

The most important stages until the end of 2010 with regard to the implementation of the FM are expected to be as follows:

#### **Individual Projects**

- Completion of tender /contracting procedures for the following project:
  - Revitalizing the buffer zone-An Educational Centre and Home for Cooperation: January 2010 for construction works.
- Initiation of and continuation of Project activities for project CY0011
- Continuation of activities for the Pafos Forest CY0012
- Various information activities according to the projects' publicity plans.

#### **NGO Fund**

- Completion of sub-projects implementation: By October 2010

- Publicity activities to be held by the NGO Fund Intermediary (e.g. Compendium of projects): By October 2010.

### **Monitoring Committee Meetings**

Two monitoring Committee Meetings will be held during 2010 in order to examine the progress of projects (March and September 2010). The latter meeting will also review and approve the Annual Report.

### **Bimonthly Meetings**

The NFP will continue to hold every two to three months (based on the progress of each project) meetings with 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.

### **Submission of PIRs**

The PPs will submit PIRs to the NFP and after their verification by the Independent Auditors, these will be forwarded to the PA. The PA will proceed with payment claims to the FMO for reimbursement. In addition, the NFP will continue to process monthly payment claims in respect of Projects CY0011 and CY0014 and pre-finance incurred eligible expenses pending PIR submission and reimbursement by the FMO.

### **Submission of Annual Report**

The Annual Report will be prepared by the NFP and submitted to the FMO one month prior to the Annual Meeting.

### **Annual Meeting**

The Annual Meeting will be held in Nicosia in the last quarter of 2010.

### **Audit Plan**

The Internal Audit Service will carry out various audits for 2010, as per the audit plan in [Annex 4](#).

### **On the Spot checks**

The PA, in the context of its audit program for the year 2010, will undertake on the spot checks on projects co-financed by the Financial Mechanisms. The sample will include projects from the NGO Fund and the selection of the projects will be based on risk assessment analysis. In the case that is deemed necessary on the spot checks may also be carried out on individual projects. The objective is to ascertain that actions carried out are lawful, correct, the work for which the claim is submitted has actually been carried out and paid for and that there is compliance with the provisions of the relevant Regulations and Guidelines.

### **B10. Review of Annexes B and C of the MOUs**

Articles 7 and 8 of the Memorandum of Understanding on the implementation of the EEA Financial Mechanism 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 despite the delays faced by one of the projects, during the reporting period there has been overall substantial progress in the implementation of the FM. One project has moved to the phase of actual implementation thus enhancing visibility of the assistance both among

beneficiaries as well as the wider public whereas for the project facing delays, efforts are sustained for overcoming the problems and achieving full implementation.

### 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 launch and completion of tender procedures regarding construction works
  - Need for securing additional funds in order to strengthen the project's sustainability.

As regards the second individual project CY0012 (Pafos Forest) and the NGO Fund, there are no outstanding issues.

### C2. Recommendations for the future reporting period

	<b>Recommendation</b>	<b>Action</b>	<b>Timing</b>
<b>Individual Projects</b>	Expedite all necessary arrangements for the earliest possible completion of the tendering procedures for the following Individual Project: - CY0011: Revitalizing the buffer zone-An Educational Centre and Home for Cooperation	Project Promoter	January 2010
	Close monitoring of the implementation of the following individual project with tight time plan so that any problems are resolved immediately and delays are kept to a minimum: - CY0011: Revitalising the buffer zone – An educational centre and Home for Cooperation.	Project Promoter	Continuous
	Continuation of efforts for successful completion of the following Individual Project: - CY0012: Preparation of an Integrated Management Plan for the Pafos Forest, in Cyprus	Project Promoter	Continuous
	Continuation and strengthening of efforts exerted by the PP of the following project for securing additional funds through donations etc in order to strengthen project sustainability: - CY0011 – Revitalising the buffer zone – An educational centre and Home for Cooperation.	Project Promoter	Continuous
<b>NGO Fund</b>	Close monitoring of sub projects' implementation	Intermediary	Continuous
<b>General</b>	Completion of sub projects' implementation	Intermediary	October 2010
	Close monitoring of individual projects and of the NGO Fund for early problem identification and immediate corrective actions.	NFP	Continuous

## **D. ANNEXES**

## ANNEX 1

LIST OF PROPOSALS SUBMITTED THROUGH THE NGO FUND OPEN CALL									
Proposal Number	Title	Acronym	Applicant	Partners	Priority	Bilateral	Bi-communal	Budget	Funding
1	Community 76	C76	76th Scouts Troop Strovolos	Strovolos Municipality	Both	No	No	79,590.00	70,000.00
2	Antidote Plus	Anti-Plus	Theatre Antidote Ltd	Larnaca District Development Agency	Both	No	Yes	79,500.00	70,000.00
3	Youth and Family Support Centre	Y&F-S.C.	Larnaca District Development Agency	No	Both	No	Yes	80,000.00	70,000.00
4	Childcare Services Centre	CSC	Volunteerism Community Council of Athienou	Athienou Municipality	Health and Childcare	No	No	78,562.00	70,000.00
5	Creative Activities for Handicapped Children	CAHC	Centre of Productive Activities and Framing Skills 'Faros'	Aradippou Municipality	Health and Childcare	No	No	214,106.00	70,000.00
6	Open School of Culture and Rhythm	OSCAR	Agios Athanasios Open School	No	Empowerment of Young People in Civil Society	No	Yes	70,980.00	63,560.00
7	AXIS Regional Academy	AXIS	AXIS Regional Academy Ltd	No	Empowerment of Young People in Civil Society	No	No	77,569.00	69,800.00
8	Emotional Intelligence School	EIS	Association for the Development of Life Skills	No	Empowerment of Young People in Civil Society	No	No	52,160.00	46,944.00
9	Evaluation of the development of hearing impaired children after cochlear implementation and Training parents and educators by specialized tutors on supporting the development and inclusion of deaf children in the general educational system and the society	DEAFEVAL	Pancyprian Parents Association of Children with Hearing Loss	No	Both	No	Yes	70,390.00	63,351.00
10	PROMITHEAS-Multi-purpose Youth Centre	PMPYC	Sports and Cultural Union Promitheas	United Democratic Youth Organization	Empowerment of Young People in Civil Society	No	Yes	112,800.00	70,000.00

11	School Project: Good for You, Good for Nature	School Pro	Friends of the Earth Cyprus	No	Both	No	No	67,760.00	60,760.00
12	Let's Become the Generation of Reunification	LBGR	United Democratic Youth Organization	No	Empowerment of Young People in Civil Society	No	Yes	141,050.00	70 000
13	To Stekki' Cultural Youth Centre	TSCYC	Cultural Club 'TO STEKI'	United Democratic Youth Organization	Empowerment of Young People in Civil Society	No	Yes	95,900.00	70,000.00
14	Multicultural Policy in Child Caring and Adoption	MPCCA	Cyprus Institute of Church and State Relations	1. Cyprus Centre of European and International Affairs 2. International Association for the Protection of Human Rights in Cyprus	Health and Childcare	No	Yes	76,906.00	69,000.00
15	Youth Leisure Centre	YOUTHCENTRE	Cyprus Consumers Union and Quality of Life	No	Empowerment of Young People in Civil Society	No	No	77,570.00	69,800.00
16	Cervical Cancer Prevention	TRAXHLOS	Mendel Center for Biomedical Charity	No	Health and Childcare	No	Yes	70,000.00	63,000.00
17	Supporting Breastfeeding, for healthy mothers and children , for a healthy society	Breastfeeding	Nicosia Breastfeeding Support Group	1. AKTI Project and Research Centre 2. KAYAD Community Centre (Turkish Cypriot Organization)	Health and Childcare	No	Yes	75,652.00	68,000.00
18	Youth People Act	YPACT	AKTI Project and Research Centre	1. Cyprus Environmental Stakeholder Forum 2. Regional Network for Sustainable Future	Empowerment of Young People in Civil Society	No	Yes	78,584.00	70,000.00

19	Young People Challenging Hooliganism: Participatory development of communication and good practices	ChaHoo	Poli.s Citizenship Association	1. University of Cyprus 2. Cyprus Educational Sciences Association (Turkish Cypriot Organization) 3. The Management Centre of the Mediterranean (TC) 4. Open University of Cyprus 5. Omonia Football Club Fans 6. Pan-Hellenic Anorthosis Football Club Fans 'Fighters' 7. Apoel Fans Association	Empowerment of Young People in Civil Society	No	Yes	79,100.00	67,100.00
20	Empowering the Attention Deficit Hyperactivity Disorder (ADHD) Community	ADHD	ADHD Cyprus	1. ADHD Norway 2.The ADHD Association in Iceland	Both	Yes	Yes	87,550.00	70,000.00
21	Development of Counseling Centre for Youth at Limassol	COUNCEL CENTRE YOUTH	Solomon Panayides Foundation	Bishopric of Limassol District	Empowerment of Young People in Civil Society	No	No	77,777.00	70,000.00
22	Upgrading of the services provided and methods used at 'KIVOTOS' foundation for children with special needs	UPGRADE KIVOTOS	KIVOTOS	Paphos Municipality	Health and Childcare	No	No	77,777.00	70,000.00
23	Children's Physical and Mental Growth at SKE Geroskipou	CHILDHEAL TH GEROSKIPO U	SKE GEROSKIPOU	GEROSKIPOU MUNICIPALITY	Health and Childcare	No	No	77,777.00	70,000.00
24	Establishment of Peripheral Multi-Purpose Youth Centre at Pyrgos	PERICENTR E PYRGOS	SKE PYRGOU	Community Council of Pyrgos	Empowerment of Young People in Civil Society	No	No	77,777.00	70,000.00
25	Multi-purpose Centre for Children and youth in Linopetra	MULTIPUR P CENTRE LINOPETRA	COMMUNITY WELFARE COUNCIL OF AGIOS ATHANASIOS MUNICIPALITY	Municipality of Agios Athanasios	Both	No	Yes	77,777.00	70,000.00

26	Establishment of Multi-purpose Centre for youth at Pano Polemidia	MULTIPUR P CENTRE PANO POLEMIDIA	SKE PANO POLEMIDION	Culture and Art Association of Guzelyurt, Community Council Pano Polemidion	Both	No	Yes	77,777.00	70,000.00
27	Peace Players International - Cyprus	PPI-CY	Peace Players International - Cyprus		Both	No	Yes	78,230.00	70,000.00
28	Construction of a gym hall and expansion of the dining room		Centre of People with Special Needs 'Agios Lazaros'	No	Both	No	No	215,000.00	70,000.00
29	Unit for Early Hearing Diagnosis	UEHD	Centre for Preventive Pediatrics	Hearing Health Professionals (non formal group)	Health and Childcare	No	Yes	78,060.00	70,000.00
30	Research on the relations of the Greek and Turkish Cypriot community 1920-1974	RRGTCC	Athletic and Cultural Association Kavazoglu and Misiaoulis	United Democratic Youth Organization	Empowerment of Young People in Civil Society	No	Yes	80,250.00	70,000.00
31	Program of the Athletic events of the Cyprus Runners Club (Pericles Demetriou) for the year of 2009		Cyprus Runners Club 'Pericles Demetriou' 1987-2009	No	Both	No	Yes		
32	WHY ENTREPRENEUR	WHY E	Nicosia Chamber of Commerce and Industry	No	Empowerment of Young People in Civil Society	No	Yes	55,600.00	50,000.00
33	Moving the Nations in Disease Prevention and Health Promotion	MOVINGN ATIONS	SKE DALIOU	Idalion Municipality	Health and Childcare	No	No	100,700.00	70,000.00
34	Creation of a Snoezelen Room	SNOEZELEN	Theotokos Foundation	No	Health and Childcare		No	60,790.00	54,711.00
35	Physiotherapy room for children with special needs	PHYSIORO OM	Association for the support of children with special needs Larnaca district Iliaktida Zois	No	Health and Childcare	No	No	61,358.00	55,222.00
36	Medical Information Technology Synergies in Cyprus	MED-IT- SYCY	Cyprus Society of Medical Informatics	1. P.G. Solvenet Services Ltd 2. Metascan Image Analysis Centre Ltd 3. Department of Radiology; Akershus University Hospital (Norwegian Organization)	Health and Childcare	Yes	No	79,374.00	70,000.00

37	Cultivating Sexual Education in Cyprus Teens	CU.S.E.C.T	Agros Youth Group	1. Kyperounta Youth Group 2. Agios Ioannis Youth Group 3. Dimes Youth Group 4. Council Community Welfare of Agros	Both	No	No	37,200.00	33,480.00
38	Children's Free (Open) Telephone Help Line	CFOTHL	Children's Observatory	No	Both	No	No	85,880.00	70,000.00
39	Steps to prevention of substance abuse	SPSA	Euro Mediterranean Partnership Against Substance Abuse	No	Health and Childcare	No	No	70,000.00	63,000.00
40	Construction of Childcare Facilities in Pareklisia	CCFP	Pareklisia Volunteerism Council	The applicant has stated that 5 partners are participating in the project including itself. Nonetheless no detail description is given about the partners in the relevant section.	Health and Childcare	No	Yes	470,805.00	70,000.00
41	Society for Youth Actions	SO.F.Y.A	Ayios Ioannis o Eleimon' Multi Functional Centre for the Provision of Social Services	1. Council of Community Volunteerism of Yermasoyia 2. Council of Community Volunteerism of Mouttayaika	Empowerment of Young People in Civil Society	No	No	70,000.00	63,000.00
42	You Overcome Uncertainly Through Help	Y.O.U.T.H	Multimode Youth Center of Ipsonas-M.Y.C.I.	No	Empowerment of Young People in Civil Society		No	75,131.00	63,000.00
43	Friendly Society for Youth	FRISY	Center for Social Services	Municipality of Limassol	Empowerment of Young People in Civil Society	No	No	70,000.00	70000 (though this amount is written under grant requested 63000 is mentioned)

									in the grant rate requested)
44	Centre of Social and Physical Recovery	DAIDALOS	Volunteerism Community Council of Pelendri	1. Community Council of Trimiklini	Health and Childcare	No	No	70,000.00	70000 (though this amount is written under grant requested 63000 is mentioned in the grant rate requested)
45	Civil Society Growth, Strengthening and Empowerment Project	CSGSE	NGO Support Centre	1. The Management Centre of the Mediterranean (TC NGO)	Both	No	Yes	83,125.00	70,000.00
46	Mediation and Negotiation Skills as forces of development the health and youth sectors in Cyprus	Mediation-Youth and Health	Cyprus Mediation Association	1. North Cyprus Mediation Association (TC Organization) 2. Konfliktradet (Norwegian public Institution)	Both	Yes	Yes	72,398.00	65,000.00
47	Pachna Childcare Facility	PCVC	Pachna Community Volunteerism Council	No	Both	No	No	144,000.00	70,000.00

48	A hand to Express with Art	EMPOWER	The Cyprus Chamber of Fine Arts	1. Limassol Deaf Club 2. Association for the Prevention and Handling of Violence in the Family 3. Municipality of Lefkara 4. Aggression Replacement Training Program (Norwegian NGO) 5. European Mediterranean Art Association (EMAA) (TC NGO)	Both	Yes	Yes	77,806.00	70,000.00
49	Community Network for Empowerment and Active Youth	Co.Ne.A.ct-Youth	Paphos Association Against Drugs	1. Paphos Municipality	Both	No	No	77,800.00	70,000.00
50	PEGASUS	PEGASUS	Council of Community Volunteerism of Avgorou	1. Hoyenhall School	Both	Yes	No	69,999.00	62,999.00
51	Culture Life at Kyperounta	C.LI.K	Thoi Kyperountas	No	Empowerment of Young People in Civil Society	No	No	77,800.00	70,000.00
52	Sports for All	Sports for All	Pancyprian Athletic Centre Lakedemon	No	Both	No	No	77,900.00	70,000.00
53	Creation of a Philharmonic Band	Play the Band	Sports and Cultural Club Halkanoras Idalion	No	Empowerment of Young People in Civil Society	No	No	77,800.00	70,000.00
54	Children's Integration Against Local Discrimination	CH.I.L.D	Communal Volunteerism Committee of Kato Pafos	Paphos Municipality	Health and Childcare	No	No	77,810.00	70,000.00
55	Coming together in Art Without Borders	Come Together	Association of Friends of Fine Arts	1. BREEZE (TC NGO)	Both	No	Yes	88,360.00	70,000.00
56	A Roof for Tradition and Culture	ART-C	Greek Lyceum of Famagusta	No	Both	No	No	77,800.00	70,000.00
57	Theatre in the Promotion of Gender Equality Awareness for Youth People	Youth Alert	Mediterranean Institute of Gender Studies	1. Rooftop Theatre Group 2. Cyprus Family Planning Association	Both	No	No	42,155.00	37,295.00

58	Paphos Youth Volunteers for Environmental Conservation	PYVEC	Terra Cypria: The Cyprus Conservation Foundation	No	Empowerment of Young People in Civil Society	No	No	67,585.00	60,826.00
59	The SANNA Project: Empowering Children and Youth through Language Revival	SANNA	Association 'Hki Fi Sanna'	1. PRIO(Norwegian Mother Institution) 2. Vardobaiki Sami Centre (Norwegian NGO) 3. Kormakitis Club	Both	Yes	No	85,108.00	69,850.00
60	Promote Peace Promote Healthy Lifestyle in Adolescents	3PHELISA	Peace Center Cyprus	1. KAYAD Community Centre (TC NGO) 2.	Both	No	Yes	83,532.00	69,432.00
61	Setting up three rural centres for Computer Use and Training Programmes	IAPACOM	Cyprus Institute for Rural and Regional Development	1. Itanos Consulting Organization Ltd	Empowerment of Young People in Civil Society	No	No	76,818.00	69,137.00
62	Software application development for the creation of an equal opportunity environment for the vulnerable social groups	PSEE	Pancyprian Volunteerism Coordinative Council (PVCC)	1. Itanos Consulting Organization Ltd	Health and Childcare	No	No	73,420.00	65,943.00
63	Youth in documentary film production 'Organic farming in Cyprus-The way ahead for sustainable future and healthy living'	YOUTHINBIO	Pancyprian Association of BioFarmers	1. The C. & G. School of Careers Ltd 2. Frederick University 3. Organic Farming and Life Association(TC NGO)	Empowerment of Young People in Civil Society	No	Yes	74,722.00	67,250.00
64	Psychological Treatment for Children with Down Syndrome and their Families	Psychological Support	Pancyprian Down Syndrome Association	No	Health and Childcare	No	No	74,600.00	67,140.00
65	Children of Cyprus and Human Rights	CCHR	HFC: Hope for Children. Office for Children's Rights	The NGO Support Centre	Both	No	Yes	72,253.00	58,753.00

66	SENSORY INTEGRATION CENTER	SIC	Cyprus Autistic Association	No	Both	No	No	89,592.00	89592 (though this amount is written under grant requested 70000 is mentioned in the grant rate requested)
67	Musical Bridges-Empowering Cypriot Youth Through Music	Musical Bridges	Cultural Movement Epilogi of Limassol	1. Jeunesses Musicales Cyprus 2. Jeunesses Musicales Norway	Empowerment of Young People in Civil Society	Yes	Yes	112,335.00	70,000.00
68	Empowering Visually Impaired Youth of Cyprus Towards Full Inclusion	StandUp	Pancyprian Organization of the Blind	NO	Empowerment of Young People in Civil Society	No	No	70,000.00	62,553.00
69	Schools children's eating habits: Cultural, virtual-world and social influences	Eating Disorders	Cyprus Consumers Union and Quality of Life	1. Cyprus Neuroscience and Technology Institute 2. The Norwegian Media Authority 3. Financial Mirror LTD	Both	Yes	No	74,732.00	70,000.00
70	Media Literacy Lab: Training Youth to 'read' the news between the lines	MediaLiteracy	Cyprus Neuroscience and Technology Institute	1. Olive Branch Foundation (NGO managed by TCs) 2. The Norwegian Media Authority	Both	Yes	Yes	79,746.00	70,000.00
71	Video game and other types of virtual-worlds addiction	vAddiction	Olive Branch Foundation (NGO registered in the Republic of Cyprus managed by TCs)	1. The Norwegian Media Authority 2. Cyprus Neuroscience and Technology Institute 3. Financial Mirror Ltd	Both	Yes	Yes	78,303.00	70,000.00

72	Recycle for a better life	RfL	Cyprus Anthropic Society for Kids-Cans for Kids	No	Both	No	No	76,500.00	52,800.00
73	Proposal for the development of an eHealth System for congenital heart defects aiming in particular adolescents and adults	ACHDAC2009	Adult Congenital Heart Defect Association Cyprus (ACHDAC)	No	Health and Childcare	No	No	70,000.00	63,000.00
74	Adults for Children		The Cyprus Child Development Foundation	No	Health and Childcare	No	No	81,527.00	70,000.00
75	Developing a culture of entrepreneurship and innovation among young people	Innovation Culture	Centre for the Advancement of Research and Development in Educational Technology Ltd	1. Stiftelsen TISIP, 2. The research foundation TISIP	Empowerment of Young People in Civil Society	Yes	No	77,741.00	69,967.00
76	Inclusive Education for the Future	IEF	Centre for the Advancement of Research and Development in Educational Technology Ltd	1. Stiftelsen TISIP, 2. The research foundation TISIP	Health and Childcare	yes	no	77,526.00	69,773.00
77	The Talk to your Children Campaign	TTYCC	Rotary Club of Nicosia - Aspelia	The Drug Law Enforcement Unit	Health and Childcare	NO	Yes	51,186.00	41,186.00
78	The Citizens Advisory Centre Project	CACP	Association for the Support of Foreign Workers St Joseph the Migrant	No	Both	no	no	36,770.00	53,770.00
79	Development and Improvement of the Services of the Red Cross Home for Children with Disabilities	DIS HOME	Cyprus Red Cross Society	1. SOR Foundation	Both	Yes	No	70,000.00	63,000.00
80	Pregnancy in Congenital Heart Disease	PRCHD	Association of Parents and Friends of Children with Heart Disease	1. Thallo Foundation for Specialized Pediatrics	Both	No	No	51,000.00	45,900.00
81	Coming across to dyslexia of the youth	DYS YOUTH	Cyprus Dyslexia Association	No	Both	No	No	58,000.00	52,200.00
82	Exercise and Health	EH	Thallo Foundation for Specialized Pediatrics	No	Both	No	No	74,314.00	67,559.00
83	Education Through Entertainment	ETE	LIONS CARE FOR YOUTH FOUNDATION	No	Empowerment of Young People in Civil Society	No	No	65,340.00	58,806.00

84	Creation of Health Care Services at the Areas of Solea and Marathasa	CHCSASM	Polidinamo Kentro 'SOLEA'	Care for the New Generation Foundation	Health and Childcare	No	No	77,000.00	69,300.00
85	Educators and Parents against domestic violence	EPADC	Association of the Prevention and Handling of Violence in the Family	1. Cyprus Family Planning Association 2. Pancyprian Federation of Parents Association of Primary Education	Both	No	No	57,000.00	51,300.00
86	Reconstruction of the Children's Playground within the Patichio Municipal Park in Larnaca	RPMP	Rotary Club of Larnaca	No	Both	No	No	54,000.00	48,600.00
87	Ouranio Toxo	OT	Nicosia Municipality Multifunctional Foundation (NMMF)	No	Health and Childcare	No	No	87,576.00	70,000.00
88	Empowerment Through Political Participation	EPP	Foundation of Social and Political Studies	KADEM(TC Commercial Company)	Empowerment of Young People in Civil Society	No	Yes	64,712.00	57,594.00
89	Creative Youth for Culture and Arts	CYCA	Kontea Heritage Foundation	1. Kontea (Turkmenkoy) Culture and Sports Club (TC NGO) 2. Kontea Refugee Association	Empowerment of Young People in Civil Society	No	Yes	37,118.00	27,718.00
90	European Union Members of the Parliament Model	EUMPMo del	Cyprus Political Scientists Association	1. Cyprus International Institute of Management	Empowerment of Young People in Civil Society	No	Yes	54,750.00	49,250.00
91	Measuring Domestic Violence	MGBV	Olive Branch Foundation (NGO registered in the Republic of Cyprus managed by TCs)	1. Centre for Migration, Identity and Rights Studies (CMIRS) (TC NGO) 2. Rights and Freedom Association (TC NGO)	Both	Yes	Yes	51,217.00	46,095.00
92	Community Archiving Project	CAP	INDEX-Research and Dialogue	No	Empowerment of Young People in Civil Society	No	Yes	55,860.00	50,067.00

93	Cypriot Youth Media Project	CYMP	INDEX-Research and Dialogue	No	Empowerment of Young People in Civil Society	No	Yes	56,080.00	43,080.00
94	Extension of Capacity of Lion's Child Care Centre	Athena	Lion Infant and Child Care Centre of Strovolos Industrial Estate	No	Health and Childcare	No	No	285,050.00	70,000.00
95	Palechori Youth Cultural Centre	PYCC	IRAKLIS PALEHORIOU	No	Empowerment of Young People in Civil Society	No	No	120,100.00	70,000.00
96	Youth Together with Nature	YOUTH TO.W.N	Organic Growers Association of Cyprus	1. Cyprus Organic Advisory Group 2. Cyprus Biological Society	Both	No	Yes	75,250.00	67,700.00
97	Strengthening Volunteer Municipal and Communal Prevention Networks Against Substance Addiction in Cyprus	DOPE/KOP E-NET	Center for Education about Drugs and Treatment of Drug Addicted Persons (KENTHEA)	No	Health and Childcare	No	No	78,063.00	70,000.00
98	Building Capacity to Deliver Results	EMPOWER (the same acronym has been used by No. 48)	Open Therapeutic Community of Addicted Persons 'Tolmi'	No	Health and Childcare	No	No	77,925.00	70,000.00
99	Door to door outreach campaign for substance abuse prevention	REACH-OUT	Larnaka Antidrug Association	1. Actis Norwegian Policy Network on Alcohol and Drugs	Health and Childcare	Yes	No	80,311.00	70,000.00
100	Extension and Reshaping of the Arodafnousa Hospice	ERAH	The Cyprus Anti-Cancer Society	No	Health and Childcare	No	No	77,000.00	69,300.00
101	Rheumatism: Life Long Intervention and Therapy	RLIT	Cyprus League Against Rheumatism	1. Cyprus Society of Rheumatology 2. Enoros Consulting Ltd (a typographic mistake has been made as the name of the first partner is repeated)	Health and Childcare	No	No	44,000.00	39,600.00

102	Our Children Matter Initiative	OCMI	The Cyprus Association of Cancer Patients and Friends	1. Cyprus Pediatric Society 2. Cyprus Dieticians and Nutrition Association 3. KIVOTOS ELPIDA 4. Cyprus Long Distance Runner's Club 5. Organization for the Promotion of European Issues	Both	No	Yes	124,008.00	70,000.00
103	Autism In-sight: Raising Public Awareness about Autism n Cyprus	AUTISM	Developmental and Social Pediatrics Research Center	No	Health and Childcare	No	No	80,484.00	70,000.00
104	Theatre Beyond the Body	TBTB	Rooftop Theatre Group	ARTos Cultural and Research Foundation	Both	No	Yes	77,000.00	69,300.00
105	Imagining the Future: Creating a Utopia by Children living in Cyprus	I.t.F	ARTos Cultural and Research Foundation	Rooftop Theatre Group	Empowerment of Young People in Civil Society	No	Yes	77,890.00	70,000.00
106	Educating Medical Personnel in the need, the value, the and details of the implementation of Haemovigilance	EMPH	Cyprus Thalassaemia Society	1. Ministry of Health	Health and Childcare	No	No	50,000.00	45,000.00
107	Differentiation through Co-teaching: A step towards inclusive classrooms	D.T.C.	Association Child Support	No	Health and Childcare	No	No	69,876.00	62,888.00
108	Let's Talk about Children's Sexual Health and Rights	LTACSHR	Cyprus Family Planning Association	1. Pancyprian Coordinating Committee for the Protection and Welfare of Children (PCCPWC) 2. Commissioner for Children's Rights	Both	No	No	76,660.00	68,860.00
109	Youth Competition on Multiculturalism and European Identity	YCMEI	Centre for Scientific Dialogue and Research	1. Cyprus Center of European and International Affairs	Empowerment of Young People in Civil Society	No	No	69,400.00	62,400.00

110	Thalassaemia Specific Electronic Communications	TSEC	Thalassaemia International Federation	1. northern Cyprus Thalassaemia Association (TC NGO) 2. It is mentioned that there is also a partner from Norway but no information is provided in the relevant section	Health and Childcare	Yes	Yes	80,220.00	65,000.00
111	Citizenship, Humanity, Inclusion, Law, Dignity, Respect, Equality, Non-discrimination-Intercultural Dialogue, Non violence-Awareness, Community, Tolerance, Inspiration, Opportunity, Non Governmental Organizations	Children in Action	A.M Human Action Ltd	1. University of Cyprus	Empowerment of Young People in Civil Society	No	No	46,770.00	41,770.00
112	PROMotion and support of Youth Entrepreneurship within the bi-communal Cypriot higher education milieu, through the transfer of successful practices from networks of junior enterprises such as JADE Europe, in European universities and the establishment of local NGO capacity to foster junior enterprises inside and outside the island's university communities.	PROYENT	University of Nicosia Research Foundation	1. North Cyprus Mediation Association (TC Organization)	Empowerment of Young People in Civil Society	No	Yes	94,094.00	70,000.00
113	Multicultural Storytelling Theatre	MUST	KISA-Action for Equality, Support, Antiracism	1. Scatterbrain Theatre (Norwegian Commercial Company) 2. Satiriko Theatre 3. Center for the Study of Childhood and Adolescence	Both	Yes	No	76,922.00	69,229.00
114	Health Education for Young People: Lessons from the Past	HEYP	Kyriazis Medical Museum	No	Both	No	Yes	200,000.00	70,000.00

**LIST OF PARTICIPANTS AT THE NGO FUND  
Selection Committee Meeting  
Nicosia, 30.6.2009**

No.	NAME	POST / ORGANISATION	SECTOR
1	Giannis Ioannou	Professor - University of Cyprus	University Sector
2	Maria Socratous	Member - Cyprus Youth Council	NGO Sector
3	Katerina Lambrinou	Lecturer – Cyprus University of Technology	Health and Childcare Sector
4	Eleni Chrysostomou-Benaki	Officer - Youth Board	Youth in the Civil Society Sector
5	Tasos Georgiou	Head of the European Parliament Office in Cyprus	International Organisation Sector
6	Patrizia Brandellero	Country Portfolio Officer – EEA and Norway Grants	FMO
7	Marianne Berg Haaland	Senior Adviser, Norwegian Ministry of Foreign Affairs	Donors
8	Ninos Savvides	Director, Planning Bureau	NFP
9	Voula Stylianou	Senior Coordination Officer, Planning Bureau	NFP
10	Leda Skordelli	Coordination Officer A', Planning Bureau	NFP
11	Pantelis Dimitriou	Director, First Elements – Euroconsultants	NGO Fund Intermediary
12	Marilena Ioannidou	Officer, First Elements – Euroconsultants	NGO Fund Intermediary
13	Eleni Sophocleous	Officer, First Elements – Euroconsultants	NGO Fund Intermediary
14	Elena Hadjiantoni	Officer, First Elements – Euroconsultants	NGO Fund Intermediary

## ANNEX 3

## LIST OF SELECTED PROPOSALS UNDER THE NGO FUND

Nr.	Title	Applicant Organisation	Partners	Empowerment of Young People in the Civil Society	Health and Childcare	Bi-communality	Bi-lateral relations	Project Budget €	NGO Fund Grant €	Funding Rate %
2	Antidote Plus	Theatre Antidote LTD	LARNACA DISTRICT DEVELOPMENT AGENCY	Yes	Yes	Yes	No	59,781	52,667	88.10
3	Youth & Family Support Centre	LARNACA DISTRICT DEVELOPMENT AGENCY	-	Yes	Yes	Yes	No	59,047	51,666	87.50
9	Evaluation of the development of hearing-impaired children after cochlear implantation and training parents and educators by specialised tutors on supporting the development and inclusion of deaf children in the general educational system and the society	Pancyprian Association of Parents of Children with Hearing Loss	-	No	Yes	No	No	52,296	47,066	90.00
10	PROMITHEAS - Multi-purpose Youth Centre	Sports and cultural union Promitheas	UNITED DEMOCRATIC YOUTH ORGANISATION	Yes	No	Yes	No	83,780	52,027	62.10
12	Let's Become the Generation of Reunification	United Democratic Youth Organisation	-	Yes	No	Yes	No	119,000	59,024	49.60
14	Multicultural Policy in Child Caring and Adoption	Cyprus Institute of Church and State Relations	Cyprus Centre of European, International Affairs	No	Yes	Yes	No	49,786	44,658	89.70
16	Cervical Cancer Prevention	Mendel Center for Biomedical Sciences	-	No	Yes	Yes	No	54,443	48,998	90.00

20	Empowering the Attention Deficit Hyperactivity Disorder Community	ADHD Cyprus	ADHD samtökin	Yes	Yes	Yes	Yes	59,520	48,807	82.00
22	Upgrading of the services provided and methods used at "Kivotos" foundation for children with special needs	"KIVOTOS"	PAPHOS MUNICIPALITY	No	Yes	No	No	64,526	55,014	85.26
29	Unit for Early Hearing Diagnosis	Center for Preventive Paediatrics	Hearing Health Professionals	No	Yes	Yes	Yes	67,460	60,512	89.70
30	"Research on the relation of the Greek and Turkish Cypriot community between 1920-1974"	Athletic and cultural association Kavazoglu and Misiaoulis	UNITED DEMOCRATIC YOUTH ORGANISATION	Yes	No	Yes	No	61,000	53,253	87.30
34	Creation of a Snoezelen Room	Theotokos Foundation	-	No	Yes	No	No	53,549	48,194	90.00
45	Civil Society Growth, Strengthening and Empowerment Project	NGO Support Centre	The Management Centre of the Mediterranean	Yes	Yes	Yes	No	56,723	47,761	84.20
46	Mediation and Negotiation Skills as Forces of Development the Health and Youth Sectors in cyprus	Cyprus Mediation Services	Uzlasim Dernegi, National Mediation Service	Yes	Yes	Yes	Yes	48,363	43,430	89.80
47	Pachna Childcare facility	Pachna Community Volunteerism Council	-	No	Yes	No	No	59,602	53,642	90.00
50	PEGASUS	COUNCIL OF COMMUNITY OF VOLUNTEERISM OF AVGOROU	Hoyenhall School	Yes	Yes	No	Yes	27,225	18,974	69.69
56	A Roof for Tradition and Culture	Greek Lyceum of Famagusta	-	Yes	Yes	No	No	65,400	58,860	90.00
57	THEATRE IN THE PROMOTION OF GENDER EQUALITY AWARENESS FOR YOUNG PEOPLE	MEDITERANNEAN INSTITUTE OF GENDER STUDIES	Rooftop Theatre Group, Cyprus Family Planning Association	Yes	Yes	No	No	23,425	20,731	88.50

59	The SANNA Project: Empowering Children and Youth through Language Revival	Association "Hki Fi Sanna"	Peace Research Institute, Cyprus Centre, Várdobáiki Sami Centre	Yes	Yes	No	Yes	60,829	49,940	82.10
62	Software application development for the creation of an equal opportunity environment for the vulnerable social groups	Pan Cyprian Volunteerism Coordinative Council	Itanos Consulting Organization	No	Yes	No	No	60,186	51,158	85.00
65	Children of Cyprus and Human Rights	HFC: "Hope for Children" Office for Children's Rights	Commissioner for Children's Rights	Yes	Yes	Yes	No	40,611	33,017	81.30
79	Development and Improvement of the Services of the Red Cross Home for Children with Disabilities	Cyprus Red Cross Society	SOR Foundation	No	Yes	No	Yes	59,613	53,652	90.00
80	Pregnancy in Congenital Heart Disease	Association of Parents and Friends of Children with Heart Disease	Thallo Foundation for Specialized Pediatrics	Yes	Yes	No	No	46,560	39,576	85.00
85	EDUCATORS AND PARENTS AGAINST DOMESTIC VIOLENCE	ASSOCIATION FOR THE PREVENTION AND HANDLING OF VIOLENCE IN THE FAMILY	Cyprus Family Planning Association, Pancyprian Federation of Parents Association of Primary Education	Yes	Yes	No	No	46,000	41,400	90.00
87	Ouranio Toxo	Nicosia Municipality Multifunctional Foundation (NMMF)	-	No	Yes	No	No	67,464	49,560	73.46
88	Empowerment Through Political Participation	Foundation of Social and Political Sciences	-	Yes	No	Yes	No	47,810	42,551	89.00
94	Extension of capacity of Lion's Child Care Centre	Lions Infant and Childcare Centre of Strovolos Industrial Estate	-	No	Yes	No	No	262,000	49,780	19.00
95	Palehori Youth Cultural Centre	Iraklis Palehoriou	-	Yes	No	No	No	102,500	51,250	50.00

98	Building Capacity to Deliver Results	Open Therapeutic Community of Addicted Persons "Tolmi"	-	No	Yes	No	No	50,931	45,838	90.00
102	Our Children Matter Initiative	The Cyprus Association of Cancer Patients and Friends	CYPRUS PEDIATRIC SOCIETY, Cyprus Dieticians & Nutrition Association, KIVOTOS ELPIDA	Yes	Yes	No	No	85,433	40,153	47.00
106	Educating Medical Personnel in Haemovigilance	Cyprus Thalassaemia Society	Ministry of Health	No	Yes	No	Yes	34,340	30,906	90.00
110	Thalassaemia Specific Electronic Communications	Thalassaemia International Federation	THALASSAEMIA DERNEGI	No	Yes	Yes	No	65,290	52,885	81.00
112	PROYENT	University of Nicosia Research Foundation	Mediation Association	Yes	No	Yes	Yes	31,668	23,561	74.40

## Audit Plan

The selection of the audit activities/projects is based on the results of the risk assessment of possible audits taking into consideration the need that the projects, under each Financial Mechanism, must be audited to an adequate extent. The weighted risk criteria used for the selection of projects to be audited involve the following:

- Complexity relating to the implementation of the project and its complexity (type of expenditure/project/contracts)
- Project budget amount/amount of Grant approved
- Riskiness associated with the PP (nature of the PP/prior experience in the implementation of EU co financed projects)
- Relativity of project with the PP normal line if business

Based on the results of the Risk Assessment Model conducted, the following two projects that have ranked as first and second respectively, will be audited by 2011:

- (1) CY0011-Revitalizing the buffer zone- An Educational Centre and Home for Cooperation – PP: Association of Historical Dialogue and Research
- (2) CY0014-Restoration of Salamiou Village old school building, for use as a regional centre for environmental education- PP: Salamiou Village Council

Due to its specificities, the NGO Fund was not included in the above mentioned Risk Assessment procedure. It was decided that the NGO Fund will be audited. The audit may be carried out from three distinct perspectives as follows:

- The selection/procurement procedure for the NGO Fund Intermediary (at the level of the NFP)
- A system audit at the level of the NGO Fund Intermediary, if deemed necessary
- Project audits at the level of individual projects selected

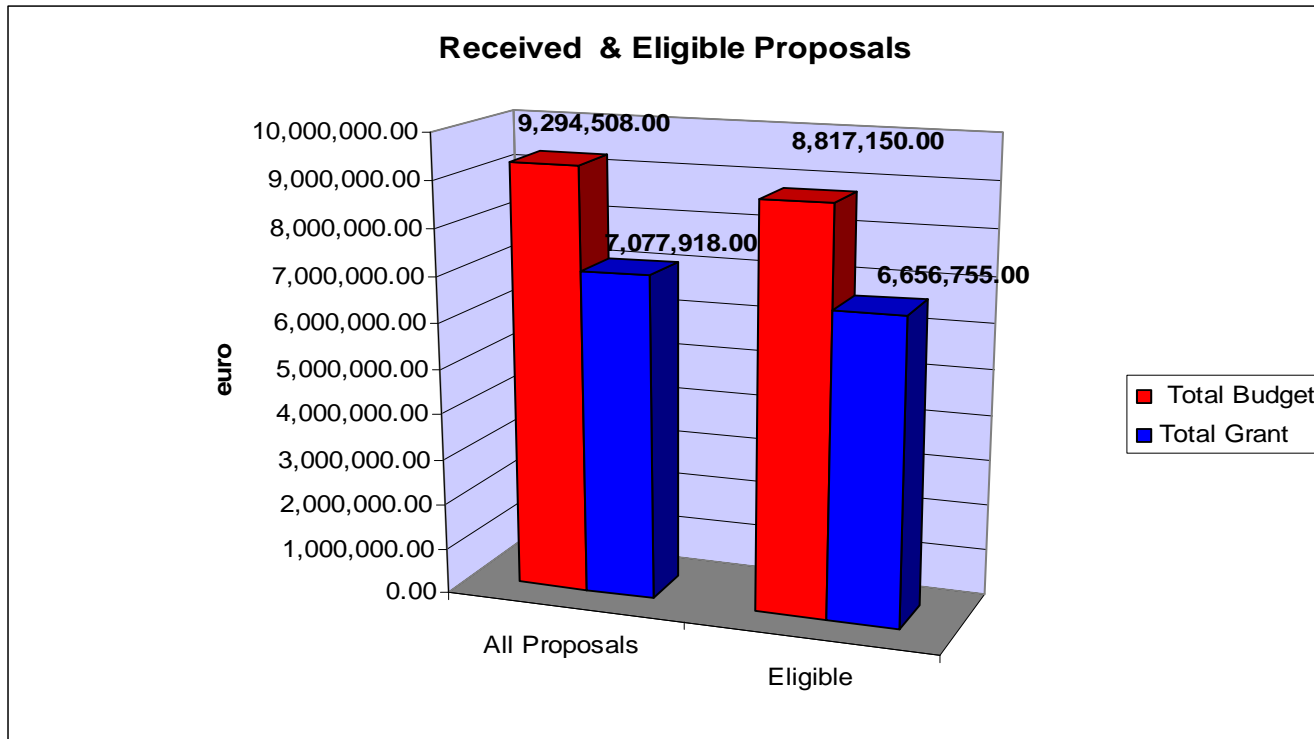
### 2010 Audit Plan

The Internal Audit Service has planned for 2010 to carry out project audits on projects selected under the NGO Fund that will be completed. These Projects will be selected for audit using the random sampling method and the project audits coverage will range approximately between 10%-15% of the Fund.

As regards the audit of the individual projects, an audit will be carried out for the Project CY0014, “Restoration of Salamiou Village old school building”, upon its completion. In as far as the audit for the second individual project CY0011, Revitalizing the buffer zone- An Educational Centre and Home for Cooperation, is concerned, this will concentrate on the contracting/public procurement procedures followed. This audit was planned for 2009 but due to the delay in the launching of the tendering process, it will be carried out in 2010 as well.

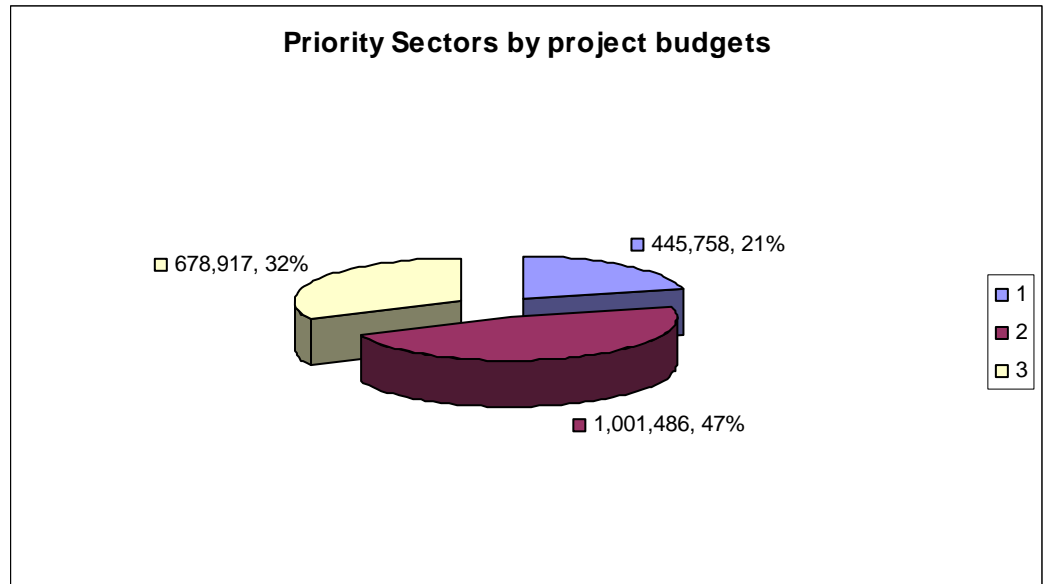
## GRAPHS OF APPLICATIONS RECEIVED FOR THE NGO FUND AND EVALUATION RESULTS

## PROPOSALS RECEIVED

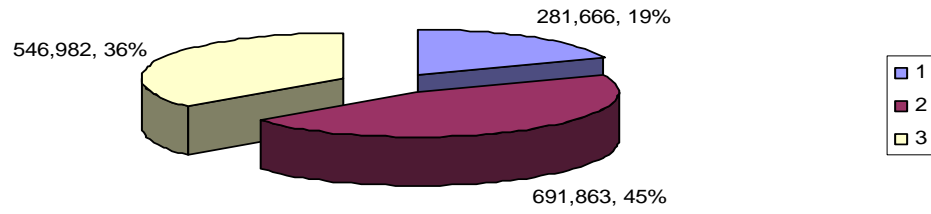


**PRIORITY SECTORS**

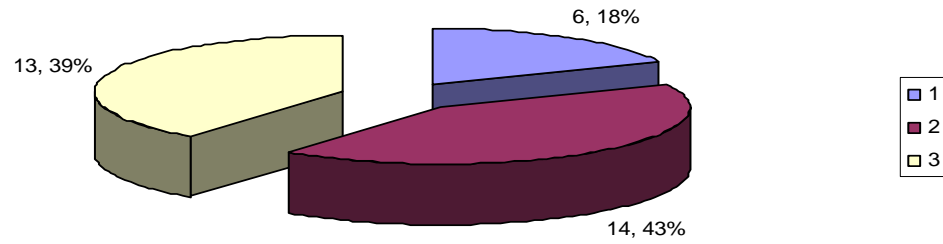
Priority Sectors				
	Empowerment of Young People in the Civil Society	Health and Childcare	Both	Totals
By project budgets	445,758	1,001,486	678,917	2,126,161
Percentage%	21	47	32	
By NGO Fund grant	281,666	691,863	546,982	1,520,511
Percentage %	19	46	36	
By number of projects	6	14	13	33
Percentage %	18	42	39	



Priority Sectors by NGO Fund Grant

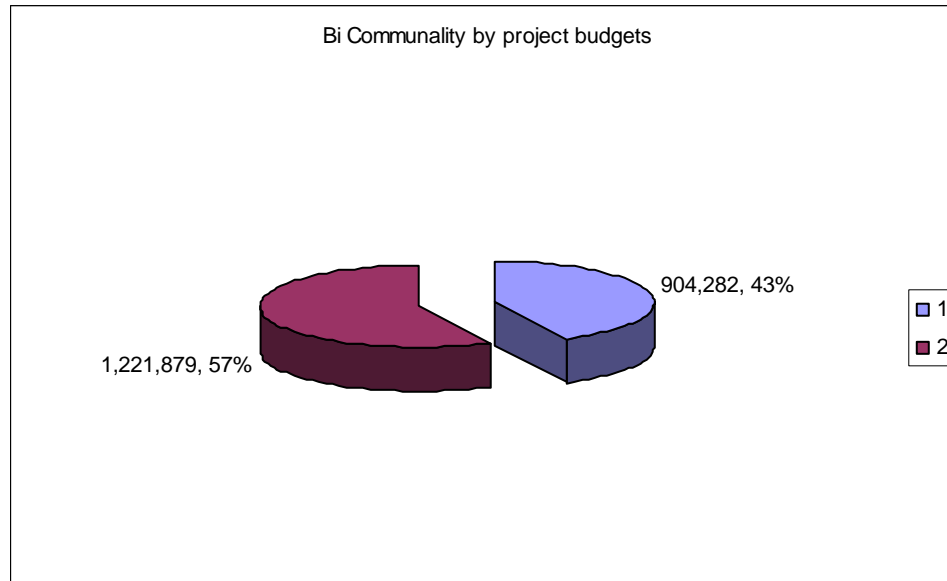


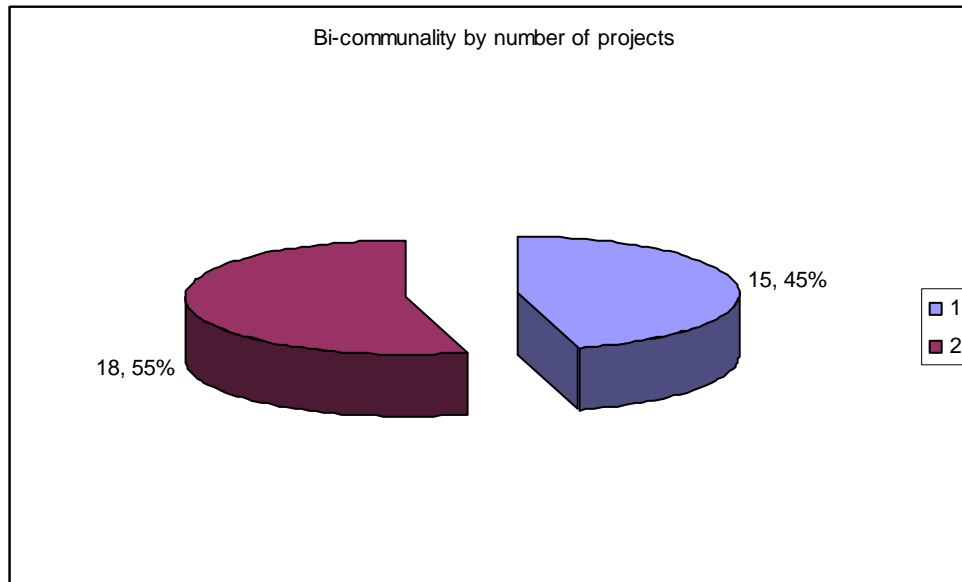
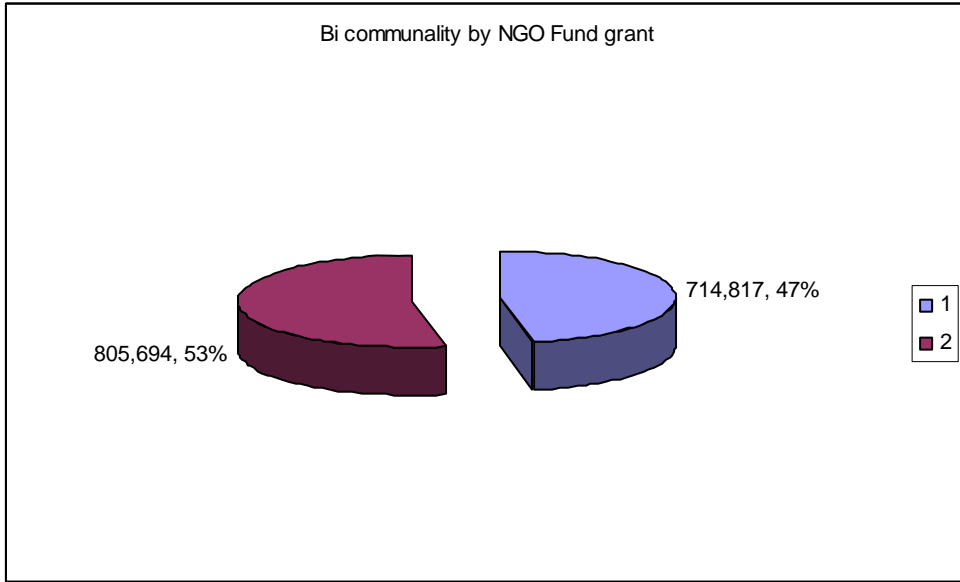
Priority Sectors by number of projects



BI-COMMUNALITY

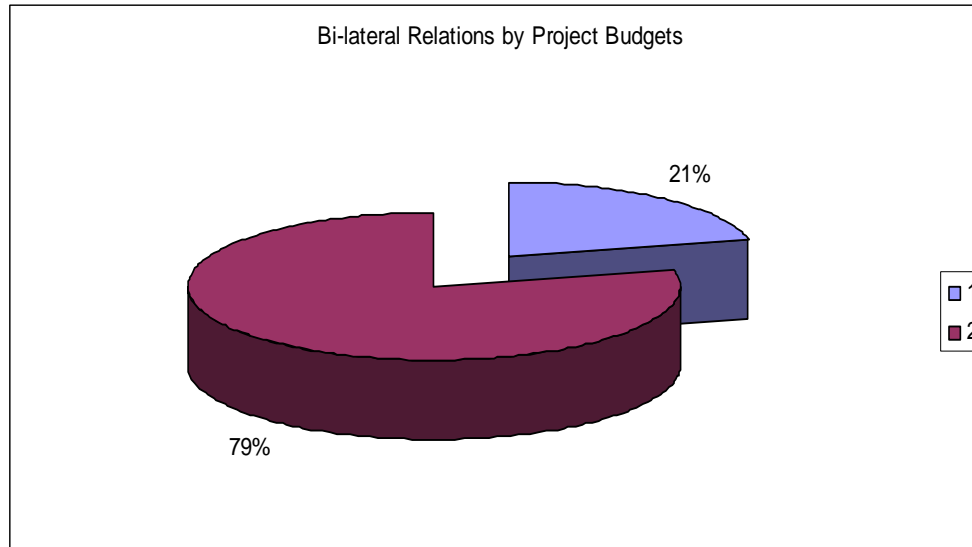
Bi-communality			
	YES	NO	Totals
By project budgets	904,282	1,221,879	2,126,161
Percentage	43	57	
By NGO Fund grant	714,817	805,694	1,520,511
Percentage %	47	53	
By number of projects	15	18	33
Percentage %	45	55	

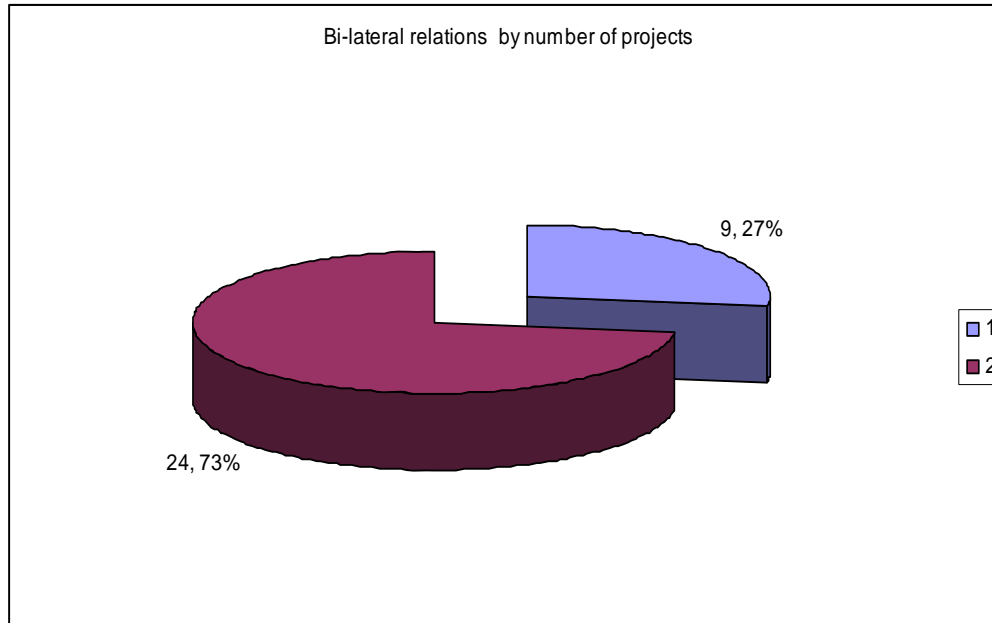
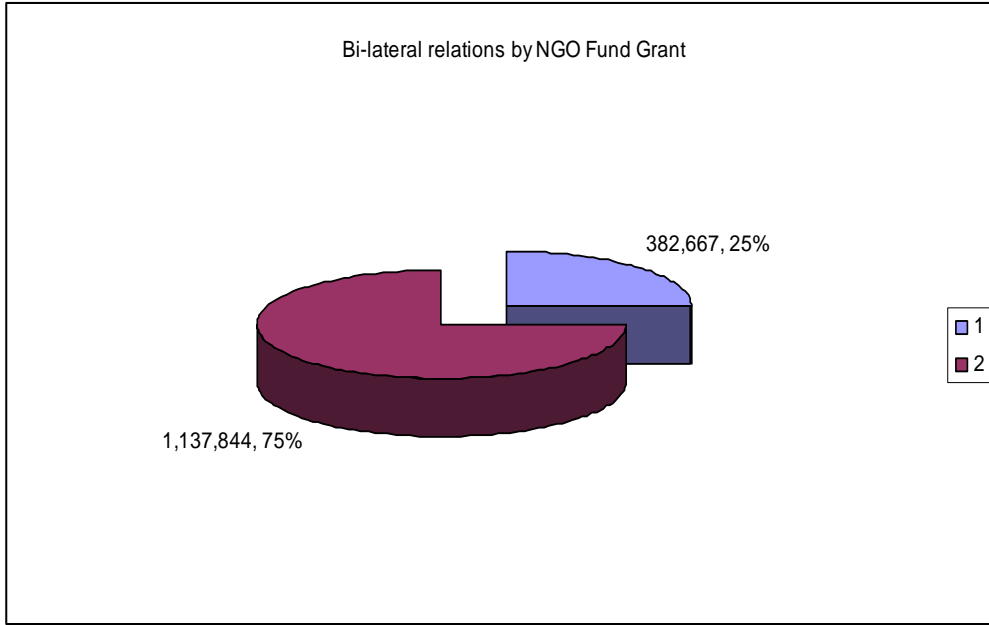




**BI-LATERAL RELATIONS**

Bi-lateral relations			
	YES	NO	Totals
By project budgets	454,308	1,671,853	2,126,161
Percentage %	21	79	
By NGO Fund grant	382,667	1,137,844	1,520,511
Percentage %	25	75	
By number of projects	9	24	33
Percentage %	27	73	





## FINANCIAL STATUS OF THE EEA FM AS AT 27/10/09

Project	Estimated Eligible Project Cost	Contracted	EEA FM			NORWEGIAN FM			National Budget		PP CO-FINANCING	
			EEA FM Allocation	Disbursed by FMO	%	Norwegian FM Allocation	Disbursed by FMO	%	National Budget Co-financing	Disbursed	Project Promoter Co-financing	Disbursed
CY0011 - Revitalising the "Buffer Zone": An Educational Center and Home for Cooperation	1,022,804	538,565	332,740	246,028	74%	417,180	308,462	74%	54,560	0	218,324 <sup>1</sup>	0
CY0012 - Preparation of an Integrated Management Plan for the Pafos Forest in Cyprus	536,500	373,728	447,226	91,499	20%	0	0	n/a	89,274	39,962	0	0
CY0013 - Cyprus Archaeological Digitisation Programme - CADIP	394,967	180,000	0	0	n/a	281,809	0	0%	113,158	0	0	0
CY0014 - Restoration of Salamiou village old school building, for use as a regional centre for environmental education	735,040	661,228	0	0	n/a	624,784	82,178	13%	22,051	695	88,205	2,781
CY0015 - A zero CO <sub>2</sub> emissions electricity generation prototype (ZeroCO <sub>2</sub> )	886,535	0	0	0	n/a	748,856	0	0%	27,535	0	110,144	0
<b>TOTAL FOR PROJECTS</b>	<b>3,575,846</b>	<b>1,753,521</b>	<b>779,966</b>	<b>337,527</b>		<b>2,072,629</b>	<b>390,640</b>		<b>306,578</b>	<b>40,657</b>	<b>416,673</b>	<b>2,781</b>
CY0017 - NGO Fund	1,667,000	1,666,761	404,991	7,938	2%	1,094,976	21,461	2%	167,033	116,457	0	0
<b>GRAND TOTAL</b>	<b>5,242,846</b>	<b>3,420,282</b>	<b>1,184,957</b>	<b>345,465</b>	<b>29%</b>	<b>3,167,605</b>	<b>412,101</b>	<b>13%</b>	<b>473,611</b>	<b>157,114</b>	<b>416,673</b>	<b>2,781</b>

**NOTES**

1. This amount includes Project Promoter co-financing of €100,000 and Swiss Contribution of €118,324