



REPUBLIC OF CYPRUS
Planning Bureau



STRATEGIC REPORT 2012

for the

NORWEGIAN
FINANCIAL MECHANISM

2009 – 2014

REPUBLIC OF CYPRUS

January 2013

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GLOSSARY OF ACRONYMS

AA	Audit Authority (Internal Audit Service)
AHDR	Association of Historical Dialogue and Research
BS	Beneficiary State
CA	Certifying Authority (Treasury)
CING	Cyprus Institute of Neurology and Genetics
CYBMDR	Cyprus Bone Marrow Donor Registry
DPP	Donor Programme Partner
DS	Donor State
EC	European Commission
EEA	European Economic Area
EU	European Union
FM	Financial Mechanism
FMO	Financial Mechanism Office
H4C	Home for Cooperation
MC	Monitoring Committee
MOKAS	Unit for Combating Money Laundering
MoU	Memorandum of Understanding
NFP	National Focal Point
NGOs	Non Governmental Organisations
NMFA	Norwegian Ministry of Foreign Affairs
NPERI	National Public Entity Responsible For Irregularities Reports
NSRF	National Strategic Reference Framework
PA	Programme Agreement
PB	Planning Bureau
PP	Project Promoter
PM	Project Manager
PPD	Public Procurement Directorate, Treasury
SDP	Strategic Development Plan
SPAVO	Association for the Prevention and Handling of Violence in the Family
WP	Work Plan

1. Executive Summary

The present Annual Report is prepared by the Planning Bureau acting as the National Focal Point (NFP) for the implementation of the Norwegian Financial Mechanism (FM) 2009-2014 according to Article 2.21 of the Regulation on the implementation of the Norwegian FM as well as paragraph 6 of Annex A of the Memorandum of Understanding (MoU) signed between the Republic of Cyprus and Kingdom of Norway on the implementation of the above Mechanism. It is noted in this respect that according to the above-mentioned paragraph of the MoU, the NFP should submit to the NMFA a combined Strategic Report and Annual Programme Report. However since the Programme Agreement, between Norway and the NFP was signed on 5 December, 2012, the relevant first Annual Programme Report should be submitted in the second year following the approval of the Programme i.e. in 2014 (article 5.11.2 of the Regulations). As a result, the present Report is a Strategic Report prepared on the basis of the Template in Annex 3 of the Regulations and not a combined Strategic and Annual Programme Report as stipulated in the MoU.

According to the MoU on the implementation of the Norwegian FM 2009-2014, the net amount of the allocation to be made available to Cyprus is €3.700.000. In view of the small size of the allocation, it was agreed, during the MoU negotiations, that the support would be provided through two Programmes: The Global Fund for Decent Work and Tripartite Dialogue operated by an appointed Operator (Innovation Norway) and a Cross sectoral Programme, operated by the Planning Bureau, consisting of five predefined projects each one falling under a specific Programme area/Area of intervention. These areas concern those of Public Health Initiatives, Domestic and Gender based Violence, Justice and Home Affairs and Civil Society Support.

The overall objectives common to all Programmes under the Norwegian FM is the reduction of economic and social disparities in the EEA and the strengthening of the bilateral relations between Norway and Cyprus whereas the objectives of the various Programme Areas/Areas of intervention and the respective predefined project as stated in the relevant MoU are as follows:

- | | | |
|----|-----------------|---|
| A. | Programme Area: | Decent Work and Tripartite Dialogue |
| | Objective: | Decent Work Promoted and Tripartite Cooperation improved between employers' organizations, trade unions and public authorities in supporting equitable and sustainable economic and social development. |
| B. | Programme Area: | Public Health Initiatives |
| | Objective: | Improved Public Health and reduced health inequalities |

Projects: (1) The Cyprus Bone Marrow Donor Registry (CYBMDR)
(2) Establishment of a Translational Facility at the
Cyprus Institute of Neurology and Genetics (CING).

- C. Programme Area: Domestic and Gender Based Violence
Objective: Gender Based Violence prevented and tackled
Project: Construction of a new shelter for the victims of domestic violence
DPP: The Norwegian Secretariat of the Shelter Movement
- D. Area of Intervention: Justice and Home Affairs
Project: Strengthening MOKAS capacities and improve efficiency to detect money laundering and the financing of terrorism
- E. Area of Intervention: Civil Society Support
Project: The Home for Cooperation (H4C)
DPP: The Council of Europe

A detailed financial analysis of the Programmes appears in the table below (Table 1), indicating the grant allocation, the co-financing, the bilateral funds at Programme level, as well as the other allocations concerning the Reserve for unforeseen developments, Technical Assistance and the Fund for bilateral relations at national level.

Table 1

	Net Grant Allocation as per MoU (€)	Grant Rate (max)	Co-financing Rate (min. Rate)	Co-financing Rate (min. Amount) (€)	Bilateral of FM (€)	Bilateral of CY (€)	Total Bilateral Fund at Programme Level (€)
	A			B	C (1.5% of A)	D (1.5% of B)	E (C + D)
Programme Area/Area of Intervention							
Decent Work and Tripartite Dialogue	40.000						
Public Health Initiatives	1.191.500						
- CYBMDR	(691.500)	90%	10%	76.833	10.373	1.152	11.525
- CING	(500.000)	85%	15%	88.235	7.500	1.324	8.824
Domestic and	703.500	90%	10%	78.167	10.553	1.713	11.725

Gender Based Violence							
Justice and Home Affairs	950.000	85%	15%	167.647	14.250	2.515	16.765
Civil Society Support	600.000	90%	10%	66.667	9.000	1.000	10.000
SUBTOTAL	3.485.000			477.549	51.675	7.163	58.838
Other Allocations							
Technical Assistance	60.000						
Fund for Bilateral Relations	20.000						
Reserve for Unforeseen developments	135.000						
GRANT TOTAL	3.700.000						

As already noted, the Programme Agreement for the cross-sectoral Programme was signed on 5 December 2012 whereas the Programme for the “Global Fund for Decent Work and Tripartite Dialogue” is operated by an Operator appointed by the FMO/DS. On the basis of the above, the present Strategic Report reflects the progress since December 2011 at which time the MoUs were signed and as such it can only assess expectations and not real achievements.

The progress in the last year can be summarized as follows: Firstly, in its role as National Focal Point, the Planning Bureau:

- (a) Has taken all the necessary actions for the establishment of the Monitoring Committee and the preparation of the Internal Regulations for its operation;
- (b) Prepared the description of the Management and Control System, in the context of which the structures of and the procedures followed by the National Focal Point are described in detail, as well as those of the Certifying Authority, the Audit Authority and the National Public Entity responsible for the preparation and submission of irregularities reports. The Management and Control System was evaluated by the Internal Audit Service, and a positive opinion was issued;
- (c) Prepared a proposal regarding the needs for funding for Technical Assistance, both for the Planning Bureau as the National Focal Point and the Certifying and Audit Authorities. The amount of €117.750 was allocated to Technical Assistance for both Financial Mechanisms, under the Agreement signed on the 20th of March 2012. The Agreement also provides for the management of the Fund for Bilateral Relations

between Cyprus and the Donor States on the basis of a work plan which is under preparation by the Planning Bureau.

- (d) Prepared the Communication Strategy, which was approved by the Donor States on the 5th of October 2012. The budget available for the implementation of the Communication Strategy is €11.165 and will cover all the communication activities related to the Financial Mechanisms to be implemented by the Planning Bureau.
- (e) Provided all necessary assistance to the Program Operator for the Programme “Global Fund for Decent Work and Tripartite Dialogue”, for awareness raising among the Cypriot target group.

Secondly, in its role as Program Operator, the Planning Bureau:

- Prepared the Project Application template, which was used by the Project Promoters to prepare detailed applications for the five predefined projects. The Project Application template was presented to and discussed with the Project Promoters during a relevant workshop organized by the Planning Bureau. On the basis of the Project Application template, the Project Promoters of the predefined projects prepared their Project Applications, which were submitted to the Financial Mechanisms Office for assessment. Following a consultation procedure between the FMO and the Project Promoters, which was facilitated by the Planning Bureau, the final project applications were submitted and approved;
- Prepared the Programme Proposal, which was submitted to the FMO for approval on the 25th of October 2012. The Programme Proposal was approved and the Programme Agreement was signed in Nicosia on the 5th of December 2012.

2. Assessment of impact at national level

2.1. Cohesion

Since gaining independence in 1960, Cyprus has had a record of successful economic performance, reflected in strong growth, full employment conditions and relative stability. The success of Cyprus in the economic sphere has been attributed, inter alia, to the adoption of a market-oriented economic system, the pursuance of sound macroeconomic policies by the government as well as the existence of a dynamic and flexible entrepreneurship and a highly educated labor force. In the past 30 years, the economy has shifted from agriculture to light manufacturing and services. The services sector, including tourism, contributes almost

80% to GDP and employs more than 70% of the labor force. Industry and construction account for approximately one-fifth of GDP and labor force, while agriculture is responsible for 2.1% of GDP and 8.5% of the labor force.

After more than three decades of continuous growth, the Cypriot economy contracted in 2009 and has continued to do so. This reflected the exposure of Cyprus to the global recession and European sovereign debt crisis. In recent times, concerns have been raised about the state of public finances and spiraling borrowing costs. The deterioration of public finances, the lack of financing from the international markets and the need for recapitalization of the banking sector, have lead Cyprus to request financial support from the European Stability Mechanism (ESM). A Memorandum of Understanding containing fiscal and structural measures to restore financial stability is under negotiation, with Troika (EC, ECB and IMF). Various measures have already been adopted through Parliament and their implementation is expected to affect further the cohesion in the country in the short term.

The Cyprus economy is in the midst of serious financial crisis which has affected considerably the economic and social development in the country. As a result of the global financial crisis, the economy tipped into recession on 2009 with a continuous contraction of the growth rate which is reflected inter alia in the labour market where unemployment rate amounted to 12.1% at the end of December 2012, with the unemployment rate for young persons reaching 26.4% of the labour force. The deterioration of public finances, the lack of financing from the international markets and the need for recapitalization of the banking sector, have lead Cyprus to request financial support from the European Stability Mechanism (ESM). A Memorandum of Understanding containing fiscal and structural measures to restore financial stability is under negotiation, with Troika (EC, ECB and IMF). Various measures have already been adopted through Parliament and their implementation is expected to affect further the cohesion in the country in the short term.

Within the above framework, and given the very small grant allocation, the impact of the Programmes supported by the Norway FM cannot be substantial. However, the Norway Grants together with other funding mechanisms such as the EEA Grants, the EU Structural/Cohesion Funds and the funds under the Swiss Cooperation Programme, will contribute to the implementation of programmes that will counter balance to some extent the adverse effects of the financial crisis. Each of the five selected predefined projects fits into the overall objective of its respective Programme area/Area of Intervention as stated in the MoU and is fully in line with the legislation and national priorities as they are set out in the Cyprus Strategic Development Plan (SDP) 2007-2013, the main objective of which is sustainable economic development in a context of social cohesion, and/or the National Strategic Reference Framework (NSRF) 2007-2013 and its Operational Programmes and/or national strategies for the specific sectors. With regard to national priorities, emphasis was

given to the need that the projects should serve the development aims of the Cyprus Government, so that existing needs of Cyprus could be met.

As regards the Programme areas supported by the Grants in Cyprus and the predefined projects falling under each of the areas, these are highly relevant to the existing needs of the country and will contribute in their own way in the reduction of economic and social disparities. Two of the projects (the Bone Marrow Donor Registry Project and the Project for the Cyprus Institute of Neurology and Genetics) will contribute to the delivery of improved public health services as well as building more trust and further communication channels between the two communities in Cyprus. The third project (Shelter for the victims of domestic violence) will contribute to the empowering of the specific target group and their reintegration into the society. The fourth project (strengthening MOKAS capacities and improve efficiency to detect money laundering) will contribute to the fight against money laundering and terrorist financing thus increasing citizens' security. Finally the fifth project (Home for Cooperation) will contribute to the strengthening of the capacity of NGOs in Cyprus, a growing sector that is yet to become strong and effective in influencing issues within the public sphere. At the same time it will also contribute to interaction of the Greek Cypriot and Turkish Cypriot communities for the advancement of dialogue and democratic values.

As regards the Programme Area for the "Global Fund for Decent Work and Tripartite Dialogue", this is expected to contribute to the improvement of social dialogue and tripartite dialogue practices and through that to the support of equitable and sustainable economic and social development.

The assistance provided to Cyprus through the Norwegian FM has also a bicomunal dimension and in this sense, it will also contribute to promoting bicomunal contacts and dialogue between the two communities of Cyprus.

The risks that could impede the overall objective of reduced disparities result largely from the adverse external conditions caused by the financial crisis. The recession in the economy could be such that the objective of reduced disparities may be difficult to achieve, at least in the coming years. As regards the risks for the programme objectives at the sector level, these are general risks that are faced in programme/project implementation and are not expected to create serious problems, since mitigation measures are already in place. Such risks are those of corruption during the tendering process; delays in tendering procedures; limited project management experience of Project Promoters; delays in implementation etc.

2.2 Bilateral relations

The bilateral relations between the Republic of Cyprus and Norway can be characterized as good although over the years they were rather limited. This situation improved significantly over the last few years through the implementation of the Norwegian FM 2004-2009 under which a number of projects were promoted. These projects provided visibility for Norway while at the same time they provided the opportunity to Cypriot entities, especially NGOs, to create contacts and to cooperate with counterparts from the Donor State.

The implementation of the new Programmes under the EEA FM 2009-2014 will enhance the bilateral relations further, since the various projects of the cross sectoral Programme include bilateral activities such as study visits, exchanges of experiences through expert visits, organization of workshops etc. In addition the Project Promoters will also utilize the bilateral funds at programme level for additional activities that are related to their respective Programme Area/Area of Intervention.

As regards key events in 2012 that have promoted the strengthening of bilateral relations at the national level the following three events are noted:

- (a) Participation to the Workshop “Gender Equality and Gender Based Violence”, which was organized by the FMO on the 23rd of May 2012 in Brussels. One representative of the Programme Operator and two representatives of the Project Promoter of the Project “Construction of a New Shelter for the Victims of Domestic Violence” participated in the event. The workshop was aimed at providing an opportunity for networking, mutual learning and practical exchange for key stakeholders involved in the gender programmes.
- (b) Participation to the “Risk Management and Good Governance Seminar EEA & Norway Grants 2009-2014”, which was organized by the FMO on the 10th - 11th of September 2012 in Sofia. One representative of the National Focal Point participated. The seminar was aimed at providing knowledge on the management of risk, which has become a critical element in the implementation of the Grants, the strategic approach towards tackling risks and processes and procedures to maintain attention in respect of risk issues. The participants had the opportunity to share experiences, concerns and best practices in respect of the potential risks that may arise and successful risk management.
- (c) Organisation of a lecture on the subject of “Managing Petroleum Wealth-Lessons and Experiences”, offered by the Norwegian expert Martin Skancke on the occasion of the launch of the two Cross sectoral Programmes operated by the Planning Bureau. The lecture took place on the 5th of December 2012 at the premises of the University of Cyprus and was co-organized by the National Focal Point, the University of Cyprus and

the Royal Embassy of Norway in Athens. During the lecture experiences in management of petroleum revenues and how they affect economic policies were discussed. In particular, the experience of Norway in the use of a petroleum fund to manage revenues and issues relating to the organization and management of such funds was presented.

As regards risks that could impede on the bilateral objectives, the most significant risk relates to the limited budget available which allows for only a limited set of initiatives and activities to take place. Nevertheless the aim is to promote a few but focused activities so that the effect can be maximized to the greatest extent possible. The bilateral workplan under preparation by the NFP is based on the above approach.

3. Management and Implementation

3.1. Management and Control Systems

As per the requirement of Article 4.8.1 of the Regulation, the NFP prepared and submitted to the FMO on 6 November 2012, a detailed description of the Management and Control Systems, covering in particular the organisation and procedures of the NFP, the Certifying Authority, the Audit Authority and the National Public Entity responsible for the preparation and submission of irregularities reports.

The Management and Control System description was accompanied by a report and an opinion drawn up by the Audit Authority, which confirmed that the implementation system complies with the requirements of the Regulation and generally accepted accounting principles.

No changes have taken place since the description of the implementation system was submitted. As regards its efficiency and effectiveness this can only be assessed after the Programmes, including the Fund for Bilateral Relations at National Level, have entered the implementation stage in 2013.

3.2. Compliance with EU legislation, national legislation and the MoU

The assistance is in compliance with the regulatory environment, including compliance with the MoU. In respect of the latter, no modifications are considered necessary in either Annex A or Annex B. As regards matters such as state aid, environmental directives and public procurement, it is noted that state aid and environmental issues were already examined and resolved at the stage of the selection/approval of the predefined projects and no problems are anticipated in this respect. No problems are anticipated in the area of public procurement

either since all procurement procedures will be carried out in accordance with the legislation provisions of the national procurement (Law N.12 (1) of 2006) which is fully harmonized with the relevant EU Directive, with additional controls in the form of Compliance Certificates issued by the Public Procurement Directorate (PPD) of the Treasury that will safeguard the correctness and legality of the procedures followed.

3.3. Status of Programmes

As already noted, the Norwegian MoU includes two Programmes, one cross-sectoral Programme which includes five predefined Projects and one Programme for the “Global Fund for Decent Work and Tripartite Dialogue” which is operated by a Programme Operator (PO) appointed by the FMO/DS, who is also responsible to report on its progress. For information purposes, it is noted however that one proposal was submitted from Cyprus at the second launch of the open call, which is currently under evaluation by the PO.

The progress on the cross-sectoral Programme since its signature date on 5th December 2012, is that the Planning Bureau, in its capacity of PO has proceeded to the drafting of the relevant Project Contract for signature with the Project Promoters. By the cut-off date of the Report, three such project contracts were signed (The Bone Marrow Registry, MOKAS and H4C) and another one (CING) is expected to be signed by mid February. The contract for the remaining project (Shelter for victims of violence in the family) will be signed as soon as the relevant conditions set in the Programme Agreement are fulfilled, possibly within February 2013.

As regards commitments and disbursements, it is noted that so far the amount of €3.525.000 relating to the cross-sectoral Programme (including technical assistance funds and funds for bilateral relations at national level) has been fully committed. No disbursements have taken place so far and as a result no problems related to absorption and or disbursements were faced.

3.4. Irregularities

No irregularities were detected either at the Programme level or in the management on Beneficiary State Level.

3.5. Audit, monitoring, review and evaluation

Given that the Programme Agreement for the cross-sectoral Programme was only signed on 5 December 2012, no activities regarding audit, review and evaluation were undertaken by the NFP. As regards the planned activities for the next reporting period, these

relate mainly to the monitoring function at the PO and NFP level. According to the procedures already set out, these are based on a mixed system of progress reports and bimonthly meetings between the Planning Bureau and PPs where problems and issues will be discussed and resolved. The progress reports will be submitted three times per year in the months of January, May and September. The bimonthly meetings will be taking place every two months depending on the date of contract signature.

As regards audits, reviews and/or on-the-spot verification of projects, these are not expected to commence in 2013, as the projects will be at a very early implementation stage, especially if one takes into account that the first part of 2013 will be taken up by the relevant tendering procedures. The same applies for evaluations which for the same reason, are planned to take place at the end of 2014. For audits in particular and given that the Programme Agreement for the cross sectoral Programme was signed in December 2012, the Audit Authority will present to the FMC by September 2013, an audit strategy, the method to be used, the sampling method for audits on projects and the indicative planning of audits throughout the programming period.

3.6. Information and publicity

The National Focal Point has undertaken the following communication and publicity activities, in accordance to the Communication Strategy, which was prepared by the NFP and approved by the Financial Mechanisms Office on the 5th October 2012:

1. Workshop for the Project Promoters:

The National Focal Point organised a workshop for the Project Promoters of the eight predefined projects on the 22nd of February 2012, during which the Management and Control System of Cyprus for the EEA and Norwegian Financial Mechanisms 2009-2014 and the Project Application template were presented and explained.

2. Website of the National Focal Point:

The website of the National Focal Point (www.eeagrants.gov.cy) has been set up with basic information on the Grants. Relevant information on the following topics was included:

- general information on the EEA and Norwegian Financial Mechanisms 2009-2014;
- legal documents;

- Information on the cross-sectoral Programmes to be implemented under the EEA and Norwegian Financial Mechanisms 2009-2014 in Cyprus, as well as the “Fund for NGOs” and the “Global Fund for Decent Work and Tripartite Dialogue”;
- monitoring committee;
- annual meetings with the Donors;
- events organised by the NFP;
- news regarding the launching of the Programmes;
- call for proposals for projects under the “Global Fund for Decent Work and Tripartite Dialogue”;
- links to the websites of the Programme Operator of the “Global Fund for Decent Work and Tripartite Dialogue”, the Project Promoters and the DPPs;
- communication details of the NFP, the Programme Operators of the two cross-sectoral Programmes and the NFP person responsible for the “Fund for NGOs” and the “Global Fund for Decent Work and Tripartite Dialogue”;
- photos of events and meetings.

3. Launching Event / Signature Ceremony for the Programmes:

A launching event for the two cross-sectoral Programmes was organised on the 5th of December 2012, during which the Programme Agreements for the two Programmes were signed and four Project Promoters presented an overview of their predefined Projects. In addition, in order to further generate awareness on the impact of the EEA and Norway Grants in Cyprus, a Project implemented during the previous programming period 2004-2009 was presented. The event was open to the public and the media, and was communicated to the public through the national printed and electronic media, as well as one TV-channel.

4. Publication of a Booklet:

A 16-pages booklet was published in December 2012, in both the English and the Greek language, containing information on the Grants in general, the EEA and Norway Grants 2009-2014 in Cyprus and the Programmes to be implemented in Cyprus, as well as the previous experience of Cyprus with the Grants during the previous programming period 2004-2009.

The booklet was distributed to the participants of the launching event and the participants of the bilateral event also organised in December 2012 and will be distributed during all relevant events that will be organised by the NFP, the Programme

Operators and the Project Promoters, as well as those to be organised under the Fund for Bilateral Relations at National Level.

5. Promotional and Branding Material:

A number of pens, folders and writing pads with the logos of the Grants, the Republic of Cyprus and the NFP were produced and distributed to the participants of the workshop and the meetings organised. Also, a number of banners were produced and used during the workshop, the launching event, the event organised under the Fund for Bilateral Relations and the annual meeting.

6. Press Releases / Announcements:

A number of press releases were published and sent to national printed and electronic media regarding:

- the launching event / signature ceremony;
- the event under the Fund for Bilateral Relations;
- the signature of the Programme Agreements for the two cross-sectoral Programmes;
- the signature of the Project Contract for the three Projects (MOKAS, H4C and the Bone Marrow Registry)

In addition to the above mentioned communication activities, the NFP has provided on-going support to the Project Promoters during the preparation of their publicity plans in the context of their Project Applications, mainly through experience, knowledge and material sharing.

Overall, it is the opinion of the NFP that the information and publicity activities have been successful so far, in terms of raising visibility and awareness of the financial mechanisms and its objectives. As per the approved Communication Strategy, the information and publicity efforts of the NFP during 2012 were targeted to the following target audiences:

- Actual Project Promoters of the pre-defined Projects;
- The General Public: The efforts of the NFP to reach the general public in order to raise awareness about the Donor State and its contribution are in many cases limited by the relatively small size of the allocation. As a result, in many cases the activities were mainly targeted to the stakeholders and the potential direct beneficiaries of the Projects and Programmes.

The results of the information and publicity activities for 2012 are assessed, according to the Communication Strategy, as follows:

INDICATOR	VALUE
- Number of workshops organised	1
- Number of participants in the workshop	20
- Percentage of participants (against the total number of people invited) of the workshop	100%
- Number of events organised	1
- Number of participants in the launching event	50
- Percentage of participants (against the total number of people invited) of the launching event	Approximately 35%
- Number of copies of publications (booklet) disseminated	250
- Number of press releases / announcements created and sent for publishing	4
- Number of media publishing each press release	(a) Launching event/ Signature ceremony: 7 (b) Bilateral event: 7 (c) Signature of the Programme Agreements: 7 (d) Signing of Project Contracts: 10
- Percentage of media publishing each press release	30%

It should be noted that the press releases mentioned above have been also published in online media (webpages and blogs) that publish articles extracted from official website of major newspapers and tv channels. Furthermore they were published in newspapers with the highest circulation in Cyprus.

Overall, the Communication Strategy is implemented in accordance to the timeline set and no modification of the content, the timeline or the budget is necessary.

As regards the information and publicity activities of the Programme Operator of the cross-sectoral Programme which is the Planning Bureau, it is noted that those overlap with the activities which are implemented by the NFP, since both these roles are executed by the Planning Bureau. Specific publicity actions taken however, include the press releases that are issued upon the signing of the project contracts with the relevant PPs. Three such press

releases were issued with regards to the signing of the respective Project Contracts for the three Projects.

3.7. Workplan

The milestones for the implementation of the Financial Mechanisms in 2013 are listed below:

1. Organisation of the second Meeting of the Monitoring Committee for the approval of the Strategic Report on 30 January 2013.
2. Signature of the Project Contract between the Planning Bureau and the PPs and commencement of the implementation of the pre-defined projects by February 2013.
3. Submission by the Planning Bureau in its role as PO, of the Management and Control System description of the PO, to the FMO by the end of March 2013.
4. Organisation of the Annual Meeting of the Government of the Republic of Cyprus and the Donor States in April 2013.
5. Bimonthly meetings with each of the PPs of the predefined projects on a continuous basis over the year.

The milestones for the information activities are listed in the table below:

Work Plan for the Information Activities for 2013	
Activity	Timeline for Implementation
1. Workshop for Project Promoters and Programme Operators about the Management and Control System	March-April 2013
2. Website	On-going
3. Press Releases for Project Contracts	Upon signature of the remaining two Project Contracts – February 2013
4. Press releases for other events (e.g. Annual Meeting)	On the occasion of each event
5. Newsletters	One at the end of January 2013 and one at the end of July 2013

4. **Reporting on Programmes**

As already noted the Programme “Global Fund for Decent Work and Tripartite Dialogue is operated by “Innovation Norway” appointed by the FMO/DS and therefore progress will be reported by the PO in its Annual Programme Report.

As regards the second Programme under the Norwegian FM, i.e. the cross-sectoral Programme operated by the Planning Bureau it is noted that despite the fact that the Programme was only approved in December 2012, its pre-defined projects were well planned

and designed at the stage of the preparation of the detailed project application and their implementation can therefore commence almost immediately upon signature of the relevant project contracts.

It is expected that the results from these projects will contribute directly to the selected outcomes. More specifically each of the five projects relates directly to one outcome and therefore positive results are expected in the following programme outcomes:

- Reduced inequalities between user groups;
- Domestic violence reduced;
- Improved capacity to prevent and combat cross-border and organized crime including trafficking in human beings and itinerant criminal groups;
- strengthened capacity of NGOs and an enabling environment for the sector promoted.

The indicators that were selected at the stage of the programme proposal preparation as well as at the stage of the preparation of the detailed project applications were drawn from the list of standard indicators of the EEA/Norway Grants 2009-2014 and are considered as appropriate in measuring the results.

The expected impact of the Programme will be along four fronts and will therefore reach a number of target groups ranging from educators to pupils, from NGOs to civil service officials and from researchers and scientists to victims of domestic violence.

In the area of Public Health initiatives, the two predefined projects (the Bone Marrow Registry and the CING) will assist the two organizations in their efforts to deliver improved public services. In the case of the Bone Marrow Registry, where the PP is an NGO, new technologies and methods will be introduced, and the involvement of the public and non-profit sector will be strengthened, to the benefit of the patients. In the case of the Cyprus Institute of Neurology and Genetics (CING) through the assistance provided, its diagnostic role in delivering genetic services will be strengthened and this will enable the identification of further genetic causes for many diseases that maybe unique to the Cypriot population. The benefits from both Projects on the area of Public Health will be felt by both the Greek Cypriot and Turkish Cypriot communities as the projects' target groups cover the whole island.

In the area of Domestic and Gender based violence, the implementation of the predefined project by an NGO active in the field, is expected to combat social and economic disparities resulting from domestic violence since victims will be empowered, become financially and psychologically independent and be reintegrated into society as equal members thus strengthening the social cohesion. Significant role in these efforts will be

played by the DPP of the project (The Norwegian Secretariat of the Shelter Movement) through exchange of experiences and knowhow.

In the area of Justice and Home Affairs, the predefined project to be implemented by the Government Unit for Combating Money Laundering (MOKAS), will assist the Unit in its fight against money laundering and terrorist financing and will minimize the possibilities of such criminal acts taking place, thus protecting the financial interests of the public at national as well as at EEA level. It will also ensure a healthy environment free of financial and economic crime so that business activity and attraction of foreign investments are further promoted.

Concerning the area of Civil Society support, the predefined project to be implemented by the NGO Association of Historical Dialogue and Research (AHDR), is expected to have an impact on strengthening the civil society in Cyprus, contributing in this way to the promotion of the values of civic participation and of a sustainable and peaceful future for all Cypriots. Towards the same goal, relations between the PP and history educators from other European countries will be further reinforced with the assistance of the DPP (Council of Europe) through various activities that will be carried out in cooperation between the two organizations.

The impact of the cross sectoral Programme will be further enhanced through the use of funds for bilateral relations both at national and Programme levels, as these funds will be used for exchanges of knowledge, experience and best practices through visits, seminars, conferences etc that will be organized in 2013.

The potential risks that may threaten the achievement of the objectives as set out in the cross sectoral Programme Proposal, are still valid and relate mainly to the procurement process and the limited experience in project management for some of the PPs in designing and implementing projects. Mitigation measures for these risks are already in place.

Concerning the Programme “Global Fund for Decent Work and Tripartite Dialogue”, its expected impact is the improvement of Social Dialogue and Tripartite Dialogue Practices in Cyprus.

5. Summary listing of issues and Recommendations

Over the past year, substantial progress was made as regards the programming of the funds. With the signing of the Programme Agreement for the cross-sectoral Programme in December 2012, efforts will now be focused on the implementation of the five predefined projects.

5.1. Outstanding issues

As regards the five predefined projects, the major outstanding issue is the signing of the Project Contracts for the two remaining projects so that project implementation is initiated. The projects are:

- Establishment of a Translational Facility at the CING;
- Construction of a new shelter for the victims of domestic violence.

The PO is in close communication with the respective PPs so that the contracts are signed the soonest.

As regards the Programme “Global Fund for Decent Work and Tripartite Dialogue”, the outstanding issue is the evaluation and approval by the PO (Innovation Norway) of the proposal submitted by Cyprus, so that the proposal, if approved, can be implemented the soonest possible.

Another outstanding issue is the finalization and submission by the NFP of the Workplan for the Bilateral Fund at national level so that the various activities can be approved by the FMO/NMFA.

5.2. Recommendations for the future reporting period

		<u>Recommendations</u>	<u>Action</u>	<u>Timing</u>
Predefined Projects	(a)	Signing of Project Contract for the Project “Establishment of a Translational Facility at the CING”	PP/PO	February 2013
	(b)	Signing of Project Contract for the Project “Construction of a new shelter for the victims of domestic violence”	PP/PO	February 2013
	(c)	Close monitoring of the five projects for early problem identification and immediate corrective actions for successful completion	PP/PO	Continuous
“Global Fund for Decent Work and Tripartite Dialogue”	(a)	Selection of Project by Selection Committee and signing of Project Contract	PO/PP	March 2013

	(b)	Start of implementation of project	PPs	November 2013
Bilateral Fund at National level	(a)	Submission of the workplan for the fund of Bilateral Relations at National level	NFP	February 2013
	(b)	Finalisation and approval of the WP by the FMO/NMFA	FMO/NMFA	March 2013
	(c)	Implementation of activities for 2013	NFP	As per agreed Programme of activities

Table 1

Donor Partnership Projects for the
Cross-Sectoral Programme

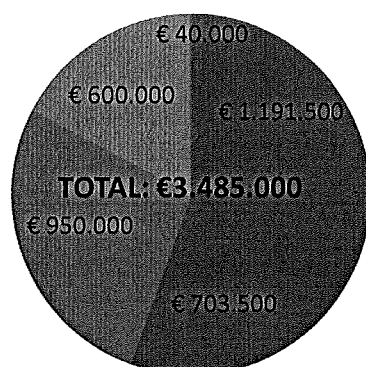
Two out of the five predefined projects have a Programme Donor Partner designated in the relevant MoU Details appear in the table below:

	Title of Predefined Project	Project Promoter	Donor Programme Partner
1.	Construction of a new shelter for the victims of Domestic Violence	Association for the Prevention and Handling of Violence in the Family (SPAVO)	The Norwegian Secretariat of the Shelter Movement
2.	The Home for Cooperation (H4C)	The Association of Historical Dialogue and Research (AHDR)	The Council of Europe

Table 2

Pie chart showing the break down of the contribution between the different Programme Areas

NORWEGIAN FINANCIAL MECHANISM CONTRIBUTION 2009-2014			
Title of predefined Project	Contribution to the project	Programme Area	Contribution to the sector
Decent Work and Tripartite Dialogue	40.000 €	Decent Work and Tripartite Dialogue	€ 40.000
The Cyprus Bone Marrow Donor Registry	691.500 €	Public Health Initiatives	€ 1.191.500
Establishment of a Translational Facility at the Cyprus Institute of Neurology and Genetics	500.000 €		
Construction of a new shelter for the victims of domestic violence	703.500 €	Domestic and Gender Based Violence	€ 703.500
Strengthening MOKAS capacities and improve efficiency to detect money laundering and financing of terrorism	950.000 €	Justice and Home Affairs	€ 950.000
Home for Cooperation	600.000 €	Civil Society Support	€ 600.000
TOTAL			€ 3.485.000



- Decent Work and Tripartite Dialogue
- Public Health Initiatives
- Domestic and Gender Based Violence
- Justice and Home Affairs
- Civil Society Support

