



REPUBLIC OF CYPRUS

COMBINED STRATEGIC AND ANNUAL PROGRAMME REPORT

EEA and Norway Financial Mechanisms 2014-2021

National Focal Point

Directorate for European Programmes, Coordination and Development

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Acronyms and Abbreviations

AA	Audit Authority
CA	Certifying Authority
EEA	European Economic Area
FM	Financial Mechanism
FMO	Financial Mechanism Office
JCBF	Joint Committee for Bilateral Funds
MCS	Management and Control System
MOU	Memorandum of Understanding
NFP	National Focal Point
PA	Programme Agreement
PO	Programme Operator
PP	Project Promoter

A. EXECUTIVE SUMMARY

This is the second Combined Strategic and Annual Programme Report for the EEA and Norway Grants 2014-2021, prepared by the Directorate General for European Programmes, Coordination and Development (DG EPCD), acting as the National Focal Point and the Programme Operator of the Programme “Local Development and Poverty Reduction”.

The Report reflects the progress made for the Programme in the period January-December 2020, where the Programme Agreement between the Donors and the Programme Operator was signed on the 29th of June 2020.

Twelve projects were included in the Programme Agreement, with an overall budget of €8.396.118, focusing in the areas of environment, health, social welfare and culture. Eleven project contracts have been signed between the Programme Operator and the Project Promoters in the period July-September 2020 and project implementation was initiated in the last quarter of 2020.

Due to Covid-19, the implementation of the programme has been affected, with the project promoters having to reschedule their planned activities or find alternative ways (through on-line sessions) of implementing them.

Furthermore, as the overall implementation of the projects is at the very early stages there are no actual results to report at this point. It is noted however that procurement procedures and preparations for the planned activities have been initiated.

At the Joint Committee for Bilateral Funds held in May 2020, four proposals of bilateral initiatives were approved and another three proposals were left to be discussed again at a later stage. However, due to Covid-19, most of the activities included in the bilateral proposals were postponed, as they included site-visits and trainings/seminars. In view of the new developments in the working environment, the bilateral partners are exploring alternative ways in promoting some of their initiatives through on-line meetings and video conferences.

B. PERFORMANCE

1. Programme Context¹

¹ Sources of information:
Europe 2020 – Cyprus National Reform Programme
Review on the Implementation of the 2030 Agenda in Cyprus
Ministry of Finance – Main Economic Indicators

In this section, a reference is made on the political, legislative and economic developments in Cyprus that could affect the implementation of the Programme “Local Development and Poverty Reduction”.

The projects under the Programme cover a number of different sectors of the Cyprus economy and society, such as the areas of environment, health, culture and social welfare. All these projects, which were selected based on the analysis of the country’s development needs and perspectives and the national targets set in the context of the Europe 2020 strategy, aim to contribute to the goal of reducing social and economic disparities in the EEA area and strengthening bilateral relations.

Environment

Adaptation to climate change is part of the national strategy and an Action Plan has been created for all sectors of the economy, so as to integrate measures in the relevant policies for health, water resources, agriculture, fisheries, forests, biodiversity, soil, energy and infrastructure.

In May 2017, the Council of Ministers approved the National Strategy for Adaptation to Climate Change as well as the relevant Action Plan. Furthermore, it designated the Department of Environment as the Monitoring Body and the specific implementing bodies for the adaptation actions. After this Decision, the Department of Environment held meetings with all stakeholders to coordinate the implementation measures of the Action Plan including its updating and revision.

Regarding the low national rate of only 20% of municipal waste sent for recycling, while the rest is disposed-off in landfill and the fact that Cyprus has one of the highest per capita production of municipal waste in Europe, the need for reducing the overall impact on the environment is of utmost importance.

In view of these high municipal waste rates and in accordance with EU obligations, the National Waste Prevention Program and the Municipal Waste Management Plan have been prepared. The Prevention Program is focusing on reducing the production of waste (such as food waste, paper, plastic, electrical and electronic equipment, clothing and construction and demolition waste), as well as the recycling and the safe disposal of hazardous household waste. The main goal is to achieve economic growth with the least possible waste production and to reduce the per capita production of municipal waste in Cyprus.

Health

In 2019, the General Healthcare System, one of the greatest reforms of the health sector in Cyprus was implemented. It is expected that it will improve the resilience of the sector and it will enhance access to quality health care for all people in the country.

Furthermore, a number of additional reform measures in the healthcare sector are addressed by the government policies for the smooth implementation of the National Healthcare System, including the restructuring of the public primary care, the pharmaceuticals, the integrated health care information systems (e-health) and addressing existing waiting times in accessing healthcare services.

Culture

The Council of Ministers, in May 2017, approved the Convention of the Council of Europe relating to cultural property, which aimed at protecting cultural property and preventing and combating cultural property crimes.

In line with this decision, the Department of Antiquities promoted various policies including the digitization of the Cyprus antiquities as a means of protecting the cultural heritage.

Social welfare

Cyprus has been through deep economic crisis in the recent years which had an impact on all the sectors of the economy, including the impact on the lives and living conditions of vulnerable groups.

In 2014, the Council of Ministers approved the National Strategy on Social Policy for the period 2014-2020, which set the main policy guidance for the provision of a comprehensive approach to the challenges faced. The Strategy addressed the promotion of children's welfare, the reform of the welfare system, active inclusion and combating poverty and social exclusion.

Regarding unemployment, this ranged from 6-15% in the period 2015-2019, with the most affected being the youth population. In 2019, before covid-19, unemployment was registered to 6,6% (Oct 2019). In order to tackle the effects of unemployment, the Ministry of Welfare, Labour and Social Insurance, introduced various schemes and programmes, such as schemes facilitating the creation of new jobs (through wage subsidies), training programmes and implementing information campaign programmes to raise awareness on decent work and the support provided.

Covid-19

The Covid-19 pandemic has caused major social and economic disruption on all countries, including Cyprus. In this context, the Cyprus Government has taken in 2020 significant steps to protect public health and reduce the severity of the outbreak. The unexpected circumstances that occurred, called for more social support and collaboration of all stakeholders.

In order to adhere the effects of the pandemic outbreak and in accordance with the epidemiological protocols, the Government of Cyprus decided to proceed with extensive COVID-19 testing, together with the strict restrictions of a total lockdown for more than 3 months (including closing all airports and all crossing points with the occupied part of Cyprus, where the Government of the Republic of Cyprus does not exercise effective control and authority) in the period March-May 2020.

This decision however, was supported by government support packages to all affected, including the provision of employee and self-employed income support plans whose companies were affected by the lockdown, tax reliefs, unemployment benefits, reinforce the health system through additional funding of €100 million, suspension of VAT payments, support of the much affected tourism industry through various schemes in collaboration with tourist agents and airlines and promoted in collaboration with the banks, the suspension/deferral of loan repayments for a period of 9 months.

Furthermore, in order to boost economic growth and social prosperity, it accelerated the process of introducing the programme of digital transformation in all sectors of the economy, such as the digital provision of government services, including the digitized system of the health system and the on-line school education. This digital transformation was communicated to the general public through campaigns in television channels and social media.

The lifting of the restrictions of the total lockdown took place in phases in accordance to the epidemiological protocols and the instructions of the Ministry of Health, and the economic activities got back to where they stopped in March 2020. However, due to the rapid increase in the Covid-19 incidents and the number of deaths, more restrictions were imposed in the period November-December 2020 as well.

Despite the measures taken, these restrictions affected all the sectors of the economy and resulted in negative economic growth in the country.

Regarding fiscal figures, the GDP growth rate for 2020 is negative and it is estimated at -4,4% (Q3/2020), compared to 2,4% in 2019 (Q3/2019), attributed mainly to the sectors of tourism, transport, wholesale/ retail trade, art and entertainment/ recreation. Furthermore, Government debt is expected to increase to 115% of GDP in 2020 from 95,5% in 2019.

Even though the unemployment rate for 2020 is estimated to have an upward trend, 10,5% (Oct 2020) compared to 6,6% in 2019 (Oct 2019), it is projected to fall below 7% in 2021, due to the governmental support measures provided to employees and companies.

As far as bi-communal cooperation is concerned, it is noted that this has not been impacted by Covid-19, as the projects under the EEA/Norway grants have initiated

their implementation after July 2020 with their main activities are scheduled to take place in the period 2021-2023.

2. Results

After the signing of the Programme Agreement on 29/6/2020, the PO, having positively appraised the projects, proceeded with the signing of the project contracts (the Table below shows the dates of signing the contracts for each pre-defined project):

No.	Project Title	Date of Signature of the Contract
1	Corporate Sustainability Supporting Framework	Pending*
2	Gastronomy from A to Z – Gastronomy School at Troodos area	27/7/2020
3	Digitising the Museum of Cyprus	12/8/2020
4	Multifunctional Community Centre for people with special needs	23/7/2020
5	Cyprus Reception Centre for Unaccompanied Minors	14/9/2020
6	Separate collection and management of hazardous waste produced by households	21/7/2020
7	Reduction of risk of damage caused by wildfires in Cyprus' forests	22/7/2020
8	Assessment of Climate Change Effects on Pollution Transport in Cyprus, "ACCEPT"	21/7/2020
9	Solidarity Network Nicosia In Action (NicInAct)	23/7/2020
10	Childhood Cancer Diagnostic Laboratory	22/7/2020
11	New infrastructure for diagnosis and treatment of patients	21/7/2020
12	Center for Children and Adolescents with Neuro-Developmental Disorders (NDD)	11/9/2020

*Note: the contract for the PDP1 project has not been signed yet, as the project promoter changed in October 2020 and it was necessary to proceed first with the Programme Agreement modification.

As the implementation of the projects started in the last quarter of 2020, there are no results to report as far as the indicator achievements are concerned. However, the Project Promoters have started the preparation of their tender procedures and all relevant preparatory work towards achieving their results.

For each pre-defined project, the following progress has been achieved after the contract signature:

(1) Corporate Sustainability Supporting Framework:

In view of a Council of Ministers Decision on 7/10/2020, all the issues regarding the Corporate Social Responsibility in Cyprus, are transferred under the responsibility of the Authority for Cooperative Societies. In view of this decision, the implementation of the Project PDP1 “Corporate Sustainability Supporting Framework” is transferred to this Authority, and the Project Promoter of the project needed to be changed from the DG EPCD to the Authority for Cooperative Societies.

In line with Article 2.5.3 and Article 6.9.3 of the Regulation, on 26/11/2020 the NFP submitted a request for the Programme Agreement (PA) modification to reflect this change. The modified PA is in force as from 11/12/2020.

The project will be appraised and the contract will be prepared and signed in early 2021.

(2) Gastronomy from A to Z – Gastronomy School at Troodos area:

The relevant documents of the tendering procedure for the construction of the Gastronomy Training Centre are being prepared by the architect and the engineering team. When these are prepared, they will be verified by the tendering department of the Limassol District Administration (the project partner, which is responsible for the construction of the Centre), before proceeding in the call for public tender in the first quarter of 2021.

(3) Digitising the Museum of Cyprus:

The PP is in the process of preparing and finalizing the tendering documents for hiring eight archeologists who will be involved in the digitization process of the 95.000 movable antiquities stored in the Cyprus museums.

(4) Multifunctional Community Centre for people with special needs:

The PP through public tender procedures selected the successful tenderer for the construction of the Multifunctional Community Centre and signed the Contract in September 2020. The construction activities proceeded as planned.

(5) Cyprus Reception Centre for Unaccompanied Minors:

The PP is in the process of preparing the tender documents for the renovation of the building for the purposes of the project.

(6) Separate collection and management of hazardous waste produced by households:

The PP is in the process of preparing the terms of reference for the mobile units and the marketing plan in accordance to the project’s activities.

(7) Reduction of risk of damage caused by wildfires in Cyprus’ forests:

The PP started the preparation of the terms of reference for the purchase of the forest firefighting equipment (major firefighting equipment and tools) as well as the terms of reference for the awareness raising campaigns and the project publicity.

(8) Assessment of Climate Change Effects on Pollution Transport in Cyprus, “ACCEPT”:

The PP initiated the procedure for the preparation of the terms of reference for the purchase of the equipment and consumables as well as the preparation of the publicity plan. Additionally, a press release to inform the general public on the project implementation, its objectives, the project partners, the budgeted amount and the funding from the Norwegian Financial Mechanism, was drafted both in English and Greek to be disseminated.

(9) Solidarity Network Nicosia In Action (NicInAct):

After a public tender procedure, the contract for the renovation of the building where the social services will be provided, was signed in September 2020 and the construction works are at their final stage.

(10) Childhood Cancer Diagnostic Laboratory:

The PP started the procurement procedures for hiring the relevant laboratory staff and for the purchase of equipment and reagents.

(11) New infrastructure for diagnosis and treatment of patients:

The two major pieces of equipment were purchased following the tender procedures and their installation is scheduled for January 2021. Furthermore, a press release on the signing of the project contract and the objectives of the project has been published and a presentation on the project was delivered.

(12) Center for Children and Adolescents with Neuro-Developmental Disorders (NDD):

The PP initiated the procedures for renting the relevant space for delivering the project's services. It is noted that the PP, being a government body, should follow special procedures before renting a building.

In October 2020, the FMO organised on-line trainings for the NFP/CA/AA/PPs on issues on Finance, Legal and Monitoring and Reporting on Results, where all stakeholders participated. In addition, the FMO in cooperation with the Norwegian Embassy in Athens organised a Communications Workshop in which the NFP and the PPs participated.

3. Implementation

3.1 Financial status

The table below shows the committed/budgeted amounts of the twelve pre-defined projects under the Programme of the Local Development and Poverty Reduction. The total project cost

(shown in the last column) was included in the contracts signed between the PO and the PPs (note: the contract for PDP1 has not been signed yet).

No. of PDP	Project Title	EEA/Norway Grants €	CY contribution €	Project Promoter's co-financing €	Total Project Cost €
1	Corporate Sustainability Supporting Framework	255.000	45.000	-	300.000
2	Gastronomy from A to Z – Gastronomy School at Troodos area	467.500	82.500	-	550.000
3	Digitising the Museum of Cyprus	443.700	78.300	-	522.000
4	Multifunctional Community Centre for people with special needs	850.000	150.000	111.111	1.111.111
5	Cyprus Reception Centre for Unaccompanied Minors	425.000	75.000	-	500.000
6	Separate collection and management of hazardous waste produced by households	425.000	75.000	-	500.000
7	Reduction of risk of damage caused by wildfires in Cyprus' forests	750.000	132.353	-	882.353
8	Assessment of Climate Change Effects on Pollution Transport in Cyprus, "ACCEPT"	722.500	127.500	-	850.000

9	Solidarity Network Nicosia In Action (NicInAct)	425.000	75.000	-	500.000
10	Childhood Cancer Diagnostic Laboratory	722.500	127.500	94.444	944.444
11	New infrastructure for diagnosis and treatment of patients	505.750	89.250	66.111	661.111
12	Center for Children and Adolescents with Neuro-Developmental Disorders (NDD)	578.000	102.000	-	680.000
	TOTAL:	6.569.950	1.159.403	271.666	8.001.019

In the period under review, no disbursements were made under the pre-defined projects and there were no problems related to disbursements and absorption to report.

It is noted however, that under the Programme, the following expenditure (for management cost of the PO) was claimed in IFR 1 (for the period up to June 2020, submitted on 15/9/2020):

	Programme Local Development and Poverty Reduction	Total grant €	Project Promoter s co- financing €	Total eligible expenditure €	Expenditure claimed in IFR 1 €
1	Pre-defined Projects	7.729.353*	271.666	8.001.019	-
2	Management Cost	666.765**	-	666.765	130.000
	TOTAL:	8.396.118	271.666	8.667.784	130.000
<p>* EEA/Norway Grants €6.569.950 + CY €1.159.403 = €7.729.353 ** EEA/Norway Grants €566.750 + CY €100.015 = €666.765</p> <p>EEA/Norway Grants Contribution: €6.569.950 + €566.750 = €7.136.700 CY Contribution: €1.159.403 + €100.015 = <u>€1.259.418</u> + €8.396.118</p> <p>Project Promoters Contribution: <u>€271.666</u> + Total Eligible Expenditure: <u>€8.667.784</u></p>					

3.2 Progress by the Joint Committee on Bilateral Funds

In accordance with Article 2.3 of the Bilateral Fund Agreement signed on 21/8/2019, the Joint Committee for Bilateral Funds (JCBF) held its first meeting on the 8th of May 2020. Present at the meeting were representatives from the Donors, the NFP and the Cypriot Ministry of Foreign Affairs.

At the first meeting, seven bilateral cooperation proposals were presented and discussed. Four of these bilateral proposals (shown in [Table 1](#) below) were approved by the Committee, as they had already committed project partners. These are the proposals by the Cyprus Ministry of Foreign Affairs and by the three project promoters of PDP8, PDP10 and PDP11 under the Local Development Programme, the Department of Environment, the Karaiskakio Foundation and the Cyprus Institute of Neurology and Genetics, respectively:

Table 1

No.	Proposal Title	CY Promoter	Bilateral Partner	Amount (€)
1	How to best implement the UNSCR 1325 in Cyprus	Cyprus Ministry of Foreign Affairs	Ministry of Foreign Affairs, Norway	15.000
2	Assessment of Climate Change Effects on Pollution Transport in Cyprus, "ACCEPT"	Department of Environment	Norwegian Institute for Air Research (NILU)	15.000
3	Epidemiology of Asbestos Cancer in Cyprus and Biomarker Discovery	The Karaiskakio Foundation	Norwegian University of Science and Technology	20.000
4	New infrastructure for diagnosis and treatment of patients	The Cyprus Institute of Neurology and Genetics (CING)	University of Oslo, University of Bergen, Siva Innovation Centre, Oslo University Hospital	20.000
TOTAL				70.000

As far as the implementation of the approved bilateral initiatives are concerned, due to COVID-19, there seems to be a delay in the implementation of their activities, since most of them included site visits, seminars etc. However, the project promoters are in contact with their bilateral partners so as to proceed with some on line sessions.

Regarding the proposal no.4 in [Table 1](#), it is noted that ten scientists in three cities in Norway (Oslo, Bergen and Tromsø) have indicated their interest to host a delegation from the CING

and/or to attend corresponding workshops in Cyprus. An initial workshop planned in Cyprus for early/mid-2021 will likely be organised as a virtual event, towards later in-person contacts once the COVID-19 pandemic allows concrete planning. It is expected that the workshop will be attended by at least 30 staff and students from the side of the CING.

As far as the other three bilateral proposals are concerned (shown in Table 2 below), these were left to be examined by the JCBF at a later stage.

It was noted that the first one (No.1 in Table 2 below), even though was considered to be a good initiative, due to COVID 19, it could not be implemented in the following months, as its main activities would have to be implemented in person with a lot of interaction among the bilateral partners and not through on-line meetings.

Furthermore, as far as the other two proposals (Nos. 2 and 3 in Table 2 below) are concerned, it was noted that as these did not have a bilateral partner, it would be better to proceed with finding a partner and then to re-submit the proposals to the Bilateral Committee. It was agreed that the re-submission can take place through a written procedure (in accordance with Art.2.3.8 of the Bilateral Fund Agreement).

Table 2

No.	Proposal Title	CY Promoter	Bilateral Partner	Amount (€)
1	Bridges of gastronomy in the Geoparks of Norway and Cyprus	Community Council of Moniatis	Magma Geopark, Norway	25.000
2	Multifunctional Community Centre for people with special needs	St Louca's Community	In search of a Bilateral Partner	20.000
3	Center for Children and Adolescents with Neuro-Developmental Disorders (NDD)	Ministry of Health	In search of a Bilateral Partner	20.000

In order to assist the project promoters of the two proposals (Nos. 2 and 3, in Table 2) for finding bilateral partners, the NFP forwarded the contact details of a number of bilateral partners (provided by the FMO). By December 2020, the following updates were received by the two project promoters:

1. The St Louca's community contacted the proposed bilateral partner, the Norwegian Institute of Public Health and is awaiting for their reply.
2. The Ministry of Health contacted the Norwegian University of Science and Technology (NTNU) and a teleconference with officers from the Oslo University Hospital was set. Due to technical problems the teleconference could not be completed and therefore the teleconference will be re-scheduled for early in 2021 on a date that will be set between the two parties. It is noted that these online meetings do not have any expenses.

3.3 Conformity with specific requirements

There are seven conditions that are stipulated in the Programme Agreement and should be met for the implementation of the Programme. These are the following:

- 1) The NFP in its dual role as Programme Operator shall ensure that the project promoters,
 - Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
 - Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
 - Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.
- 2) The National Focal Point in its dual role as Programme Operator shall ensure that the project promoters refrain from any acts or omissions that:
 - Are incompatible with the property rights of natural or legal persons protected under the applicable laws of the Republic of Cyprus, the Convention for the Protection of Human Right and Fundamental Freedoms or the case law of the European Court of Human Rights;
 - Imply acceptance of entry or exit points of the Republic of Cyprus beyond those that are compatible with international law.
- 3) Payments to project promoters and, if applicable, project partners shall only be made through legally operating banking institutions in the Republic of Cyprus.
- 4) Any supporting evidence for expenditures provided for payments shall not be considered eligible if these are derived from a so-called "public authority" or any other so-called "official institution" in the areas of the Republic of Cyprus where the

Government of the Republic of Cyprus does not exercise effective control and authority.

- 5) The overall objective of bi-communal projects and their guiding principle is to contribute the reunification of Cyprus as set out in the relevant UN Security Council resolutions.
- 6) Bi-communal activities and bilateral partnerships shall be encouraged within all relevant projects.
- 7) No action or omission of the project promoters or any project partners is intended to imply recognition of any public authority in Cyprus, other than the Government of the Republic of Cyprus.

The above conditions have been addressed in the Project contracts signed with the PPs, in the checklist of the PO prepared for assessing the progress of the Projects, while these have also been communicated in the inception meetings with the PPs that took place in October 2020.

It is noted that in October 2020, the NFP/PO held individual inception meetings with all the PPs, where all the issues, obligations and special conditions regarding their contracts, the Programme Agreement, the progress reports to be submitted to the PO in regular intervals, as well as the submission of eligible payments and the process of verification of their expenditures, have been explicitly explained.

Furthermore, in accordance with Article 6.8.2 of the Regulation, and due to the dual role of the DG EPCD as NFP and PO, a declaration of the separation of the duties of the NFP and PO roles for the Programme Local Development and Poverty Reduction was prepared and signed on 29/6/2020.

3.4 Management and Control System

The Management and Control System (MCS) for the National Focal Point, the Certifying Authority, the Irregularities Authority and the Audit Authority was acknowledged by the FMO on 15 April 2020.

Following the signing of the Programme Agreement, the PO started preparing the Management and Control System for the Programme Operator. The MCS was submitted to the NFP on 27/11/2020 and then the NFP informed the FMC by submitting on 9/12/2020 of the MCS of the PO accompanied by the opinion of the Audit Authority.

According to the opinion of the Audit Authority, the Management and Control System set by the Programme Operator for the purpose of implementation of the Programme under the EEA and Norway Financial Mechanisms 2014-2021, in all material respects, comply with the Regulations on the implementation of the EEA / Norwegian Financial Mechanisms 2014 – 2021 and the generally acceptable accounting principles.

It is noted that in the MCS of the PO there is a reference on the segregation of functions of the DG EPCD in its dual role as NFP and PO. This segregation is achieved through the signing of the “Declaration on Responsibilities and Obligations of the DG EPCD (NFP) in its role as PO” on 29 June 2020, with the aim to determine the rules and conditions for the implementation of the programme, as well as the rights and obligations of the NFP and the PO.

Segregation of duties is achieved by ensuring that the roles assigned to the two different teams comprising the NFP and the PO, are supported by clearly assigned tasks relating to their responsibilities and duties in relation to the Program. These roles are presented in the Organisational Chart of the DG EPCD as annex in the MCS of the PO and NFP.

Further to the definition of the functions and responsibilities to be followed by the PO stipulated in the Management and Control System of the PO, the MCS will also serve as guidance to the external service provider for the verification of expenditures of the pre-defined projects.

C. LEARNING

1. Monitoring

The PO had inception meetings with all the Project Promoters in October 2020, so as to brief them on all issues regarding their projects. In these meetings, the PO highlighted all the requirements that should be met from the part of the PPs as far as their contract, the PA, the MoU, the Regulation and the Progress Reports to be submitted to the PO at regular intervals, are concerned. In these meetings, the PO also discussed with the PPs all issues concerning the implementation and progress of their projects since the signing of the Contracts.

The Monitoring Plan for the next reporting period is provided in Annex 5 to this Programme Report.

2. Evaluation

In this reporting period, no evaluations have been carried out.

However, following the submission in early 2021 of the Progress Reports by the PPs, the PO will be able to conduct desk-based reviews, on-line meetings and site-visits, accordingly.

3. Lessons learned

The Programming Period 2014-2021, is the third programming period of the EEA/Norway Grants that the Cypriot NFP/PO is implementing, and therefore, there are a lot of lessons learnt from the previous, 2004-2009 and 2009-2014, programming periods.

In view of the experience obtained from the implementation of the previous periods, the NFP/PO organized inception meetings with all the PPs in order to highlight all the issues and requirements that are stipulated in the contracts/PA/Regulations and should be aware of in order to implement their projects within the donors' requirements. Issues regarding deadlines and eligibility of expenditures were high on the agenda of these meetings.

One of the main lessons learned in the previous programming periods was the timely planning of the procurement procedures, so as to minimize the risks of delays in the implementation process. Therefore, by preparing all the procurement documents on time and including all relevant details in the documents, it minimizes the risk of possible complaints and submissions of a recourse in the Tenders Review Authority. This challenging issue and the importance of proceeding with no further delay, was communicated to the PPs when the contracts were signed.

Additionally, the PO plans to hold regular bilateral meetings with the PPs and arrange site-visits when needed, so as to discuss the progress of the projects and solve any problems that might arise.

Furthermore, based on the lessons learned, the PO prepared checklists for the PO team as well as for the PPs, so as to self-monitor their obligations/requirements and therefore mitigate any risks from possible omissions.

As far as the impact of Covid-19 on the implementation of the projects is concerned, it is noted that as the projects were at the initial stages of their implementation in the period September-December 2020, Covid-19 did not have a major impact on their activities. Project promoters were aware of the difficulties and restrictions faced in the early implementation stages and therefore proceeded with preparatory activities and activities that could not be considerably affected by the restrictive measures and lockdowns.

However, as the situation with Covid-19 is not improving as it would have been expected, it is anticipated that, if the situation continues with major lockdowns, it will have a negative impact on the scheduled timelines of the projects implementation.

In order to mitigate any delays in the future, as lockdowns will affect both the private and public sector, including the construction and retail industry, the project promoters might need to change, where possible, their activities' timelines and proceed firstly with activities that cannot be as much affected by the adverse situation.

Furthermore, the Project Operator is planning to have more frequent meetings (on-line) with all the project promoters so as to discuss all issues that might affect project implementation and assist them in finding solutions for the successful completion of their projects.

D. WORK PLAN

For the year 2021, the following activities are expected to be carried out:

- Annual meeting with the Donors, on the 2nd of March 2021;
- Meeting of the Joint Committee for Bilateral Funds, on the 2nd of March 2021;
- Preparation and submission of the Interim Financial Reports for the Local Development and Poverty Reduction Programme, the Technical Assistance and the Bilateral Relations Fund, by 15/2/21 and 15/9/21;
- Preparation, in cooperation with the Certifying Authority, the Forecasts of likely payments, to be submitted by the CA by 20/2/21, 20/4/2021, 20/9/21 and 20/11/21;
- Preparation and Submission of the Combined Strategic and Annual Programme Report;
- Evaluation of the tenders for the external service provider for the verification of expenditure of all the pre-defined projects, by 1/2/2021;
- Signing with the successful tenderer of the Contract for the verification of expenditure of the PDPs, by 28/2/2021;
- Meetings of the PO with the Project Promoters for updates on the implementation of the projects, in regular intervals;
- Informing the Donors/FMO of the positive appraisal for the PDP1;
- Signing of the Contract for the PDP1;
- Submission of the proposal of the allocation of the reserve by end of 2021.

E. ANNEXES

- 1. Updated results (indicator achievements)**
- 2. Communication summary**
- 3. Overview of contracted projects**
- 4. Risk management**
- 5. Monitoring plan**
- 6. Technical assistance report**
- 7. Agreement Conditions**
- 8. Evaluation plan**

Annex 1: Updated results (indicator achievements)

CY-LOCALDEV Local Development and Poverty Reduction

Objective: Strengthened social and economic cohesion								
Outcome 1: Enhanced capacity to preserve the environment and improve air quality								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of beneficiaries of services provided	Number	0	-	-	-	-	10,000	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Number of new products/technologies developed	Number	0	-	-	-	-	2	-
<i>Sector</i>								
<i>Green</i>	-	-	-	-	-	-	-	-
<i>Blue</i>	-	-	-	-	-	-	-	-
<i>ICT</i>	-	-	-	-	-	-	-	-
<i>Welfare/ambient</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Output 1.1: Increased awareness of the general public on hazardous waste management								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of awareness raising campaigns carried out (on hazardous waste management)	Number	0	-	-	-	-	1	-
Output 1.2: Increased awareness of the general public on wildfires' prevention								
Indicator	Unit of measurement	Baseline	Achievements until end of previous	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		

			reporting period					
Number of awareness raising campaigns carried out (on forest wildfires' prevention)	Number	0	-	-	-	-	1	-
Number of participants to information campaigns about forest fires at mountainous villages	Number	0	-	-	-	-	1,000	-
Output 1.3: Scientific knowledge on air pollution in Cyprus reinforced								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of researchers supported	Number	0	-	-	-	-	4	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Number of professional staff trained	Number	0	-	-	-	-	10	-
<i>Age</i>								
<i>Children and youth (0-17)</i>	-	-	-	-	-	-	-	-
<i>Young adults (18-29)</i>	-	-	-	-	-	-	-	-
<i>Adults (30-64)</i>	-	-	-	-	-	-	-	-
<i>Elderly (65+)</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Outcome 2: Improved access to health care								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		

Number of beneficiaries of services provided	Number	0	-	-	-	-	400	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Number of jobs created	Number	0	-	-	-	-	3	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
<i>Age</i>								
<i>Children and youth (0-17)</i>	-	-	-	-	-	-	-	-
<i>Young adults (18-29)</i>	-	-	-	-	-	-	-	-
<i>Adults (30-64)</i>	-	-	-	-	-	-	-	-
<i>Elderly (65+)</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Number of new products/technologies developed	Number	0	-	-	-	-	9	-
<i>Sector</i>								
<i>Green</i>	-	-	-	-	-	-	-	-
<i>Blue</i>	-	-	-	-	-	-	-	-
<i>ICT</i>	-	-	-	-	-	-	-	-
<i>Welfare/ambient</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Output 2.1: Paediatric cancer diagnostic laboratory upgraded								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of diagnostic algorithms developed	Number	0	-	-	-	-	5	-
Output 2.2: Bone marrow donor registry expanded								
Indicator	Unit of measurement	Baseline	Achievements until end of	Achievements until end of December 2020			Target	Comment

			previous reporting period	Numerator	Denominator	Value		
Number of awareness raising campaigns carried out	Number	0	-	-	-	-	1	-
Number of additional bone marrow donors registered	Number	0	-	-	-	-	2,000	-
Output 2.3: Capacity of Cyprus Institute of Neurology and Genetics (CING) strengthened								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of professional staff trained (in Genome Editing and Cytometry)	Number	0	-	-	-	-	60	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Output 2.4: National Centre on Neuro-Developmental Disorders established								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of professional staff trained (on NDDs diagnosis)	Number	0	-	-	-	-	10	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Outcome 3: Improved access to social and economic services								
Indicator	Unit of measurement	Baseline	Achievements until end of previous	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		

			reporting period					
Number of beneficiaries of services provided	Number	0	-	-	-	-	325	-
<i>Financial Mechanism</i>								
<i>EEA Grants</i>	-	-	-	-	-	-	-	-
<i>Norway Grants</i>	-	-	-	-	-	-	-	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Number of visitors to a park with indigenous plants	Number	0	-	-	-	-	300	-
Number of jobs created – hiring of researchers for the digitization	Number	0	-	-	-	-	8	-
<i>Financial Mechanism</i>								
<i>EEA Grants</i>	-	-	-	-	-	-	-	-
<i>Norway Grants</i>	-	-	-	-	-	-	-	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
<i>Age</i>								
<i>Children and youth (0-17)</i>	-	-	-	-	-	-	-	-
<i>Young adults (18-29)</i>	-	-	-	-	-	-	-	-
<i>Adults (30-64)</i>	-	-	-	-	-	-	-	-
<i>Elderly (65+)</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Number of new products/technologies developed	Number	0	-	-	-	-	1	-
<i>Financial Mechanism</i>								
<i>EEA Grants</i>	-	-	-	-	-	-	-	-
<i>Norway Grants</i>	-	-	-	-	-	-	-	-
<i>Sector</i>								
<i>Green</i>	-	-	-	-	-	-	-	-

<i>Blue</i>	-	-	-	-	-	-	-	-
<i>ICT</i>	-	-	-	-	-	-	-	-
<i>Welfare/ambient</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Number of unaccompanied asylum-seeking minors receiving services	Number	0	-	-	-	-	100	-
<i>Financial Mechanism</i>								
<i>EEA Grants</i>	-	-	-	-	-	-	-	-
<i>Norway Grants</i>	-	-	-	-	-	-	-	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Output 3.1: Gastronomy School established								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Construction of Gastronomy Training centre and a park with indigenous plants completed	Binary	No	-	-	-	-	Yes	-
Number of professional staff trained (at Gastronomy School)	Number	0	-	-	-	-	100	-
<i>Financial Mechanism</i>								
<i>EEA Grants</i>	-	-	-	-	-	-	-	-
<i>Norway Grants</i>	-	-	-	-	-	-	-	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-
Output 3.2: Movable antiquities preserved								
Indicator	Unit of measurement	Baseline	Achievements until end of previous	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		

			reporting period					
Number of antiquities digitised	Number	0	-	-	-	-	96,000	-
Output 3.3: Multifunctional Community Centre for people with special needs developed								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Construction of Multifunctional Community Centre completed	Binary	No	-	-	-	-	Yes	-
Number of Civil Society organisations directly funded	Number	0	-	-	-	-	1	-
<i>Financial Mechanism</i>								
EEA Grants	-	-	-	-	-	-	-	-
Norway Grants	-	-	-	-	-	-	-	-
Output 3.4: Reception centre for unaccompanied asylum-seeking minors developed								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of Centres developed	Number	0	-	-	-	-	1	-
Number of professional staff trained	Number	0	-	-	-	-	50	-
<i>Financial Mechanism</i>								
EEA Grants	-	-	-	-	-	-	-	-
Norway Grants	-	-	-	-	-	-	-	-
<i>Gender</i>								
Female	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-
Not specified	-	-	-	-	-	-	-	-
Output 3.5: Integrated social service delivery model established								
Indicator	Unit of measurement	Baseline	Achievements until end of previous	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		

			reporting period					
Number of awareness raising campaigns carried out	Number	0	-	-	-	-	1	-
<i>Financial Mechanism</i>								
<i>EEA Grants</i>	-	-	-	-	-	-	-	-
<i>Norway Grants</i>	-	-	-	-	-	-	-	-
Solidarity Network Hub established	Binary	No	-	-	-	-	Yes	-
Outcome 4: Strengthened capacity of businesses on Corporate Social Responsibility								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of CY businesses applying CSR concepts	Number	TBD, After the initial survey	-	-	-	-	(+10%)	-
Output 4.1: Corporate Sustainability Supporting Framework developed								
Indicator	Unit of measurement	Baseline	Achievements until end of previous reporting period	Achievements until end of December 2020			Target	Comment
				Numerator	Denominator	Value		
Number of businesses that have received support to improve their performance on CSR issues	Number	0	-	-	-	-	50	-
Number of professional staff trained (on CSR principles)	Number	0	-	-	-	-	200	-
<i>Gender</i>								
<i>Female</i>	-	-	-	-	-	-	-	-
<i>Male</i>	-	-	-	-	-	-	-	-
<i>Not specified</i>	-	-	-	-	-	-	-	-

Annex 2: Communication summary

a. Visibility of the Grants and the donors

The main objectives of the Communication Strategy are to inform all relevant stakeholders of the funding provided by the Donor States, the overall objectives and outcomes of the Financial Mechanisms and the impact of the implementation of the Programme in Cyprus in several priority areas, as well as to facilitate and promote bilateral relations between the Donors and the Beneficiary States.

All the information and communication strategy measures to be taken, will primarily target the general public with the involvement of the key stakeholders, mainly the PP's, the FMO, the Norwegian Embassy in Athens and the Donor Countries. Special emphasis shall be given to the continuous collaboration with the PP's, knowing that this is crucial for the successful implementation of this strategy and the MOU.

In the period under review, the NFP/PO purchased a number of promotional materials, such as small booklets, pens and USB sticks, with the EEA/Norway grants logo, that will be disseminated in the events/meetings organized during the programming period.

b. Website and social media

The NFP/PO has a dedicated website for EEA and Norway Grants. The address for the website is <http://www.eeagrants.gov.cy> and the information provided is in English and Greek. This website will be updated with information from the NFP/PO as well as the PPs. The NFP is in the process of updating the website according to the Web Content Accessibility Guidelines for the visually impaired.

The NFP/PO is posting on its social media accounts, news, information and photos from the projects to promote their activities and increase visibility, whilst also promoting other activities relevant to the grants, such as trainings and events organized, with the overarching goal to increase awareness to the general public. It is noted that increased emphasis on communication will take place in the following months, in view of the recent implementation of the first activities of the projects.

The social media accounts managed by the NFP on Facebook and Instagram are:

Facebook: <https://www.facebook.com/eeaandnorwaygrantscyprus/>

Instagram: <https://www.instagram.com/eeagrantscy/>

c. Best practice examples

The projects are in the initial stages of their implementation and at this point there are no project activities relevant to communication to present.

d. Multimedia

As the implementation of the programme is at the initial stages, no videos have been produced yet.

Annex 3: Overview of contracted projects

CY-LOCALDEV Local Development and Poverty Reduction

	Projects	#	# of donor project partners	Amount budgeted ² (in €)	% of outcome budget contracted
Outcome 1 Enhanced capacity to preserve the environment and improve air quality	Pre-defined	3 Projects: CY-LOCALDEV-06 CY-LOCALDEV-07 CY-LOCALDEV-08	-	2.232.353	100
	Contracted through open calls	-	-	-	-
	Contracted through small grant schemes	-	-	-	-
	Total outcome 1	3 Projects	-	2.232.353	100
Outcome 2 Improved access to health care	Pre-defined	3 Projects: CY-LOCALDEV-10 CY-LOCALDEV-11 CY-LOCALDEV-12	-	2.125.000	100
	Contracted through open calls	-	-	-	-
	Contracted through small grant schemes	-	-	-	-
	Total outcome 2	3 Projects	-	2.125.000	100
Outcome 3 Improved access to social and economic services	Pre-defined	5 Projects: CY-LOCALDEV-2 CY-LOCALDEV-3 CY-LOCALDEV-4 CY-LOCALDEV-5 CY-LOCALDEV-9	-	3.072.000	100
	Contracted through open calls	-	-	-	-
	Contracted through small grant schemes	-	-	-	-
	Total outcome 3	5 Projects	-	3.072.000	100
Outcome 4 Strengthened capacity of	Pre-defined	1 Project: CY-LOCALDEV-1	-	-	-

² The total maximum amount committed to projects

businesses on Corporate Social Responsibility					
	Contracted through open calls	-	-	-	-
	Contracted through small grant schemes	-	-	-	-
	Total outcome 4	1 Project	-	-	-
Programme	Total	12 Projects	-	7.429.353	96,12

Annex 4: Risk management

CY-LOCALDEV Local Development and Poverty Reduction

Programmatic risks									
Risk description	Risk related to	Likelihood	Consequence	Risk score	Response type	Description of planned response	Description of actual response	Comments	Risk N/A?
Procurements process delay and appeals	Reducing social and economic disparities	2	2	2,00	mitigate	All the procurements will be run at the early stages of the projects, in order to have adequate time to solve any problems. Additionally, the tenders will include specific terms and conditions, so that all parties concerned are aware of the specificities of the procedures and therefore eliminate any misunderstandings.	After the signing of the contracts, the Project Promoters started preparing the tender procedures according to the approved budgets. The calls for tenders, for most of the projects are expected to be announced at the beginning of 2021.		
Limited access or dissemination for training seminars/opportunities	Reducing social and economic disparities	1	3	1,73	mitigate	Employ additional means of dissemination, besides established e-mailing lists, in order to attract participants to related events. These may include personal invitations addressed at senior level and formalized education events with collaborating institutions.	No events have been organised yet	Due to COVID-19 restrictions, physical participation in training seminars/opportunities might not be feasible. In order to reduce this risk, they will proceed online where possible.	

Inadequate technical support for equipment	Reducing social and economic disparities	2	3	2,45	Mitigate	Incorporate track record of service and certificates of equipment representation as part of the tender procedure.	Tender documents are prepared to include the relevant clauses		
+									
Operational risks									
Risk description	Risk related to	Likelihood	Consequence	Risk score	Response type	Description of planned response	Description of actual response	Comments	Risk N/A?
Inadequate contractors (communication and/or operational)	Reducing social and economic disparities	2	4	2,83	Mitigate	1) Involve administration staff in trainings for managing grants projects, maintain regular contact with NFP and PO and propose solutions/ adjustments, develop and apply transparent, simple and solid internal operating procedures based on the Regulation and guidance documents, 2) All the procurements will be run at the early stages of the projects, in order to have adequate time to solve any problems, 3) Request informal quotations prior to official tenders in order to speed up drafting of tender documents and allow for realistic tender requirements.	Procurement procedures have been initiated		
Inability to attract/engage the right staff in adequate numbers	Reducing social and economic disparities	2	3	2,45	Mitigate	1) Revise and consider a more proactive recruitment strategy (head hunting, publicity, and involvement of recruitment firms); Extend Announcement Periods of Recruitment; and review critically the cause and redefine hiring strategy including remuneration aspects. 2) Apply meritocratic salary and promotion system to maximize retention of capable staff.	Calls for hiring are being prepared taking into account the identified risks		

Low participation by the beneficiaries/target groups	Reducing social and economic disparities	1	4	2.00	Mitigate	All the project promoters will inform their beneficiaries/target groups about their project and their outcomes, through promotional activities. The activities and their results will be communicated accordingly to the relevant beneficiary groups. The PPs will be in close contact with the PO so any problems faced in reaching their target groups, will be encountered early in the implementation. Therefore, adequate participation by the beneficiaries will be secured.	Online and virtual promotional activities will be organised.	Due to COVID-19 restrictions, physical promotional activities might not be feasible. However, these can be performed on-line.
Covid-19 impacts project timelines and projects are not completed by April 2024	Reducing social and economic disparities	2	4	2.83	Mitigate	(a) All procurement procedures for the construction, purchase of equipment and hiring of personnel, will be run as soon as possible, even if they have been planned to be implemented at a later stage. This will ensure that possible delays due to Covid-19 will not affect the final project implementation deadline. (b) The PPs will exercise real discipline in terms of project management so that all activities are implemented without delays.	The PO is in close contact with the PPs in order to ensure that all possible measures are taken to eliminate the risks of delays due to Covid-19.	

	Likelihood	Consequence	Risk score
OVERALL RISK OF THE PROGRAMME			
Low public participation	1	4	2,00
Failure to produce deliverables in time	1	3	1,73
Personnel problems	2	3	2,45
Delayed procurement procedures	2	3	2,45
Project completion delays due to Covid-19	3	4	2.83

Annex 5: Monitoring Plan

Project #	Project name	Monitoring action	Planned timing: Q1, Q2, Q3, Q4	Criteria for monitoring (especially for site visits)	Risk issue with the project (if applicable)	Comments
CY-LOCALDEV-0001	Corporate Sustainability Supporting Framework	Close cooperation with the PP and check that the subsidy scheme has been developed	Q2	Check that the trainings are scheduled	Failure to produce deliverables in time	Project activities will be regularly monitored in order to identify in time any possible problems that may arise.
CY-LOCALDEV-0002	Gastronomy from A to Z – Gastronomy School at Troodos area	Regular monitoring	Q2 & Q4	Site visits	1. Construction cost exceeds planned budget, 2. Delays in the planned progress of the construction works	1. Additional national funds will cover the extra expenses, 2. Special clauses will be included in the construction contract for possible delays
CY-LOCALDEV-0003	Digitising the Museum of Cyprus	Close cooperation with the PP in order to ensure that the digitization is performed as planned	Q2 & Q4	Reporting	1. Technical issues arising during data mitigation from old server, 2. Inability to reach the specified target digitised objects due to efficiency issues	1. Mitigate the risk by providing clear-cut rules for technical support in the contract signed with the private company, 2. Special provisions at the experts 'contract for prompt delivery of digitised material
CY-LOCALDEV-0004	Multifunctional Community Centre for people with special needs	Regular monitoring	Q2 & Q4	Site visits	1. Delays in construction due to: (i) lack of coordination between the constructor, the mechanical and the electrical engineers (ii) labour shortages	1. Possible delays have been estimated and considered in the overall construction period 2. Close monitoring by architect and project manager 3. Careful selection of constructor involved

					<p>Unexpected site conditions/infrastructure,</p> <p>2. Exceed agreed construction budget due to unforeseen increases in prices of materials, labour and delays</p>	<p>1. Close monitoring by architect and project manager</p> <p>2. All immovable items have been included in the project cost and there will be no added cost</p>
CY-LOCALDEV-0005	Cyprus Reception Centre for Unaccompanied Minors	Regular monitoring	Q2 & Q4	Site visits	<p>1. Delays in the tendering procedures</p> <p>2. Delays in the implementation of the various project components</p>	<p>1. Careful preparation of tender documents, and careful and fully justifiable evaluation of tenders.</p> <p>2. Efficient and close monitoring of each activity implementation, close cooperation between all involved entities, so that the predetermined deadlines are met.</p>
CY-LOCALDEV-0006	Separate collection and management of hazardous waste produced by households	<p>Close cooperation with the PP in order to ensure that the project is implemented as planned (telephone calls and meetings).</p> <p>-Preparation of all the relevant documents according to the regulation</p>	Q2 & Q4	Site-visits where the Units will be situated	<p>1. Procurement process delays and possible appeals</p> <p>2. Inadequate contractors (communication and/or operational)</p>	<p>1. All the procurements will be run at the early stages of the project, the tenders will include specific terms and conditions, so that all parties concerned are aware of the specificities of the procedures and eliminate any misunderstandings.</p> <p>2. Involve administration staff in trainings for managing the project, maintain regular contact with NFP and PO</p> <p>Request informal quotations prior to official tenders in order to speed up drafting of tender documents and</p>

						allow for realistic tender requirements.
CY-LOCALDE V-0007	Reduction of risk of damage caused by wildfires in Cyprus' forests	Close cooperation with the PP in order to ensure that the project is implemented as planned	Q2 & Q4	Check that the Publicity and Information Campaigns and the Purchase of forest firefighting equipment are on schedule.	Procurements process delay and appeal	All the procurements will be run at the early stages of the project, the tenders will include very specific terms and conditions, so that all parties concerned are aware of the specificities of the procedures and therefore eliminate any misunderstandings.
CY-LOCALDE V-0008	Assessment of climate change effects on pollution in transport in Cyprus (ACCEPT)	Close cooperation with the PP in order to ensure that the project continuous as planned (telephone calls and meetings).	Q2 & Q4	Check that the WPs are on schedule, with no delays.	<p>1. Difficulties at Obtaining Permits for Deploying (Sensor) Networks for Atmospheric Monitoring</p> <p>2. Problems at Developing and Testing the New UAV-based Technology for Air Pollution</p>	<p>1. All the necessary Sampling and Monitoring Facilities are already controlled and regulated by the Consortium Members.</p> <p>2. All the Development Facilities (Labs) are controlled and regulated by Consortium Members, while Testing Facilities are granted to Consortium Members on a permanent basis by National Competent Authorities (Department of Civil Aviation).</p>
CY-LOCALDE V-0009	Solidarity Network Nicosia in Action «NicInAct»	Close cooperation with the PP in order to ensure that the project continuous as planned (telephone calls and meetings).	Q2 & Q4	Check that the timetable plan provided by the PP is followed on time Visits at the hub	<p>1. Administration related delays</p> <p>2. Not adequate access of citizens to the services of the network</p>	1. Involve municipality administration staff in trainings for managing EEA grants project, maintain regular contact with FMO to inform about potential delays and propose solutions/adjustments, develop and apply transparent, simple and solid internal operating procedures based on the Regulation and guidance

		Regular Monitoring at the Hub				documents and conduct internal training. 2. The partnership will be working continuously on all levels (communications/information/publicity, networks and NGOs, policy-level) to ensure the maximum beneficiary numbers and facilitate the access to groups which necessitate more targeted outreach methods. Referral mechanisms already exist with external actors which will be further developed and formalized.
CY-LOCALDE V-0010	Childhood cancer diagnostic laboratory	Close cooperation with the PP in order to ensure that the project continuous as planned (telephone calls and meetings).	Q2 & Q4	Check that the timetable plan provided by the PP is followed on time	Equipment procurement delays	All the procurements will be run at the early stages of the project, the tenders will include very specific terms and conditions, so that all parties concerned are aware of the specificities of the procedures and therefore eliminate any misunderstandings. An information session for Public Procurement will be organized for personnel working on procurement.
CY-LOCALDE V-0011	New infrastructure for diagnosis and treatment of patients	Close cooperation with the PP in order to ensure that the project continuous as planned (telephone calls and	Q2 & Q4	Check that the timetable plan provided by the PP is followed on time	1. Equipment procurement delays 2. Limited access or dissemination for training opportunities 3. Inability to engage qualified personnel for the	1. Request informal quotations prior to official tenders in order to speed up drafting of tender documents and allow for realistic tender requirements 2. Employ additional means of dissemination,

		meetings every 2 or 3 months).			proposed research (permanent staff with the required know-how and motivation is already in place at the PP)	besides established e-mailing lists, in order to attract participants to related events. Those may include personal networking at senior level and formalized education events with collaborating institutions. 3. Apply meritocratic salary and promotion system to maximize retention of capable staff
CY-LOCALDEV-0012	Centre for children and adolescents with neurodevelopmental disorders (NDD)	Close cooperation with the PP in order to ensure that the project continuous as planned (telephone calls and meetings). Regular Monitoring at the Center	Q2 & Q4	Visits at the Center and checking that the timetable plan provided by the PP is followed on time.	1. Renting Procedure 2. Lack of health specialties such as Child Psychiatrists, Pediatricians, Geneticist.	1. Start an open procedure for renting but without having to get permission by Public Works Department and Ministry of Finance, but get feedback by the Department involved in the procedure for safety issues. 2. Buy services for the specialties that have no interest for full time occupation.

Annex 6: Technical assistance report

Overview of main activities

A. In the period under review, the Directorate General for European Programmes, Coordination and Development (DG EPCD), in its role as the National Focal Point performed the following activities:

(1) Organised the 1st Annual Meeting of this Programming Period 2014-2021, with the Donors on 8/5/2020. The meeting took place on-line due to the Covid-19 pandemic.

(2) Organised the 1st Joint Committee for Bilateral Funds on 8/5/2020 with participants from the Donors, the Cyprus Ministry of Foreign Affairs and the NFP. This meeting took place on-line back to back with the Annual Meeting.

(3) Signed the Programme Agreement with the Donors on 29/6/2020 (in its role as PO).

(4) Signed 11 Project Contracts with the project promoters in the period July-September 2020 (in its role as PO).

(5) Organised in October 2020 inception meetings with all the PPs and their partners in order to inform/highlight and bring to their attention a number of issues/requirements derived from the Contract, the Programme Agreement, the MOU and the Regulations (in its dual role as NFP and PO).

(6) Submitted the first Interim Financial Reports for the Local Development and Poverty Reduction Programme (in its role as PO), the Technical Assistance and the Bilateral Relations Fund.

(7) In cooperation with the Certifying Authority, prepared the forecasting for likely payments to be submitted on 20/2, 20/4, 20/9 and 20/11/2020.

(8) Submitted to the FMO the Management Control System for the PO on 9/12/2020.

(9) Organised in October 2020 on-line training sessions/workshops for the NFP/PO, CA, AA and the PPs, in cooperation with the FMO and the Norwegian Embassy in Athens, for the following subjects:

- Results and Evaluation training- Results- Based Management Overview (Theory and Practice)
- Results and Evaluation training- Monitoring for Results and Risk Management
- Results and Evaluation training- Reporting on Results and Projects, Introduction in call texts
- Results and Evaluation Training-Surveys
- Finance, Legal and Grace Training for NFP/PO/CA/AA
- Legal and Finance Training for PPs
- Communication Workshop (Joint event - Embassy with FMO)

B. In the period under review, the Verifications and Certification Directorate of the Treasury of the Republic, in its role as the Certifying Authority, performed the following activities:

- (1) In cooperation with the NFP/PO, prepared and submitted to the FMO the forecasting for likely payments on 20/2, 20/4, 20/9 and 20/11.
- (2) Certified the expenditure included in the IFRs submitted by the PO and then submitted the IFRs to the FMO by 15/9/2020 through Grace.
- (3) Participated in the Workshops/trainings organised by the FMO in October 2020.

C. In the period under review, the Internal Audit Service of the Republic, in its role as the Audit Authority, performed the following activities:

- (1) Reviewed the Management and Control System for the Programme Operator, prepared by the PO.
- (2) Prepared the Report and Opinion on the MCS of the PO to be submitted to the FMO with the MCS
- (3) Participated in the Workshops/trainings organised by the FMO in October 2020.

Budget overview

The table below provides information on the implementation of the TA budget for the period up to June 2020 (IFR 1), where the expenditure has been verified by the Certifying Authority, indicating the planned and actual expenditures, as well as the cumulative expenditure up to June 2020.

	Total Budget	Planned expenditure	Actual expenditure	Cumulative expenditure to date
	€	€	€	€
National Focal Point	133.500	27.000	17.945	17.945
Certifying Authority/ Irregularities Authority	10.000	0	0	0
Audit Authority	29.000	0	0	0
Total	172.500	27.000	17.945	17.945

Procurement

As indicated in the MCS of the PO, an independent external service provider will conduct the verification of expenditures of all the twelve projects included in the Programme Agreement. In view of this, the DG EPCD proceeded with a call under public procurement procedures on 11/12/2020. According to the relevant procurement practices, the PO sent to four established auditing firms the tender documents with expected date of submission the 11/1/2021.

Furthermore, another procurement procedure was carried out in March 2020 for the purchase of four laptop computers for the staff assigned working for the Norway/EEA grants in Cyprus. The successful tenderer was the one with the lowest price and within the specifications of the tender.

The values of both procurements do not exceed the national thresholds for procurement.

Staffing

National Focal Point				
Name of staff	Official position	Main tasks	Level of effort (% of working time)	Funded through the Grants (Y/N)
Ioanna Kleanthous	Director	Deputy head of NFP	10%	Y
Leda Skordelli	Senior Coordination Officer	NFP duties, Responsible for the implementation of the Programs under the grants	60%	Y
Marina Pieri	Accountant	NFP duties, Responsible for the implementation of the Programs under the grants	100%	Y
Myranda Toumazou	Planning Officer A'	PO duties	100%	Y (from PO management cost)
Dafni Mavrommati	Coordination Officer	PO duties	100%	Y (from PO management cost)
Certifying Authority				
Stavri Ttofa	Senior Officer	Reviews and evaluation in capacity as CA	5%	N

Despina Koushiappa	Accountant	Verifications of payments and submissions of IFRs and Forecasting of likely payments in capacity as CA	20%	Y
Name of Audit Authority				
Stylianios Ioannides	Senior Internal Audit Officer	Overall review and coordination of the audit work	3%	N
Chara Efthymiou	Internal Audit Officer	Review of the MCSs of the NFP and PO, and preparation of audit reports	10%	N
Philippos Georgiou	Internal Audit Officer	Review of the MCSs of the NFP and PO, and preparation of audit reports	5%	N
Irregularities Authority				
Stavri Ttofa	Senior Officer	Reviews in capacity as IA	5%	N
Despina Koushiappa	Accountant	Preparation and submission of Irregularities reports	10%	N

Annex 7: Agreement Conditions

	Condition	Fulfilled Status
1	<p>The NFP in its dual role as Programme Operator shall ensure that the project promoters,</p> <ul style="list-style-type: none"> • Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period; • Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and • Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract. 	<p>Condition fulfilled</p> <p>This Condition has been included in the Project Contracts, in the annexes of the Project Progress Reports to be submitted to PO in specified intervals during the year and it is communicated and explained to PPs in the inception meetings in October 2020.</p>
2	<p>The National Focal Point in its dual role as Programme Operator shall ensure that the project promoters refrain from any acts or omissions that:</p> <ul style="list-style-type: none"> • Are incompatible with the property rights of natural or legal persons protected under the applicable laws of the Republic of Cyprus, the Convention for the Protection of Human Right and Fundamental Freedoms or the case law of the European Court of Human Rights; • Imply acceptance of entry or exit points of the Republic of Cyprus beyond those 	<p>Condition fulfilled</p> <p>This Condition has been included in the Project Contracts, in the annexes of the Project Progress Reports to be submitted to PO in specified intervals during the year and it is communicated and explained to PPs in the inception meetings in October 2020.</p>

	that are compatible with international law.	
3	Payments to project promoters and, if applicable, project partners shall only be made through legally operating banking institutions in the Republic of Cyprus.	<p>Condition fulfilled</p> <p>This Condition has been included in the annexes of the Project Progress Reports to be submitted to PO in specified intervals during the year and it is communicated and explained to PPs in the inception meetings in October 2020.</p>
4	Any supporting evidence for expenditures provided for payments shall not be considered eligible if these are derived from a so-called “public authority” or any other so-called “official institution” in the areas of the Republic of Cyprus where the Government of the Republic of Cyprus does not exercise effective control and authority.	<p>Condition fulfilled</p> <p>This Condition has been included in the annexes of the Project Progress Reports to be submitted to PO in specified intervals during the year and it is communicated and explained to PPs in the inception meetings in October 2020.</p>
5	The overall objective of bi-communal projects and their guiding principle is to contribute the reunification of Cyprus as set out in the relevant UN Security Council resolutions.	<p>Condition fulfilled</p> <p>This Condition has been included in the annexes of the Project Progress Reports to be submitted to PO in specified intervals during the year and it is communicated and explained to PPs in the inception meetings in October 2020.</p>
6	Bi-communal activities and bilateral partnerships shall be encouraged within all relevant projects.	<p>Condition fulfilled</p> <p>This Condition has been included in the annexes of the Project Progress Reports to be submitted to PO in specified intervals during the year and it is communicated and explained to PPs in the inception meetings in October 2020.</p>
7	No action or omission of the project promoters or any project partners is intended to imply recognition of any public authority in Cyprus, other than the Government of the Republic of Cyprus.	<p>Condition fulfilled</p> <p>This Condition has been included in the annexes of the Project Progress Reports to be submitted to PO in specified intervals during the year and it is communicated and explained to PPs in the inception meetings in October 2020.</p>

Annex 8 – Evaluation Plan

Programme Information				Evaluation Information							
Programme no. and title	Sector	Duration (start/End)	Budget (EUR)	Type of Evaluation	Evaluation Objectives Reason and learning goals	Timing Mid-term or Final Evaluation (Ex-post) Year	Data needs and collection methods Reports, Interviews Surveys Others	Evaluation Start /End Data	Budget (EUR)	Past Evaluations (if any) Type and Completion Date	Knowledge Sharing Who will benefit from the evaluation? How will findings be shared?
PA10 – Local Development and Poverty Reduction		29 June 2020 / 30 April 2024	7.136.700	Summative	The evaluation will assess all projects under the Programme. During the evaluation process, three OECD criteria will be examined, namely that of Relevance, Effectiveness and Sustainability. Regarding relevance, the evaluators will assess whether the specific projects served the interests and priorities of the target groups as set	Final evaluation (ex-post) 2024	Reports, interviews	Sept – Dec 2024	25.000		PPs, PO and NFP will benefit. The findings will be distributed to the PPs and the PO/NFP teams and they will be shared in the website of the NFP

					<p>in the project contracts. Additionally, in order to assess the effectiveness of the activities implemented, the evaluators will examine the extent to which the planned results have been achieved. Furthermore, sustainability of the projects will be assessed to indicate the extent the benefits achieved will continue to have lasting effects, after the project closure.</p>						