

Norwegian Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

and

The Planning Bureau of the Republic of Cyprus,  
hereinafter referred to as the "National Focal Point",  
representing Cyprus ,  
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Norwegian Financial Mechanism"

hereinafter referred to as the "Programme"

## Chapter 1

### Scope, Legal Framework, and Definitions

#### Article 1.1

##### Scope

This programme agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the Norwegian Financial Mechanism 2009-2014 to the Programme.

#### Article 1.2

##### Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the Norwegian Financial Mechanism 2009-2014:

- a. the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the Agreement);
- b. the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by Norway in accordance with Article 8(8) of the Agreement;
- c. the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Kingdom of Norway and the Beneficiary State; and
- d. any guidelines adopted by the NMFA in accordance with the Regulation.

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

#### Article 1.3

##### Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulation, in particular Article 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

#### Article 1.4

##### Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

## Chapter 2

### The Programme

#### Article 2.1

##### Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this programme agreement.

## Article 2.2

### Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the Norwegian Financial Mechanism 2009-2014 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

a. comply with its obligations stipulated in the Regulation and this programme agreement;

b. ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;

c. take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

d. take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

e. make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The NMFA shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

## Article 2.3

### Objective and outcomes of the Programme

1. The programme decision sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

## Article 2.4

### Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in the programme decision.

2. In case the Programme is also supported by the EEA Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;

b. indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in the programme decision.

## Article 2.5

### Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the NMFA with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in the operational rules.

## Article 2.6

### Programme implementation agreement

1. With reference to Article 5.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the NMFA of such signing.

2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the NMFA in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the NMFA of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

## Article 2.7

### Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme report in accordance with Chapter 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

Article 2.8  
External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9  
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the NMFA.
2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without NMFA's prior approval provided that they are limited to the following:
  - a. cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
  - b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. Should there be a doubt as to whether the proposed modifications require approval by the NMFA, the National Focal Point shall consult the NMFA before such modifications take effect.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10  
Communication

1. All communication to the NMFA regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the NMFA towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English.

3. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

4. The NMFA shall ensure that the National Focal Point is informed about communication between the NMFA and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

Article 2.11  
Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.
2. The contact information for the NMFA and the Financial Mechanism Office are:  
Financial Mechanism Office  
Att: Director  
EFTA Secretariat  
Rue Joseph II, 12-16  
1000 Brussels  
Telephone: +32 (0)2 286 1701  
Telefax (general): +32 (0)2 211 1889  
E-mail: fmo@efta.int
3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12  
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the NMFA in the programme proposal or other communication prior to the signing of this programme agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point in the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

## Chapter 3 Projects

### Article 3.1 Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6. 2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

### Article 3.2 Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.
2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.
3. The content and form of the project contract shall comply with Article 6.7 of the Regulation.
4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

### Article 3.3 Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.5 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 6.8 of the Regulation.
2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from Norway.
3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

### Article 3.4 Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the NMFA in accordance with Article 6.9 of the Regulation.

## Chapter 4 Finance

### Article 4.1 Eligible expenditures

1. Subject to Article 7.6 of the Regulation, eligible expenditures of this Programme are:
  - a. management costs of the Programme Operator in accordance with the detailed budget in the financial plan;
  - b. payments to projects within this Programme in accordance with the Regulation, this programme agreement and the project contract;
  - c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the NMFA in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

## Article 4.5

## Irregularities, suspension and reimbursements

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the NMFA of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

The NMFA has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

## Chapter 5 Final provisions

## Article 4.2

## Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 7.13 of the Regulation.

## Article 4.3

## Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulation have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 8.2, 8.3 and 8.4 of the Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

## Article 4.4

## Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the Norwegian Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

## Article 5.1

## Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the NMFA is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

## Article 5.2

## Termination

1. The NMFA may, after consultation with the National Focal Point, terminate this programme agreement if:

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 of the Regulation, other than under paragraph 1(h), has not been lifted within one year of such a decision;

c. a request for reimbursement according to Article 12.2 of the Regulation has not been complied with within one year from such a decision;

d. the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

e. the Programme Operator has, in the opinion of the NMFA, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the NMFA to make use of the remedies provided in Chapter 12 of the Regulation.

Article 5.3  
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the NMFA, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the NMFA or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The NMFA does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the NMFA for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the NMFA, its officials or employees, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4  
Entry into force and duration

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

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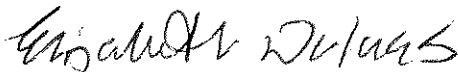
This programme agreement is drawn up in two originals in the English language.

For the NMFA

For the National Focal Point

Signed in Nicosia on 5 Dec. 2012

Signed in Nicosia on 5 Dec 2012



Anders Erdal  
Deputy Director General, Ministry of Foreign Affairs

George Georghiou  
Permanent Secretary of the Planning Bureau

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

**Expected Outcome(s):** Reduced inequalities between user groups

#### Output

New Biomarkers are generated

Output indicator(s)	Baseline	Target	Source of Verification
List of newly discovered biomarkers/ genes	0	1	Report outlining the newly discovered biomarkers/genes and their application

#### Output

2000 new young donors from both the Greek and Turkish Cypriot Community recruited

Output indicator(s)	Baseline	Target	Source of Verification
Number of new recruited donors during the project period	0	2000	Progress report, registry audit report, and onsite inspection

**Expected Outcome(s):** Domestic violence reduced

#### Output

A purpose-build shelter constructed

Output indicator(s)	Baseline	Target	Source of Verification
Number of purpose build shelter	0	1	Audits after the completion of the construction of the Shelter

#### Output

Staff trained in operating the Shelter

Output indicator(s)	Baseline	Target	Source of Verification
Number of men trained	0	25	Attendance sheets to training activities
Number of women trained	0	45	Attendance sheets to training activities

**Expected Outcome(s):**

Improved capacity to prevent and combat cross-border and organized crime, including trafficking in human beings and itinerant criminal groups

#### Output

Knowhow between FIU Cyprus and FIU Norway, FIU Finland, FIU Netherlands and UNODC is shared

Output indicator(s)	Baseline	Target	Source of Verification
Number of study visit to FIU Norway, FIU Finland and FIU Netherlands and to UNODC by FIU Cyprus	0	4	Report by MOKAS staff to the Head of MOKAS



**Output**

goAML and goCASE applications developed and installed, including provision of support

Output indicator(s)	Baseline	Target	Source of Verification
Number of contracts signed between FIU Cyprus and UNODC	0	2	Agreements signed between MOKAS and UNODC

**Expected Outcome(s):** Strengthened capacity of NGOs and an enabling environment for the sector promoted

**Output**

Dialogue on History Teaching is developed and organized by the AHDR

Output indicator(s)	Baseline	Target	Source of Verification
Number of international conferences organized on history teaching	0	3	Filming of conferences for AHDR Archive; Attendance sheets from events

**Output**

The Home for Cooperation, facilitates outreach activities for civil society organizations

Output indicator(s)	Baseline	Target	Source of Verification
Number of new collaborations initiated between the H4C/AHDR and NGOs, non-formal groups and other grass-roots organisations	5	14	Agreements signed between the H4C/AHDR and NGOs, non- formal groups and other grass roots organisations

**2. Conditions****2.1 General**

- 1) The Grant Offer is subject to any comments or observations made by the European Commission in relation to the screening process.
- 2) The National Focal Point shall ensure that any public support under this Programme complies with the procedural and substantive state aid rules applicable at the time when the public support is granted. The National Focal Point shall ensure that the Programme Operator maintains written records of all assessments concerning compliance with state aid rules, particularly decisions to award grants and set grant rates, and provides such records to the NMFA upon request. The approval of the Programme by the NMFA does not imply a positive assessment of such compliance.
- 3) The details of use of the bilateral fund and any other relevant details will be developed by the Programme Operator. These details shall be submitted to the NMFA for approval prior to the allocation and disbursement of these funds.
- 4) No later than 31 January every calendar year during the programme implementation, the National Focal Point shall submit to the FMO a statement of all co-financing provided by the project promoters to their respective projects during the previous calendar year.
- 5) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the excepted equipment):
  - Keep the excepted equipment in their ownership for a period of at least 5 years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;
  - Keep the excepted equipment 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 the excepted equipment 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.
 The National Focal Point shall furthermore ensure that the Programme Operator keeps a list of the excepted equipment for each project.

Pre-defined project under PA 29 (SPAVO)

- 6) The project shall ensure the availability of Turkish and English speaking staff and/or volunteers in addition to Greek speaking personnel, and shall continue to engage in dialogue with AKOVA.
- 7) The National Focal Point shall ensure that the Programme Operator ensures that the Project Promoter:
  - Keeps any buildings purchased, constructed, renovated or reconstructed under the project in its ownership for a period of at

least 5 years following the completion of the project and continues to use such buildings for the benefit of the overall objectives of the project for the same period;

- Keeps 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

- Sets 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.

8) The National Focal Point shall ensure that the Programme Operator ensures that any residual or extracted material from project activities is reused, recycled, treated and/or deposited in an environmentally sound manner.

9) The use of the reserve for unforeseen developments according to Article 1.10.1 of the Regulation shall be discussed with the NMFA at the annual meeting and be agreed prior to the allocation and disbursement of any of these funds.

Pre-defined project under Area of Intervention 38 (Home for Cooperation)

9) Within one year after approval of the programme, a Governing Committee shall be established to develop and oversee the future strategy of the H4C.

## 2.2 Pre-eligibility

Not applicable.

## 2.3 Pre-payment

Pre-defined project under PA29 (SPAVO)

1) A construction permit from Aglantzia Municipality shall be obtained and be submitted to the National Focal Point before the signature of the project contract, and before any payments to the project will be made.

Pre-defined project under Area of Intervention 38 (Home for Cooperation)

2) A revised risk assessment plan shall be submitted to the NMFA for approval.

3) A management structure with roles and responsibilities shall be submitted to the NMFA for approval.

4) Payment from the Norwegian Financial Mechanism 2009-2014 to activities falling within the third pillar of the project (as defined in section 6, point 5, of Annex II to this Programme Agreement) shall be conditional upon the fulfilment of the following condition: A revised and further developed concept for the third pillar of the project, including the "Small Projects Programme" shall be developed in cooperation between the Project Promoter and the FMO and shall be submitted to the NMFA for approval no later than 1 September 2013.

## 2.4 Pre-completion

Not applicable.

## 2.5 Post-completion

Not applicable.

## 2.6 Other

Not applicable.

## 3. Eligibility of costs

### 3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 28/11/2012-30/04/2017

Eligibility of programme proposal preparation costs: 13/12/2011-27/11/2012

### 3.2 Grant rate and co-financing

Programme estimated total cost (€)	€3,795,945
Programme estimated eligible cost (€)	€3,445,000
Programme grant rate (%)	100.0000%
Maximum amount of Programme grant (€)	€3,445,000

### 3.3 Maximum eligible costs (€) and Advance payment amount (€)

Budget heading	Eligible expenditure	Advance payment*
Programme management	€0	€0
Reduced inequalities between user groups	€1,173,627	€200,000
Domestic violence reduced	€692,948	€150,000
Improved capacity to prevent and combat cross-border and organized crime, including trafficking in human beings and itinerant criminal groups	€935,750	€50,000
Strengthened capacity of NGOs and an enabling environment for the sector promoted	€591,000	€50,000
Fund for bilateral relations	€51,675	€0
Complementary action	€0	€0
Preparation of programme proposal	€0	€0
Reserve for exchange rate losses	€0	€0
Total	€3,445,000	€450,000

\* The advance payment is composed of €450,000 in grant amount and €0 in co-financing.

#### 3.4 Retention of management costs

Retention of management costs - percentage of the management costs	0.00%
Retention of management costs - planned Euro value	€0

#### 3.5 Small Grant Scheme

Not applicable

## Annex II - Operational Rules

### 1. Eligibility

#### 1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Planning Bureau of the Republic of Cyprus.

In accordance with the MoU and paragraph 2 of Article 5.1 of the Regulation, the support under this Programme will be provided through a flexible funding set-up. The Programme consists of five pre-defined projects in two Programme Areas (PAs) and two Areas of Intervention.

- two pre-defined projects within PA 27 (Public Health Initiatives)

Project 1: The Cyprus Bone Marrow Registry

Project 2: Establishment of a Translational Facility at the Cyprus Institute of Neurology and Genetics (CING)

- one pre-defined project within PA 29 (Domestic and Gender-based Violence)

Project 3: Construction of a new shelter for the victims of domestic violence

- one pre-defined project within the Area of Intervention 37 (Justice and Home Affairs)

Project 4: Strengthening MOKAS capacities and improve efficiency to detect money laundering and the financing of terrorism

- one pre-defined project within the Area of Intervention 38 (Civil Society Support)

Project 5: The Home for Cooperation (H4C)

In accordance with the Memorandum of Understanding, Annex B, Article 4, an amount of €135,000 from the reserve for unforeseen developments according to Article 1.10.1 of the Regulation shall be used to strengthen NGO activities under this Programme.

#### 1.2 Eligible applicants:

Not applicable.

#### 1.3 Special rules on eligibility of costs:

Costs are eligible in accordance with chapter 7 of the Regulation.

- By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new equipment will be eligible if the equipment is an integral and necessary component for achieving the outcome of the project.

### 2. Financial parameters

#### 2.1 Minimum and maximum grant amount per project:

Not applicable.

#### 2.2 Project grant rate:

Specified for each pre-defined project in section 6 of this Annex II.

### 3. Selection of projects

#### 3.1 Selection procedures:

Not applicable.

#### 3.2 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):

Not applicable.

#### 3.3 Selection criteria:

Not applicable.

### 4. Payment flows, verification of payment claims, monitoring and reporting

#### 4.1 Payment flows

The payments towards the end beneficiaries will be in the form of advance payments, interim payments and payments of the final balance.

The project promoters not representing a government department (Projects 1, 2, 3, and 5) can request an advance payment of up to 20% of the grant amount. The advance payment ceiling and off-set mechanism will be adapted to each project promoter's liquidity need and included as part of the project contract. An advance payment bank guarantee will be requested from project promoters. Additional information on the advance payment conditions and off-set mechanism shall be further outlined in the description of the Programme Operator's Management and Control Systems in accordance with Article 4.8.2 of the Regulation.

Interim payments will be based upon incurred costs which can be claimed three times a year, as standard. In justified cases the project promoter can be allowed to report more frequently. The Programme Operator has the possibility to withhold up to 10% of the total grant for the final balance.

#### 4.2 Verification of payment claims

Each payment claim received will be verified by auditors external to the Programme Operator and will cover 100% of the expenditures. As a general rule, costs incurred by the project promoters shall be supported by receipted invoices. Where this cannot be done, costs shall be supported by accounting documents of equivalent probative value.

The procedure for verification of payment claims and deadlines for reporting as outlined in the Programme proposal will further be detailed in the description of the Programme Operator's Management and Control Systems according to Article 4.8.2 of the Regulation.

#### 4.3 Monitoring and reporting

The project promoters shall submit interim and final reports which will include information on progress of implementation and payments made.

The Programme Operator will have a meeting with the project promoters every second month to discuss progress and issues. In accordance with Article 4.7.1.f of the Regulation, site visits will be conducted based on an assessment of risk elements in the projects. Site visits may also be carried out for projects based on random selection.

Information on Reporting and Monitoring will further be outlined in the description of the Programme Operator's Management and Control Systems according to Article 4.8.2 of the Regulation.

Irregularities will be handled in accordance with Article 11 of the Regulation.

## 5. Additional mechanisms within the programme

### 5.1 Funds for bilateral relations

1.5% of the eligible expenditure for each of the PAs / Areas of intervention is assigned to the bilateral fund at Programme level. The grant amount available under the bilateral fund is €51,675. The amount is pre-allocated at 1.5% of the original grant allocation to each project as defined in the MoU between Cyprus and Norway. The amounts and grant rate can be found in section 6 of this Annex II.

The fund shall be used to facilitate networking, exchange, sharing and transfer of knowledge, technology, experience and best practices between the promoters and relevant entities in Norway (cf. Article 3.6.1.b of the Regulation). Funding from the fund for bilateral relations at Programme level may also be used for activities with the primary aim of strengthening co-operation between the project promoters and similar entities within the Republic of Cyprus and Norway, and exchanging experiences and best practices related to the implementation of the Programme. Eligible activities shall include the participation of project promoters and other relevant stakeholders in events, seminars and other relevant activities agreed with the NMFA. Eligible costs are defined in Article 7.7 of the Regulation.

The project promoters will submit their proposals for activities under the fund to the Programme Operator using a specific template where the following information is requested: topic/subject; type of the activity; timeline; costs; number of persons involved; minimum and maximum grant amounts per activity; the proposed entity; justification i.e. need for the activity and its contribution to strengthening the bilateral relations.

If a project promoter is unable to use parts or all of its respective allocation of the bilateral fund, the unused amount will be reallocated to one or several of the other project promoters for additional activities under their respective PAs / Areas of intervention.

### 5.2 Complementary action

Not applicable.

### 5.3 Reserve for exchange rate losses

Not applicable.

### 5.4 Small Grant Schemes

Not applicable.

## 6. Pre-defined projects

The Programme consists of five pre-defined projects.

### 1. The Cyprus Bone Marrow Donor Registry (CYBMDR)

PA 27: Public Health Initiatives

Project promoter: Karaiskakio Foundation

DPP: Not applicable.

Allocated grant amount: €681,127

Grant rate: 90%  
 Estimated total eligible project costs: €756,808  
 Grant amount available from bilateral fund: €10,373; Maximum grant rate 90%

The project will upgrade the infrastructure of the CYBMDR, address many of its technical and operational weaknesses, improve its capacity to serve the needs of all Cypriots as well as international patients and help maintain its sustainability. The project promoter will actively promote access to the facilities for citizens of both communities and increase outreach through publicity in both Greek and Turkish, and employ Turkish and English speaking staff.

The project will cover the following activities:

- Procurement of IT infrastructure and development of communication tools;
- Registry database upgrade and development of a laboratory information system;
- Upgrading the Turkish Cypriot donor database;
- Public awareness and donor recruitment campaign;
- Procurement of laboratory equipment;
- Tissue typing of donors; and
- Organisation of a meeting of the Group of the European Medium Size (GEMS) Registries.

Bilateral relations: The CYBMDR and the Norwegian Bone Marrow Donor Registry will jointly organise a meeting of the Group of European Medium Size Registries in Cyprus.

## 2. Establishment of a Translational Facility at the Cyprus Institute of Neurology and Genetics (CING)

PA 27: Public Health Initiatives

Project promoter: The Cyprus Institute of Neurology and Genetics

DPP: Not applicable.

Grant Amount: €492,500

Grant rate: 67.91%

Estimated total eligible project costs: €725,186

Grant amount available from bilateral fund: €7,500; Maximum grant rate 85%

The pre-defined project will contribute to the establishment of a National Translational Facility in Cyprus that will investigate biological samples from common and rare diseases such as cancer and neurological disorders. The aim is to identify biomarkers for early detection and diagnosis and to use better targeted therapeutic approaches. The project will strengthen the on-going collaboration between scientists, doctors and NGOs between the Greek and Turkish Cypriot communities, and also aims at further strengthening the international cooperation in this area.

The project will cover the following activities:

- Procurement of analytical equipment which will be installed in the CING Translational Facility
- Collection and selection of patients and biological samples for analytical investigations
- Advanced analysis of the biological samples collected from patients suffering from cancer and neurological diseases
- Evaluation of new biomarkers
- Construction of a new bio-bank

Bilateral relations: The CING facility will cooperate with Professor Oystein Fodstad, Director of the Institute for Cancer Research at Radiumhospitalet, Oslo. Visits from Cyprus to Norway shall also take place with the aim to strengthen future cooperation with Donor State institutions, including training and exchanges of young scientists, organisation of a common workshop as well as the establishment of new cooperation projects.

## 3. Construction of a new shelter for the victims of domestic violence

PA 29: Domestic and Gender-based Violence

Project promoter: The Association for the Prevention and Handling of Violence in the Family (SPAVO)

DPP: Norwegian Secretariat for the Shelter Movement (KSS)

Grant Amount: €692,948

Grant Rate: 90%

Estimated total eligible project costs: €770,000

Grant amount available from bilateral fund: €10,553; Maximum grant rate 90%

The project will finance the construction, furnishing and equipping of a new shelter of 800m<sup>2</sup> for 24 persons. The shelter will be open to women and children from the Greek/Cypriot and the Turkish/Cypriot communities experiencing abuse. The project shall ensure the availability of Turkish and English speaking staff and/or volunteers in addition to Greek speaking personnel, and shall continue to engage in dialogue with AKOVA. Publicity will include leaflets, posters, seminars, workshops and a dedicated website for the shelter which shall be

available in both Greek and Turkish.

The project will also provide premises for a domestic violence crisis centre to provide specialised services for both women and men, including counselling services and psychological support.

The project will not cover any management costs, but provides funding for "site supervision".

The project will cover the following activities:

- Tender for the selection of a suitable building contractor and site supervision
- Construction of the shelter
- Training of staff, members and volunteers of the Association
- Equipment and furniture for the shelter

Bilateral relations: Relevant seminars and workshops to be held at the shelter premises organised in cooperation between the DPP and the Project Promoter. The project promoter will organise a study trip to Oslo to visit several shelters.

#### 4. Strengthening MOKAS capacities and improve efficiency to detect money laundering and financing of terrorism

Area of intervention 37: Justice and Home Affairs

Project promoter: Unit for Combating Money Laundering of Cyprus (MOKAS)

DPP: N/A

Grant Amount: €935,750

Grant Rate: 85%

Estimated total eligible project costs: €1,100,882

Grant amount available from bilateral fund: €14,250; Maximum grant rate 85%

The objective of the project is to automate the analysis and investigation procedure of MOKAS by implementing an IT system for supporting the core activities of the unit.

The project will cover the following activities:

- Visits to FIU Netherlands, to FIU Finland and to UNODC to utilise their knowledge and best practices
- Installation and configuration of infrastructure (hardware and software) and implementation of security design
- Reviewing the implementation of the security design, testing the security management and evaluating the overall project performance
- Installation, configuration and testing of goAML and goCASE (software packages provided free of charge by UNODC) and data migration
- Training of analysts, technical and management personnel on goAML and goCASE
- Training of law enforcement officers on preventing and combating money laundering, financial and organised crime

Bilateral relations: MOKAS shall conduct a visit to its Norwegian counterpart, Økokrim. The parties will exchange knowledge and best practices and potentially enter into an agreement further defining any future cooperation.

#### 5. Home for Cooperation

Area of Intervention 38: Civil Society Support

Project promoter: Association for Historical Dialogue and Research (AHDR)

DPP: Council of Europe (CoE)

Grant Amount: €591,000

Grant Rate: 80.74%

Estimated total eligible project costs: €731,970

Grant amount available from bilateral fund: €9,000; Maximum grant rate 90%

The purpose of the project is to support the operation and sustainability of the Home for Cooperation, which shall contribute to the bridge-building between the Greek and Turkish communities in Cyprus. Information will be available in both Greek and Turkish.

The project will cover activities falling under the three following "pillars":

1. Supporting the operational expenses of the Home for Cooperation
2. Organising three history teaching conferences (in partnership with the Council of Europe), related information activities and a research project on "Nicosia as a shared space" which will result in an interactive website
3. Sustainability of the H4C, including developing a 'Small Projects Programme' for NGO projects from the entire island of Cyprus centered around the H4C, generating outreach, support and diversification of activities; information activities and outputs, including newsletters, website and a public service announcement on the Home.

The third pillar of this pre-defined project will include the development, implementation and management of a "H4C Small Projects Programme", based on the following requirements:

- Eligible applicants:

Civil society organizations, platforms, networks, as well as non-formal groups and individuals, who wish to develop initiatives that will be centred in the H4C and other fundraising activities for the H4C. Project activities must take place at the H4C and/or directly relate to the H4C.

- Project proposals must fulfil specific criteria, including:  
a bi-communal aspect;  
a direct relation with the aims of the H4C; and  
an innovative approach.

- One call per year will be disseminated with a total of three projects being awarded per call, each being focused on one of three thematic areas: education, youth, and culture.

- Selection criteria include:

- \*the project's contribution to the long term sustainability of the H4C;
- \*demonstration of long-term participation/results;
- \*ability to feed into the infrastructure of the H4C; and
- \*contribution to H4C's financial sustainability.

A three-person evaluation committee will be established, consisting of two members of the project promoter together with the Small Projects Coordinator. The maximum grant amount under the "Small Projects Programme" is €10,000 per project.

Within six months after the approval of the Programme by Norway, the project promoter shall further develop the concept and activities contained in the third pillar. The recommendations made in the appraisal report commissioned by the FMO in August 2012 shall be taken into account.

Bilateral relations: The project promoter will work closely with the House for Literature in Oslo, and members of the AHDR-H4C team will participate in short internships (3-5 days duration) at the House of Literature. The project promoter will invite leading members of the House of Literature to participate in the H4C Governing Committee. The project promoter will cover part of the participation costs of Norwegian scholars participating in and contributing to the third conference to be organized under Pillar 2.

## **7. Modification of the programme**

Any modifications of the Programme will follow the rules set forth in the Regulation and in Article 2.9 of the Programme Agreement.

## **8. Programme proposal version**

Any reference to the Programme proposal in this Programme Agreement shall be interpreted as the version signed by the PO on 25 October 2012 and shall include any information submitted on the pre-defined projects, and all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point, the Programme Operator and the Project Promoters.

## **9. Miscellaneous**

The Programme will not cover any costs the Programme Operator incurs in order to fulfil its tasks under this Programme Agreement. The Programme Operator is therefore responsible to ensure that sufficient funding is available to perform its tasks throughout the entire implementation period of the Programme.





REDUCING DISPARITIES | STRENGTHENING COOPERATION

Subject: Delegation of Authority

1. I hereby authorise MS Elisabeth Walaas, Director General, to sign Programme Agreements for Programmes under the EEA Financial Mechanism 2009-14 and the Norwegian Financial Mechanism 2009-2014 on behalf of the Donor States.
2. This delegation is effective for the purposes of the signature of only those Programme Agreements to be signed between the Donor States and the Republic of Cyprus in Nicosia on 5 December September 2012.
3. The authority delegated in this document shall not be sub-delegated.

Date: 3.12.2012

Anders Erdal  
Chairman  
Financial Mechanism Committee