



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,

**COMMISSION DECISION
C/2006/2335/4
of 26/06/2006**

**establishing a programme of assistance provided by the Technical Assistance
Information Exchange Instrument (TAIEX) for the Turkish Cypriot community**

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THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community¹, and in particular Article 3 thereof,

Whereas:

- (1) Following the accession of Cyprus, the application of the *acquis* is suspended pursuant to Article 1 (1) of Protocol N°10 of the Act of Accession 2003 in the areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control (hereinafter referred to as "the areas").
- (2) Council Regulation (EC) No 389/2006 lays down the rules and conditions for the granting of assistance for encouraging the economic development of the Turkish Cypriot community.
- (3) According to Article 2 of Regulation (EC) No 389/2006, the assistance shall be used to support *inter alia* the preparation of legal texts aligned with the *acquis communautaire* and the preparation for the implementation of the *acquis*. These objectives can best be met through support by the TAIEX instrument.
- (4) The present decision constitutes a financing decision within the meaning of Article 75 of the Financial Regulation², Article 90 of the detailed rules for the implementation of the Financial Regulation³, and Article 15 of the internal rules 2006⁴,

¹ No 389/2006 OJ L 65, 7.3.2006, p.5.

² No 1605/2002 OJ L 248, 16.9.2002, p.1.

³ No 2342/2002 (OJ L 357, 31.12.2002, p.1), as amended by No 1261/2005 (OJ L 201, 2.8.2005, p.3).

⁴ SEC(2006)131

HAS DECIDED AS FOLLOWS:

Sole Article

The programme of assistance provided by the Technical Assistance Information Exchange instrument (TAIEX) for the Turkish Cypriot community provided for in the annex to this decision is hereby approved for a maximum amount of EUR 4.5 million, to be charged to budget heading 22.02.11 of the 2006 General Budget of the European Communities (Financial support for encouraging the economic development of the Turkish Cypriot community). Implementation of this assistance shall in part be delegated to national public-sector body in accordance with Article 54(2) (c) of the Financial Regulation.

Done at Brussels,

For the Commission

FINANCING PROPOSAL ESTABLISHING A PROGRAMME OF ASSISTANCE PROVIDED BY TAIEX FOR THE TURKISH CYPRIOT COMMUNITY
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1. IDENTIFICATION

BENEFICIARY	Turkish Cypriot community
LEGAL BASIS	Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (Council Regulation (EC) N° 389/2006 of 27.02.06)
PROGRAMME	Programme of assistance provided by TAIEX for the Turkish Cypriot community
CRIS NUMBER	2006/018-144
DAC CODE	15140
YEAR	2006
COST	€4.5 million
IMPLEMENTATION	European Commission
CONTRACTING END DATE	15 June 2009 ⁵
EXECUTION OF CONTRACTS END DATE	15 December, 2010 ⁶
TASK MANAGER	Morten Jung-Olsen, DG Enlargement (Unit D4)
BUDGET LINES	22.02.11

2. SUMMARY

Following the outcome of the simultaneous referenda in Cyprus, the Council stated on 26 April 2004:

“The Turkish Cypriot community has expressed their clear desire for a future within the European Union. The Council is determined to put an end to the isolation of the Turkish Cypriot community and to facilitate the reunification of Cyprus by

⁵ In no case can the contracting period for projects implemented under this programme exceed three years after the date of the global commitment (Art. 166 (2) FR).

⁶ Budgetary commitments which have not given rise to payments during three years counted from the date of the legal commitment will be decommitted (Art. 77 (3) FR)

encouraging the economic development of the Turkish Cypriot community. The Council invited the Commission to bring forward comprehensive proposal to this end, with particular emphasis on the economic integration of the island and on improving contact between the two communities and with the EU. The Council recommended that the 259 million euro already earmarked for the northern part of Cyprus in the event of a settlement now be used for this purpose”.

Following a proposal by the Commission on 7 July 2004⁷, Council Regulation 389/2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community has been adopted on 27 February 2006. The Commission is directly responsible for administering the assistance and shall be assisted by the PHARE management committee. In addition, the Commission expressed in a declaration its readiness to consult with the government of the Republic of Cyprus on the major aspects of implementation of assistance. The Commission also declared its readiness to consult the Government of the Republic of Cyprus if feasibility studies leave doubt as to whether actions to be financed under this Regulation might affect property rights.

The regulation outlines that measures to be financed under it are of an exceptional and transitional nature and are intended, *inter alia*, to prepare and facilitate, as appropriate, the full application of the *acquis communautaire* in the areas following a solution to the Cyprus problem.

It is proposed to use €4.5 million to establish a programme of assistance by the Technical Assistance Information Exchange instrument (TAIEX) for the Turkish Cypriot community.

The project comprises activities by the TAIEX instrument including establishment of a local support point for ensuring more effective co-ordination of the actions carried out by the TAIEX instrument. Activities include seminars, workshops, expert and study visits, mobilisation of longer-term experts, provision of tools and information products for among others, translation and interpretation activities, as well as co-ordination and monitoring, in close co-operation with Member States and Commission services.

Nothing in this programme is intended to imply recognition of any public authority in the areas, other than the Government of the Republic of Cyprus.

3. BACKGROUND

TAIEX is the Technical Assistance Information Exchange instrument of the Institution Building unit of Directorate-General Enlargement of the European Commission. It provides short-term technical assistance and advice in the field of approximation, application and enforcement of the *Acquis Communautaire*. The service operates by means of providing thorough information on legislative topics, delivering expertise on draft legislation or enabling experts to share best practices.

⁷ COM (2004) 465 final of 07.07.2004

TAIEX organises seminars and workshops presenting and explaining issues related to the *acquis*. Such assistance can be individual or multilateral, involving more than one body. Study visits provide opportunities for participants to understand how others deal with practical issues related to the implementation of the *acquis*. Furthermore, Expert Visits, whose tasks may include delivering tailored assistance targeting a specific area, perhaps in legislation, implementation or best practices can also be organised.

This proposal builds on activities already initiated and carried out by TAIEX since June 2004 under previous programmes to support the Turkish Cypriot community (i.e. “2003 Special Aid Package programme for the northern part of Cyprus” and the “Programme of Assistance from the Technical Assistance Information Exchange Instrument (TAIEX) for the Turkish Cypriot community in 2005”) where momentum has now been gained. The main purpose of this project is indeed the continuation on a more extensive scale of the current activities.

To date assistance has been focused in 5 ways:

- Assessment missions to the areas to provide an understanding of the local situation and needs in order to enable targeted programming of future assistance;
- Participation in multi-beneficiary events in Brussels to give information to key staff on different aspects of the *acquis*;
- Support for the implementation of Council Regulation 866/2004⁸ and Commission Regulation 1480/2004⁹. Support has focused on the provision of expertise to the Turkish Cypriot Chamber of Commerce on the issuing of accompanying documents and the appointment of phytosanitary inspectors to fulfil inspection and certification requirements on products to be traded across the ‘Green line’;
- Organisation of expert visits to provide guidance on specific aspects of the *acquis*;
- Participation in the Regional Training Programme (RTP) of the TAIEX instrument for some key individuals working at the municipal level on the implementation and enforcement of legislation. Training in a Member State forms a key part of this programme and some elements of it are targeted at a bi-communal level.

⁸ Council Regulation (EC) N°886/2004 of 29 April 2004 on a regime under Article 2 of Protocol 10 to the Act of Accession

⁹ Commission Regulation N°1480/2004 of 10 August 2004 laying down specific rules concerning goods arriving from the areas not under the effective control of the Government of Cyprus in the areas in which the Government exercises effective control

4. STRATEGY

This financing proposal contributes to achieve the objectives laid down in Art. 2 of Council Regulation (EC) n° 389/2006 and most notably it aims to assist the Turkish Cypriot community with the:

- (1) preparation of legal texts aligned with the *acquis communautaire* for the purpose of these being immediately applicable upon the entry into force of a comprehensive settlement of the Cyprus problem;
- (2) preparation for implementation of the *acquis communautaire* in view of the withdrawal of its suspension in accordance with Article 1 of Protocol No 10 to the Act of Accession.

5. OBJECTIVES

The assistance under this programme will cover the delivery of expertise to bring the Turkish Cypriot community closer to the European Union assisting them in their efforts of approximation with the European Union *acquis*, and through the establishment of people-to-people contacts.

6. DESCRIPTION

The following activities will be covered under this financing decision:

Assistance in the process of approximation with the EU acquis (preparation, implementation and enforcement of legislation)

The following activities will be delivered either individually or as a package through the TAIEX instrument:

- Workshops, seminars, technical training;
- Study visits;
- Short and medium-term mobilisation of experts.

Evaluation/Assessment of assistance needs of the Turkish Cypriot community

This will be undertaken by assessment or advisory visits by Member States experts.

Database and information activities

The TAIEX instrument will provide a means of supplying and receiving uniform information on the *acquis* including the monitoring of the alignment of legislation by the Turkish Cypriot community. Access will be provided to a number of databases containing consolidated texts of the *acquis* (Vetlex, Phytalex, AVIS), translations of the *acquis* into Turkish where available (CCVista) and information on legislative approximation (LAD).

Translation / Interpretation

Guidance on the organisation of the translation and interpretation of the *acquis* by the Turkish Cypriot community will be provided but also, as necessary, translation of documents for visiting experts, the beneficiaries or Commission services.

Establishment of local support point

In order to ensure appropriate administrative support to an increasing and widening range of TAIEX technical assistance activities it is envisaged to establish a TAIEX instrument - Local Support Point. The address of the TAIEX team will be the Commission Headquarter in Brussels. This team will be using a facility in the northern part of Cyprus. This will require rent of premises, the purchase of office equipment and software, office management, etc. The TAIEX instrument - Local Support Point will facilitate cost-effective coordination, preparation and implementation of technical assistance actions, whilst also providing a venue for meetings and seminars, as well as providing an operational base for visiting Member States' experts.

Support for the implementation of Council Regulation 866/2004 and Commission Regulation 1480/2004 and any amendments

The TAIEX instrument will continue to assist with the identification of priority areas and provision of appropriate assistance, based on the findings of the assessment missions by the Commission Services or teams of Member State experts. The type and focus of assistance will be determined by needs, resulting from the assessment missions, widening as appropriate to include the mobilisation of Member States' experts, bi-communal training of technical experts, preparation of legal texts, support to the preparation of the capacity to implement the *acquis* (including required equipment) and activities aimed at increasing the general awareness of the *acquis communautaire* to stakeholders. In particular, longer term missions by Member States' experts are foreseen as essential, in order to ensure adequate and coherent support to stakeholders on the ground. Phytosanitary *acquis* is seen as essential for the effective implementation of the Green Line Regulation, but experts in other areas will be considered when appropriate. Following the creation of steering groups comprised of representatives from the Turkish Cypriot community in the northern part of Cyprus, aimed at developing a strategic plan for the adoption of the *acquis* in a given sector, priority will also be given to the provision of expertise to advise and assist these groups. The resulting priority programmes will form the basis of the continued work of the TAIEX instrument in the process of approximation with the *acquis*.

Longer term missions will be based on the financial arrangements established for twinning projects, but experts would be selected and provided with terms of reference directly through the centralised managed TAIEX instrument.

Assistance will be constructed as a flexible and rapid delivery mechanism for experts in the Member States to their counterparts in the Turkish Cypriot community.

7. BUDGET TABLE

This Financing Proposal will be financed through community funding of € 4.5 million. The indicative breakdown¹⁰ among the different activities is as follows:

#	Title of the project	Total Budget €	Budget Line
	1. ASSISTANCE in the process of approximation with the EC <i>acquis</i> - Seminars, workshops, training activities and other events (TAIEX)		
	1.1. GROUP ACTIVITIES SUCH AS: 1.1.1. CONFERENCES – SEMINARS - WORKSHOPS All expenses associated with the organisation of these events both in Brussels, in the Member States and in the northern part of Cyprus.		
	1.2. INDIVIDUAL ACTIVITIES SUCH AS: 1.2.1. EXPERT MOBILISATIONS All expenses and fees associated with the provision of services of Member States' experts from the public and private sector to provide advice and assistance in the process of approximation with the EU <i>acquis</i> (preparation, implementation and enforcement of legislation) to the Turkish Cypriot community 1.2.2. STUDY VISITS All expenses of representatives from the Turkish Cypriot community to gain experience and knowledge of implementation arrangements in the Member States.		
	2. EVALUATION OF ASSISTANCE NEEDS IN THE TURKISH CYPRIOT COMMUNITY 2.1 ASSESSMENT /ADVISORY VISITS All expenses in creating teams of experts from current Member States for the assessment and monitoring of the progress in needs of the Turkish Cypriot community.		
	3. SUPPORT FOR THE IMPLEMENTATION OF COUNCIL REGULATION 866/2004 AND COMMISSION REGULATION 1480/2004		
	SUB TOTAL 1+2+3	3 750 000	
	4. DATABASES AND INFORMATION Costs related to the development and updating of databases and costs related to information, documentation, publicity and reproduction costs		
	5. TRANSLATION/INTERPRETATION ISSUES Costs related to interpretation and translation		
	6. ESTABLISHMENT OF LOCAL SUPPORT POINT Costs related to the establishment of a local liaison office, including rent of premises, purchase of office equipment and software, office management, etc.		
	SUB-TOTAL 4+5+6	750 000	
	TOTAL	4 500 000	22.02.11

¹⁰ The TAIEX instrument is largely a demand driven programme based on requests from beneficiaries. The above breakdown is therefore indicative.

8. IMPLEMENTATION ARRANGEMENTS

The Commission will implement the programme in accordance with the requirements of the Financial Regulation, in particular following the implementation procedure stated in Article 54.2(c) and 56 of the Financial Regulation. It will as necessary conclude agreements (in accordance with Articles 35, 38, 39, 40 and 41 of the Implementing rules to the Financial Regulation) with a delegated entity (national public-sector body) for the implementation of the programme. An Agreement¹¹ is currently concluded with the national agency GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit) until 20.12.2006 for the whole of the TAIEX programme. An addendum to this contract will be made to include the budget foreseen in this proposal. In this Agreement Article 2, point 3 indicates "The duration of the tasks will last 18 months from the start of the execution of tasks. The Agreement may be extended by another 18 months".

All contracts must be concluded by 15 June 2009. In no case can the contracting period exceed 3 years after the date of the global commitments. End of execution deadline is 15 December 2010.

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

9. MONITORING AND EVALUATION

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

10. AUDIT ANTI-FRAUD MEASURES

All agreements and contracts resulting from the implementation of this programme are subject to supervision and financial control by the Commission (including the European Anti-Fraud office) and audits by the European Court of Auditors.

In order to ensure the efficient protection of the financial interests of the Community, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96¹².

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

11. RISKS

¹¹ Agreement no. [102-369,102-387,102-372, 102-373, 102-374] between the European Communities and GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit) on delegation of technical, administrative and payment tasks for the implementation of the TAIEX programme.

¹² Council Regulation (EC, EURATOM) 2185/96 of 11 November 1996, OJ L 292; 15.11.1996; p. 2-5

An important risk, as in other fields of technical assistance, is that of duplication and even competing advice. This risk is diminished through appropriate established co-ordination procedures between the TAIEX instrument and the relevant Commission services, other donors of assistance, and between the TAIEX instrument and those responsible for aid co-ordination in the Turkish Cypriot community.

The TAIEX instrument relies to a considerable extent on the willingness of Member States administrations and institutions to make experts available to support the Turkish Cypriot community under this programme.

12. VISIBILITY/PUBLICITY

The Commission will be responsible for ensuring that the necessary measures are taken to ensure that for all activities financed from the programme, the visibility/publicity will follow the EU visibility guidelines for external actions (http://europa.eu.int/comm/europeaid/visibility/index_en.htm). In implementing this Programme, the Commission shall provide for the maximum visibility of EU actions in the beneficiary community.

13. SPECIAL CONDITIONS

In the implementation of actions financed under this Financing Proposal, the rights of natural and legal persons, including the rights to possessions and property should be respected.