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Directorate General for European
Programmes, Coordination and
Development

COMBINED
STRATEGIC AND ANNUAL PROGRAMME REPORT
2013

for the

NORWAY
FINANCIAL MECHANISM

2009 – 2014

REPUBLIC OF CYPRUS

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Compiled by:
Directorate General for European Programmes,
Coordination and Development
National Focal Point
29 Vyronos Avenue
1409 Nicosia
Cyprus

Tel: + 357 22 602878
Fax: + 357 22 666810
Web: <http://www.dgepcd.gov.cy>

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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
DGEPDC	Directorate General for European Programmes, Coordination and Development
DoRIS	Documentation, Reporting and Information System
DS	Donor States
EC	European Commission
EEA	European Economic Area
EU	European Union
FM	Financial Mechanism
FMC	Financial Mechanism Committee
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
PA	Programme Agreement
PO	Programme Operator
PP	Project Promoter
PM	Project Manager
PPD	Public Procurement Directorate, Treasury
SPAVO	Association for the Prevention and Handling of Violence in the Family
WP	Work Plan

1. EXECUTIVE SUMMARY

The present combined Strategic and Annual Report is prepared by the Directorate General for European Programmes, Coordination and Development (DGEPCD) acting as the National Focal Point (NFP) for the implementation of the Norwegian Financial Mechanism (FM) 2009-2014 according to Article 2.2.1 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 the Kingdom of Norway on the implementation of the above Mechanism.

The Report reflects the implementation of the Norwegian FM during the period January – December 2013 and contains information with regard to the progress made towards the implementation of the two Programmes, the Cross sectoral Programme, operated by the DGEPCD, consisting of five predefined projects each one falling under a specific Programme area (Public Health Initiatives, Domestic and Gender based Violence, Justice and Home Affairs and Civil Society Support) and the Global Fund for Decent Work and Tripartite Dialogue, operated by an appointed Operator (Innovation Norway). Furthermore, the Report reflects on publicity issues, bilateral relations and proposals for future activities.

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. According to the MoU on the implementation of the Norwegian FM 2009-2014, the net amount allocated to Cyprus is €3.700.000. The table below shows a detailed analysis of the two Programmes, indicating the Programme Areas and the projects under these Areas, the PPs, the individual grant allocation, the co-financing, the bilateral funds at Programme level as well as the other allocations concerning Technical Assistance and the Fund for bilateral relations at national level.

Programme Area/Project	Project Promoter	Net Grant Allocation as per MoU (€)	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 CY04						
Public Health	The	691.500	76.833	10.373	1.152	11.525

Initiatives Project: The Cyprus Bone Marrow Registry	Karaiskakio Foundation					
Public Health Initiatives Project: Establishment of a Translational Facility at the Cyprus Institute of Neurology and Genetics (CING)	The Cyprus Institute of Neurology and Genetics	500.000	88.235	7.500	1.324	8.824
Domestic and Gender Based Violence Project: Construction of a new shelter for the victims of domestic violence	The Association for the Prevention and Handling of Violence in the Family (SPAVO)	753.500	78.167	11.303	1.173	12.476
Justice and Home Affairs Project: Strengthening MOKAS capacities and improve efficiency to detect money laundering and the financing of terrorism	Unit for Combating Money Laundering in Cyprus (MOKAS)	950.000	167.647	14.250	2.515	16.765
Civil Society Support Project: The Home for Cooperation (H4C)	The Association for Historic Dialogue and Research	685.000	66.667	10.275	1.000	11.275
Decent Work and Tripartite Dialogue		40.000				
SUBTOTAL		3.580.000	477.549	53.701	7.163	60.864
Other Allocations						
Technical Assistance		60.000				
Fund for Bilateral		20.000				

Relations						
Reserve for Unforeseen developments* €135.000						
GRANT TOTAL		3.700.000				

* the amount of €135.000 "Reserve for Unforeseen developments" has been reallocate in October 2013 to the Project "Construction of a new shelter for the victims of domestic violence" €50.000 and to the Project "The Home for Cooperation (H4C)" €85.000.

It is noted, that the Programme Agreement for the cross-sectoral Programme (CY04) was signed on 5 December 2012 and Programme Contract for the Decent Work and Tripartite Dialogue was signed on 22 April 2013.

The activities implemented and the progress made in the last year can be summarized as follows:

(A) Firstly, in its role as **National Focal Point**, the DGEPCD:

- (a) Prepared the description of the Management and Control System, in the context of which the structures of and the procedures followed by the DGEPCD in its role as Programme Operator was described in detail. The Management and Control System was evaluated by the Internal Audit Service, and a positive opinion was issued. Furthermore, the part of the MCS submitted to the FMO in November 2012 which described the role and the structures of the NFP, the Certifying Authority and the Audit Authority was also updated and sent to the FMO.
- (b) Prepared and submitted to the FMO in September 2013, the Work Plan for the Bilateral Fund at National Level, according to Art.3.5 of the Regulation and to Art. 2.5 of the Agreement for the Financing of Technical Assistance and the Fund for Bilateral Relations at National Level signed between the DS and the NFP.
- (c) Held one Monitoring Committee Meeting in January 2013 and two Annual Meetings with the Donors in April and June 2013;
- (d) Follow up of the procedures needed to finalize the contract to be signed with the PP for the Project "Construction of a new shelter for the victims of domestic violence". The contract is expected to be signed in early February 2014.

(e) Following the approval of the FMO on 18.11.2013, proceeded with the Modification of the MOU and the Annexes I and II of the Programme Agreement, regarding the amount of €135.000 for the "Reserve for unforeseen developments"

(B) Secondly, in its role as **Program Operator**, the DGEPCD:

(a) Prepared and submitted to the FMO, after being certified by the Certifying Authority, the Interim Financial Reports for the Programme.

(b) Held bi-monthly meetings with all Project Promoters who have projects under implementation.

(c) Payments effected to the PPs in accordance with the quarterly Project Progress Reports submitted by the PPs and verified by independent accountants.

It is noted that despite the financial crisis in Cyprus in 2013, both Programmes are progressing as planned with no major risks occurring. The good communication and cooperation between the DGEPCD (as NFP and PO) and the PPs, served as a catalyst in solving problems and mitigating the risks.

2. ASSESSMENT OF EFFECT OF THE GRANTS

2.1 Cohesion

Cyprus has an open, free-market, service-based economy with some light manufacturing. Since independence in 1960, Cyprus has had a record of successful economic performance, reflected in strong growth, full employment conditions and relative stability. 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, while agriculture is responsible for 2.1% of GDP and 8.5% of the labor force.

However, after more than three decades of continues growth, the Cypriot economy contracted in 2009. The 2012–13 Cypriot financial crisis, part of the wider Eurozone crisis, has dominated the country's economic affairs in recent times. Main concerns are raised about the state of public finances and the spiraling borrowing costs which bring more strain in the economic situation of the country.

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 was signed 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 Norwegian FM cannot be substantial. However, the Norwegian 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 fit into the overall objective of its respective Programme area as stated in the MoU and is fully in line with the legislation and national priorities and 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 bicommunal dimension and in this sense, it will also contribute to promoting bicommunal 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 are characterized as good and they have 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 to create contacts and to cooperate with counterparts from Norway. It is noted that cooperation was extended even beyond their project duration resulting to wider effects of the Grants.

The implementation of the Programmes under the Norwegian 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.

As regards key events in 2013 that have promoted the strengthening of bilateral relations at the national level the following events took place:

- (a) Participation to the International Geothermal Conference, in Iceland in March 2013, by one representative of the Cyprus Energy Regulatory Authority. The representative of the Authority had the opportunity for networking, mutual learning and practical exchange for key stakeholders involved and also to discuss with representatives of relevant entities of Iceland for issues of mutual interest and future cooperation.

- (b) Participation to the "Risk Management and Good Governance Seminar EEA & Norway Grants 2009-2014", which was organized by the FMO on 24-25 of September 2013 in Oslo, Norway. Two representatives of the National Focal Point, including the Permanent Secretary of the DGEPCD, and one representative from the Certifying Authority, participated in the Seminar. 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.

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 effects can be maximized to the greatest extent possible.

3. REPORTING ON PROGRAMMES

3.1. Overview of Programme Status

As already noted, the Norwegian MoU includes two Programmes, one cross-sectoral Programme which includes five predefined Projects with the DGEPCD as the Programme Operator, and one Programme for the "Global Fund for Decent Work and Tripartite Dialogue" which is operated by a Programme Operator (Innovation Norway) appointed by the FMO/DS, who is also responsible to report on its progress. For information purposes, it is noted that a contract was signed on 22.4.2013 and implementation is under way.

The progress on the cross-sectoral Programme during the previous year, is that after the signing of the Programme Agreement on 5.12.2012, the DGEPCD, in its capacity of Programme Operator, has signed with the Project Promoters the relevant Project Contracts, one project contract was signed on 23.1.2013 with the Karaiskakio Foundation for the Project "The Cyprus Bone Marrow Donor Registry", a second contract was signed on 25.1.2013 with MOKAS for the Project "Strengthening MOKAS capacities and improve efficiency to detect money laundering and the financing of terrorism", a third contract was signed on 25.1.2013 with the Association of Historical Dialogue and Research for the Project "Home for Cooperation" and a fourth contract was signed on 21.3.2013, with the Cyprus Institute of Neurology and

Genetics for the Project "Establishment of a Translational Facility at the Cyprus Institute of Neurology and Genetics (CING)".

The contract for the remaining project "Shelter for victims of violence in the family" will be signed in early February 2014. The delay was due to technical issues regarding the relevant conditions set in the Programme Agreement, which have now been fulfilled.

3.2. Individual Programme Reporting

(i) The implementation of the project "**Strengthening MOKAS Capacities and Improve Efficiency to Detect Money Laundering and Financing of Terrorism**" is in accordance with the agreed timeline and budget and no serious problems were faced. During 2013, the following activities were implemented:

- (a) The PP has signed the contracts with the United Nations Office on Drugs and Crime (UNODC) for the supply of goAML and go CASE applications.
- (b) During the period 27-31 May 2013 a UNODC official visited the offices of the Unit for training, coordination and discussion of various pre-production and pre-installation issues.
- (c) On-site visits to FIU (Financial Intelligence Unit) Netherland took place on 14-15 May 2013 and to UNODC on 4-6 June 2013.
- (d) The definition and design of the configuration, business process and user requirements and security strategy is ongoing.
- (e) On 24 September 2013 MOKAS in cooperation with the Norwegian Embassy in Athens organized a conference entitled «New Technologies used in the fight against Money Laundering» where the Head of MOKAS presented the legal framework for the fight against money laundering and terrorist financing and the powers and responsibilities of the Unit, as well as practical results of the implementation of the law in Cyprus. Subsequently, the Project Manager presented the new technologies that can be used in the fight against money laundering and how the Project will add value to MOKAS core business and UNODC officers presented the capabilities of two specific software developed by United Nations for Units similar to MOKAS.
- (f) The Tendering procedure for the supply of infrastructure (software and hardware) needed for the installation of the goAML and goCASE application is in the final stage.

(ii) The implementation of the project "**Establishment of a Translational Facility at the Cyprus Institute of Neurology and Genetics**", is progressing as agreed and in 2013 the following activities were implemented:

- (a) The project has received the approval of the National Bioethics Committee of Cyprus. The above approval signifies that the recruitment of patients has also started and all doctors and department Heads at CING have been informed accordingly.
- (b) Recruitment of patients is ongoing and is expected to increase with the installation of the equipment.
- (c) Both procurement procedures for the technological equipment have been completed and the PP is in the process of ordering the equipment.

(iii) For the project **"Home for Cooperation"**, it is noted that the operation and maintenance of the Home has run smoothly with all the events and activities taking place normally. In 2013, the following took place:

- (a) As part of the support of the Association for Historical Dialogue and Research activities to develop a dialogue on history teaching the PP has organized the first from a series of three international conferences, a 3-day conference entitled "History, Conflict & Identity" organized in collaboration with History Educators International Research Network (HEIRNET).
- (b) The PP has organized a "Street Sign" competition and other visibility actions such as videos, announcements, website updates and newsletter (in Greek, Turkish and English).

(iv) Regarding the implementation of the project **"The Cyprus Bone Marrow Registry"**, which is running smoothly with no major problems, the following took place in 2013:

- (a) Recruitment of 2000 donors
- (b) Upgrade of the IT infrastructure that will be able to accommodate the upgrade of the Registry Database
- (c) Hiring of a Public Relations officer to create awareness for the Registry
- (d) Hiring of a Registry Officer to assist in the updating of the Registry Database
- (e) Updating of the Turkish Cypriot donor database demographics
- (f) Organization of a meeting of the Group of the European Medium Size Registries (GEMS) in Paphos in September
- (g) Hiring of a Marketing Company to assist in public awareness and recruitment campaigns

(v) Regarding the project **"Construction of a new shelter for the victims of domestic violence"**, it is noted that its contract has not been signed in 2013 as it was planned for, due to the delay in granting the construction permit which was a prerequisite for signing the contract. However, the Construction permit has been acquired by the end of 2013 and the project contract is expected to be signed in February 2014.

The five pre-defined projects under the CY04 Programme aim to contribute to the reduction of economic and social disparities in the EEA and the strengthening of the bilateral relations between Norway and the Republic of Cyprus, as well as to serve the development aims of the Cyprus Government, so that existing needs of Cyprus will be met.

Despite the small allocation, existing needs in the important areas of Public Health Initiatives, Domestic and Gender Based Violence, Justice and Home Affairs and Civil Society Support, can be met.

No outcome indicators have been met yet, as the outcomes of the Programme will be achieved when the main outputs of the projects will be completed. However, based on the status of implementation of the four projects, no deviation from the targets is expected. Also, the fifth project is expected to achieve the agreed targets when the implementation will start in February 2014.

Overall the implementation of the projects is proceeding as planned with no major deviations. Any problems or requests by the PPs are communicated and dealt timely. It is important to note that there is frequent communication with the PPs both on a daily informal level as well as through documented meetings.

Potential Risks that may threaten the achievement of the objectives set out in the Programmes

Several risks are common to the projects and relate to the procurement procedure and the limited experience of the Project Promoters in project management in designing and implementing projects.

It is noted that for the project "Construction of a new shelter for the victims of domestic violence", the occurrence of risks relating to the procurement procedures will have a high impact on the implementation of the project. Should any delays in the tendering procedure for the selection of the contractor who will perform the construction works occur, mainly due to appeals of unsuccessful tenderers, the project implementation period will exceed the eligibility period of the funding from the Norwegian Financial Mechanism 2009-2014.

In addition, the NFP and the PO provide continuous support and guidance to the Project Promoters, by organising workshops and issuing circulars when needed, organising technical meetings and meetings with other entities relevant to the issues raised. Furthermore, in the NFP/PO there is a designated officer for each project, where the PPs, can refer to during the implementation of their projects.

Furthermore, concerning the potential delays in the implementation of the various components of the projects which may result in failure to achieve targets within the agreed timelines due to poor planning and coordination, the NFP and the PO monitor the implementation of each project closely, through bi-monthly monitoring meetings, the Project Progress Reports and frequent communication with the Project Promoters, in order to ensure that any potential deviations from the agreed timeline is identified in time and any issues causing it are resolved.

The use of funds for bilateral relations

In order to develop and strengthen bilateral relations with Norway, through cooperation between the Project Promoters and the relevant entities in Norway, the PPs were asked to submit their proposals for the use of the available funds in 2013. Some proposals were submitted, but the PPs were given more time to re-design the activities they will implement under the Bilateral Fund at Programme Level in order to maximize their impact to the overall project objectives, in addition to their impact to the bilateral relations.

Furthermore, it is noted that bilateral funds at programme level will be fully allocated and used by the PPs, through visits, seminars and conferences, since it became apparent to the Project Promoters the importance of the experience gained and the best practices obtained by working with respective entities in Norway. They are very much interested in benefiting from them, both for the implementation of their projects, but also for their future efforts in meeting their overall objectives. By these efforts they will establish sustainable relations with these entities in Norway and they will gain access to valuable professional, technical, administrative and organisational skills.

4. MANAGEMENT AND IMPLEMENTATION

4.1 Management and Control Systems

In accordance with Article 4.8.1 of the Regulation, the NFP prepared and submitted to the FMO on 16 December 2013, a detailed description of the Management and Control Systems, covering in particular the organisation and procedures of the Programme Operators for the two cross sectoral Programmes (CY02 and CY04) under the two Financial Mechanisms. Furthermore, the description of the Management and Control Systems covering the organization and procedures of the NFP, the Certifying Authority and the Audit Authority, was submitted on 6 November 2012 and updated and a revised version was submitted on 27 December 2013.

The Management and Control Systems description was accompanied by the Compliance Assessment Report and Opinion drawn up by the Audit Authority that the implementation system complies with the requirements of the Regulations of the EEA and Norwegian Financial Mechanisms and generally accepted accounting principles.

The changes that took place to the description of the Management and Control Systems in 2013 are:

- (a) Change of the name of the Planning Bureau as from the 1st of November 2013, to Directorate General for European Programmes, Coordination and Development (DG EPCD).
- (b) Changes on the organization of the DG EPCD as from July 2013, with changes in the team of persons responsible for the EEA and Norway Grants (the number of persons responsible remained the same).
- (c) Changes in the names and the contact details of the main contact person at the NFP and of the two POs for the cross sectoral Programmes under the EEA and Norwegian FMs.

As far as the efficiency and effectiveness of the MSC is concerned, this has been proved positive to all Programmes, including the Fund for Bilateral Relations at National Level, where implementation was as planned.

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

The financial contribution of the Norwegian Grants is in compliance with the regulatory environment, including compliance with the MoU. Regarding the MoU, there was one modification in Annex A, namely the change in the name of the NFP and in Annex B there was the reallocation of the amount of €135.000 from the "Reserve for unforeseen developments" to the projects "Construction of a new shelter for the victims of domestic violence" €50.000 and "The Home for Cooperation" €85.000.

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 were encountered/ are anticipated in the area of public procurement either since all procurement procedures are/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 safeguards the correctness and legality of the procedures followed.

4.3 Irregularities

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

4.4 Audit, monitoring, review and evaluation

In the given period, four out of the five pre-defined projects have started their implementation phase and the DGEPCD has been closely monitored all. According to the procedures set out, the DGEPCD in its role as NFP and PO has monitored the Projects based on a mixed system of quarterly Project Progress Reports submitted by the POs and of bimonthly meetings with the PPs where problems and issues were discussed and resolved. The Project Progress Reports are submitted three times per year in the months of January, May and September. The bimonthly meetings take place every two months depending on the date of contract signature. Furthermore, the DGEPCD in its role as NFP and PO, was in close contact with the PPs through emails and telephone conversations for clarifying issues raised by the PPs or solving any problems that occurred during the implementation phase.

As far as the fifth pre-defined project is concerned with its project proposal and contract under preparation in the reporting period, the DGEPCD was also in close contact with the PP for coordinating and solving problems that occurred in the preparation phase.

As regards audits, reviews and/or on-the-spot verification of projects, these did not take place in 2013, as the projects were at an early implementation stage. The same applies for evaluations which for the same reason, are planned to take place at the end of 2014.

For audits in particular, it is noted that the Audit Authority submitted to the FMO on 5.9.2013, the Audit Strategy, in accordance with the provisions of the Article 4.6(1.d) of the Regulation, stating the method to be used, the sampling method for audits on projects and the indicative planning of audits throughout the programming period.

4.5 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 December 2012:

1. Newsletters

The National Focal Point created and publicised two newsletters in 2013, as planned for in the context of the Communication Strategy. The first newsletter contains information on the contribution of the EEA and Norway Grants 2009-2014 to Cyprus, the signing of the Programme Agreements, the signing of Project Contracts for six pre-defined projects and the approval of the proposal submitted by Cyprus for the programme "The Global Fund for Decent Work and Tripartite Dialogue".

A short description of the main objective of each project and/or programme is also included in the first Newsletter, as well as contact information of the NFP and the competent Officers for each programme.

The second Newsletter contains information on events organised by the Project Promoters and the Programme Operator of the programme "Fund for NGOs" within the period between March 2013 and September 2013.

Both newsletters were sent to approximately 300 email addresses and the mailing list included all the government entities of the Republic of Cyprus (such as Ministries, Commissioners and the Parliament), the national press (electronic and printed), the members of the Monitoring Committee, the Project Promoters and the Programme Operator of the programme "Fund for NGOs" and the staff of the Directorate General for European Programmes, Coordination and Development. They were also uploaded on the website of the NFP and the website of the Embassy of Norway in Athens.

2. Press Releases

Six press releases were issued by the NFP in 2013, to inform the public of the signing of the Project Contracts for six pre-defined projects.

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

It is noted that, the information and publicity activities undertaken so far, have been successful, in terms of raising visibility and awareness about the Financial Mechanisms and their objectives. As per the approved Communication Strategy, the

information and publicity efforts of the NFP during 2013 were targeted to the Project Promoters of the eight pre-defined projects and the general public.

During 2013, when the implementation of six pre-defined projects was initiated, the NFP focused on the Project Promoters, in order to ensure that the implementation of the projects was set on the right track at their onset. Continuous guidance and support was provided to the Project Promoters during the implementation of several communication activities on their behalf.

Additionally, the efforts to attract attention from the general public and the potential direct beneficiaries of the projects and their objectives were initiated, through the newsletters and the press releases, aiming at preparing the ground for future communication activities regarding the outcomes of the projects before and after their completion.

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.

However, there is a delay in the organisation of the workshop for all the stakeholders regarding the Management and Control Systems of the NFP and the POs of the two cross-sectoral programmes, which was planned for February 2013, due to the fact that the Management and Control System Description of the PO was submitted to the FMO for approval in December 2013. Therefore, the workshop will be organised in 2014, but it is the opinion of the NFP that no modification of the Communication Strategy is necessary.

As regards the information and publicity activities of the POs of the cross-sectoral programme, it is noted that those overlap with the activities which are implemented by the NFP, since both roles are executed by the Directorate General for European Programmes, Coordination and Development.

As far as the website of the NFP is concerned, it is noted that, so far a webpage for the EEA and Norwegian Financial Mechanisms 2004-2009 and one for the EEA and Norwegian Financial Mechanisms 2009-2014 were developed and linked to the general website of the Directorate General for European Programmes, Coordination and Development.

The NFP is currently developing the design and content of a new website to be created, which will be dedicated to the EEA and Norwegian Financial Mechanisms, and the new website is expected to be completed in March 2014.

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 2013 were targeted to the following target audiences:

- (i) Actual Project Promoters of the pre-defined Projects;
- (ii) The General Public: The efforts of the NFP to reach the general public in order to raise awareness about Norway 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.

It should be noted that the press releases mentioned above have also been 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 DGEPCD, it is noted that those overlap with the activities which are implemented by the NFP, since both these roles are executed by the DGEPCD. Specific publicity actions taken however include the press releases that are issued upon the signing of the project contracts with the relevant PPs.

4.6 Work Plan

The milestones for the implementation of the Financial Mechanisms in 2014 are listed in the table below:

Milestones for the Implementation of the Norwegian FM in 2014		
	Activity	Timeline for Implementation
1.	Organisation of the Third Meeting of the Monitoring Committee for the presentation of the Combined Strategic and Annual Programme Report and the progress made in the implementation of the EEA and Norwegian FMs	28 January 2014
2.	Signature of the Project Contract between the Directorate General for European Programmes, Coordination and Development and the PP of the Association for the Prevention and Handling of Violence in the family and commencement of the implementation of project	February 2014
3.	Organisation of the Annual Meeting of the Government of the Republic of Cyprus and the Donor States	25 February 2014
4.	Bimonthly meetings with each of the PPs at the predefined projects	Continuous

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

Work Plan for the Information Activities for 2014		
	Activity	Timeline for Implementation
1.	Press Releases for the signing of Project Contract	Upon signature of the remaining Project Contract (February 2014)
2.	Development of a new dedicated website	March 2014
3.	Maintenance of the new website	On-going

4.	Workshop for Project Promoters and Programme Operators about the Management and Control System	March-April 2014
5.	Press Release regarding the workshop for the stakeholders	March-April 2014
6.	Media briefing event and site visits	September 2014
7.	Press Release about the media briefing event and site visits	October 2014
8.	Press releases for other events (e.g. Annual Meeting)	On the occasion of each event (February 2014)
9.	Newsletters	One in January 2014 and one in July 2014

5. SUMMARY LIST OF ISSUES AND RECOMMENDATIONS

Over the last year, substantial progress was made as regards the start of the implementation of the projects. During the first quarter of the year, the contracts for the four projects were signed and project implementation was initiated. Efforts were also focus on the signing of the remaining contract regarding the Construction of a new shelter for the victims of domestic violence, so that project implementation is initiated. The PO is in close communication with the respective PP so that the contract is signed the soonest.

Recommendations

		<u>Recommendations</u>	<u>Action</u>	<u>Timing</u>
Predefined Projects	(a)	Signing of Project Contract for the Project "Construction of a new shelter for the victims of domestic violence"	PP/PO	February 2014

	(b)	Close monitoring of the five projects for early problem identification and immediate corrective actions for successful completion	PP/PO	Continuous
Bilateral Fund at National level	(a)	Study visit of Cypriot officials to Norway (oil and natural gas management)	NFP	7-10 January 2014
	(b)	Organisation of an event in Cyprus on the area of oil and natural gas management	NFP	June 2014

Annex: Risk assessment at the national level

The risk assessment at the national level regards risks to the two overall objectives and overall operations of the Grants.

Type of objective ¹	Description of risk	Likelihood ²	Consequence ³	Mitigation planned/done
Cohesion objective: Reduce the economic and social disparities in Cyprus	Impede the reduction of economic and social disparities	2	2	Through the close monitoring and the successful implementation of the programmes/projects the overall objective of the reduction of economic and social disparities will be addressed, even though this will be difficult to be fully achieved in the coming years
Bilateral objective: Strengthening of bilateral relations between donor states and Cyprus	Interest from the part of the PPs to participate in bilateral relations activities and cooperate with relevant DS entities	1	3	Encourage PPs to participate in bilateral activities and events which promote bilateral relations and through the visibility of various events organised under the EEA/Norwegian FMs
Operational issues:				

¹ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

² Each risk should be described as to whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue, where 4 = Almost certain (75 – 99% likelihood); 3 = Likely (50 – 74%); 2 = Possible (25 – 49%); 1 = Unlikely (1 – 24%)

³ Assess the consequence(s) in the event that the outcomes and/or crucial operations are not delivered, where 4 = severe; 3 = major; 2 = moderate; 1 = minor; n/a = not relevant or insignificant.

Annex: Risk assessment of the programme

Programme #	Type of objective ⁴	Description of risk	Likelihood ⁵	Consequence ⁶	Mitigation planned/done
	Cohesion (Programme) outcomes:				
	Bilateral outcome(s):				
	Operational issues:	Financial liquidity by the PPs and banking constraints resulting from the financial crisis in Cyprus in March 2013.	2	3	Payments to the PPs that face liquidity problems are adjusted, so these are done on a monthly basis and implementation of projects is not interrupted by banking constraints.
	Successful Implementation of Projects	Delays in tendering procedures, limited project management experience by the PPs, failure to achieve targets within the timeline	2	2	The NFP and the POs have bimonthly meetings with PPs, have close contacts with PPs by email and phone on a regular basis to solve problems and PPs have to submit every 4 months Progress Reports

⁴ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

⁵ Each risk should be described as to whether it poses a risk to the cohesion outcomes (programme outcomes), the bilateral outcome or crucial operational issues 4 = Almost certain (75 – 99% likelihood); 3 = Likely (50 – 74%); 2 = Possible (25 – 49%); 1 = Unlikely (1 – 24%)

⁶ Assess the consequence(s) in the event that the outcomes and/or crucial operations are not delivered, where 4 = severe; 3 = major; 2 = moderate; 1 = minor; n/a = not relevant or insignificant.