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Evaluation of the Financial Assistance Programme for Turkish Cypriot Community

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Final Report

Implementing Partners: B&S EUROPE and PROMAN



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“Evaluation of the financial assistance programme for Turkish Cypriot community”

Final Report – 10/10/2013

Specific Contract No. 2012/295522/1

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DISCLAIMER

According to Article 1 (2) of Council Regulation No 389/2006 the definition of beneficiaries should be bodies carrying out functions in the general interest in the areas (hereafter referred to as “bodies”). The use of terms of local authority acting as so called “Ministry”, “Department”, “Service” does not mean recognition of institutions of the self-proclaimed territory and is done solely for the purpose of better understanding of the administrative structure of the northern part of Cyprus.

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Glossary of Acronyms

BZ	Buffer-zone
CAP	Common Agricultural Policy
CBM	Confidence Building Measures
CIVICUS	CIVICUS: World Alliance for Citizen Participation
CMP	Committee on Missing Persons
CSO	Civil Society Organisation
CSST	Civil Society Support Team
DG	Directorate General
DG COMM	DG Communication
DG ELARG	DG Enlargement
DNA	Deoxyribonucleic acid
EC	European Commission
EEA	European Economic Area
ELISA	Enzyme-linked immuno sorbent assay
EU	European Union
EUCC	'European Union Coordination Centre'
EUPSO	European Union Programme Support Office
FIDIC	Fédération Internationale des Ingénieurs-Conseils
HQ	Headquarters
HRD	Human Resources Development
ICT	Information and Communication Technology
IPA	Instrument for Pre-accession Assistance
IT	Information Technology
KfW	Kreditanstalt für Wiederaufbau (Reconstruction Credit Institute)
KOBIGEM	SME Development Center
LEADER	Community initiative for links between actions of Rural Development / Liaison entre actions de développement rural
LIFE	Financial Instrument for the Environment
LLL	Life Long Learning
METAP	Mediterranean Environmental Technical Assistance Programme
MIS	Management Information System
MSME	Micro Small and Medium sized Enterprise
OECD-DAC	Organisation for Economic Cooperation and Development – Development Assistance Committee

Evaluation of the financial assistance programme for Turkish Cypriot community

PADOR	Potential Applicant Data Online Registration
PAP	Project Action Plan
PFAA	Programme for the Adoption of the <i>acquis</i>
PMU	Programme Management Unit
PSC	Project Steering Committee
PSD	Private Sector Development
ROPSE	Reform of Primary and Secondary Education
SCADA	Supervisory Control and Data Acquisition
SECOND	Sustainable Economic Development and ICT Sector Programme
SMART	Indicators = Specific, Measurable, Available, Relevant, Time-bound Objectives = Specific, Measurable, Achievable, Relevant, Time-bound
SME	Small and Medium sized Enterprise
SEPA	Special Environmental Protected Area
TA	Technical Assistance
TAIEX	Technical Assistance and Information Exchange [instrument]
TC	Turkish Cypriot
TCc	Turkish Cypriot community
ToR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNDP-ACT	UNDP – Action for Cooperation and Trust
UNDP-PFF	UNDP – Partnership for the Future
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNOPS	United Nations Office for Project Services
USAID	United States [of America] Agency for International Development
VET	Vocational Education and Training
VETLAM	Vocational Education and Training and Labour Market
WWTP	Wastewater Treatment Plant

Executive Summary

Background and Scope of the Evaluation

This interim/strategic evaluation of the EU's financial assistance programme to the Turkish Cypriot community provides a follow-up to the interim/strategic evaluation conducted in 2009.

Cyprus acceded to the EU on 1 May 2004 as a de facto divided island. There is an urgent need for a solution to the Cyprus problem and the end of a conflict that is now more than 40 years old. The EU is committed to a speedy resumption of negotiations on a comprehensive settlement under UN auspices and the reunification of the island. The whole of the island is part of the EU. However, in the northern part of the island, in the areas in which the Government of Cyprus does not exercise effective control, EU legislation is suspended in line with Protocol 10 of the Accession Treaty 2003. However, the suspension does not affect the personal rights of Turkish Cypriots as EU citizens. They are citizens of a Member State, the Republic of Cyprus, even though they may live in the areas not under government control.

The policy of the EU with regard to the Turkish Cypriot community was set out by the Council of the European Union on 26 April 2004, just before Cyprus joined the EU. Subsequently the Council of the European Union adopted the "Aid Regulation" in February 2006 as the Community's legislative instrument for the provision of financial assistance to the Turkish Cypriot community. Its global objective is to facilitate the reunification of Cyprus.

The "Aid Regulation" aims to contribute to the solution of the Cyprus problem by:

- **Objective 1:** redressing the serious gaps in key infrastructure and related service provision in the northern part of Cyprus – in particular in areas of the environment and water supply, energy, telecommunications, and transport – to facilitate preparations to meet the demands of the *acquis communautaire*.
- **Objective 2:** promoting the medium- and the longer-term social and economic development of the Turkish Cypriot community, so as to reduce the development gap and ensure longer-term ability of the Turkish Cypriot community to promote sustainable development within a reunified Cyprus and within the EU.
- **Objective 3:** increasing mutual trust and understanding between the Turkish Cypriot and Greek Cypriot communities, as well as of the dialogue, contacts, and cooperation between the two communities, and of civil society, so as to support the processes of confidence building and reconciliation.
- **Objective 4:** addressing the concerns of isolation expressed by the Turkish Cypriot community via facilitating opportunities for contacts and communication between the Turkish Cypriot community and the EU, including between the Cypriot communities, so as to promote mutual understanding and awareness.
- **Objective 5:** facilitating the Turkish Cypriot community's preparations for the future application and enforcement of the *acquis communautaire* – in anticipation of the lifting of its suspension in the northern part of Cyprus following negotiation by the Cypriot communities of a comprehensive settlement.

In total € 310.65 million has been allocated via the Aid Programme for project operations over the period 2006-2012: € 259 million was programmed in 2006 (including funds for initial staff costs linked to programme management), and subsequently € 2.50 million programmed in 2009, € 3.00 million in 2010, € 28.00 million in 2011, and € 28.00 million in 2012.

The specific objectives of this evaluation relate to three key aspects of the Aid Programme:

- **“Programme Intervention Logic”**: to provide an assessment of the intervention logic of the “Aid Regulation” including to which extent programming documents are based on a balanced and comprehensive planning;
- **“Programme Implementation Performance”**: to provide a judgement on the performance (either actual or expected) of the assistance particularly as regards its relevance, efficiency, effectiveness, impact, and sustainability; the judgement should differentiate between the programming level and the implementation level;
- **“Future Programme”**: to make recommendations about the application of the 2006 “Aid Regulation” to anticipated future needs of the Turkish Cypriot community and about the future implementation of the assistance programme.

The data collection, verification, and review were undertaken primarily by reference to relevant documents and stakeholder interviews during the field phase in Cyprus (conducted November-December 2012). The Evaluation Report reflects the operational and financial situation as of 31/12/2012 – the ‘cut-off-date’ for the Report. The Main Report presents the overall findings, conclusions, and recommendations at the programme level. The detailed evaluation assessment for each strategic objective is provided in Annex 4 of the Report.

Main Evaluation Findings

Programme Intervention Logic

The overall quality of the intervention strategy and logic used in the programming of the assistance linked to the “Aid Regulation” is assessed to be good.

The “Aid Regulation” establishes five strategic objectives in order to achieve the global objective, and these are clear, measurable, and realistic. With each being clearly linked to the global objective, collectively they provide a coherent focus for the Aid Programme.

Each strategic objective is further focused on a series of specific objectives, of which 18 specific objectives have been targeted, which are clear, measurable and realistic with logical links to the strategic objectives and of clear operational relevance to the needs of the Turkish Cypriot community (TCc) beneficiary. The specific objectives have been addressed via a series of 48 projects, each establishing its own intervention objectives. There are a number of common weaknesses in the formulation of the project intervention objectives and indicators though there are clear improvements under the 2012 programme.

Project selection, the prioritisation, and sequencing of the assistance are assessed as good, and have been strengthened now that programming is established as an annual process. More recently programming is undertaken over a period of months with the TCc-side and civil society via a series of structured, consultative dialogue meetings. Programming is generally good in terms of taking adequate and relevant account of policies and strategies of the TCc beneficiary where they exist, though sometimes programming has been weakened by a lack of consistent commitment to policies and/or absence of suitably resourced ‘institutions’ with competence to direct the reform process. In terms of taking account of actions of key donors,

the programming process is generally good despite the weakness due to the EC's low level of awareness of details of the significant funding provided by the Turkish government.

Programming could be further strengthened by the inclusion of adequate numbers of time-bound progress indicators, by more attention to risk assessment, and access to reliable statistical information. Of key importance – and taking note of the weakness of securing clear commitment and effective ownership to facilitate implementation and post-project planning on the side of the TCc, particularly in projects under Objectives 1, 2 and 5 – it would be useful to define relevant, related pre-conditions and other specific conditions, including relevant deadlines, that should be fulfilled during project implementation.

Programme Implementation Performance

At both the Programming Level and Implementing Level the administrative and organisational structures for managing the implementation of the assistance, and the monitoring mechanisms and structures supporting the programming process are suitable. The implementation arrangements, whereby staff based at the EUPSO is not empowered to the extent of an EU Delegation, reflect the complexities that the programme implementation faces in the unique programme environment.

Procurement processes have generally been well managed by the EC, though sometimes low absorption capacity or ownership by the TCc beneficiary has been an obstacle to efficient deployment of the EC grant. The main weakness linked to the organisational structures supporting project implementation is often the uncertainty of the commitment of the 'central' level beneficiaries to develop reforms, reorganise implementation competencies or communicate with stakeholders, notably under Objectives 1, 2 and 5.

The main weakness linked to the monitoring function of the programme is the partial quality of the indicators of achievement, particularly the target indicators against which to monitor progress though this is partially addressed at the stage of detailed design of actions and decision on the commitment the EC grant. The visibility, promotion and ex-post publicity activities are contributing to the effectiveness of the Aid Programme, and the main weakness relates to successful promotion of actions for future application of the *acquis* targeted at the 'central' level bodies under Objectives 1, 2 and 5, because the success of such communication actions is dependent on clear commitment of the beneficiary.

At the Programming Level the process has suitably provided consistency in the identification and concentration of focus for achieving the strategic objectives and thereby impact.

At the Implementing Level the continued relevance of the programme is judged to be good. The partial weaknesses related to the 2006 programme design under Objective 2 have been rectified during the start-up phase. However, variable levels of political will and commitment of 'central' beneficiaries linked to Objectives 1, 2 and 5 have been weaknesses.

The efficiency of the Aid Programme in terms of the deployment of programme funds for implementation is overall judged as good, despite initial constraints. In terms of process delivery and achievement of programme/project goals, efficiency is overall judged as adequate. A number of projects have faced delivery constraints and for a few projects serious delays and/or continued risks exist to the delivery and achievement of the programme/project goals. The efficiency of the delivery and achievement of project goals has been weaker for some of the actions under Objectives 1, 4, and 5. Efficiency delays have also been experienced by the beneficiaries of grants awarded under the series of grant

scheme mechanisms included in the Aid Programme. This was due to the initially very limited familiarity of the TCc target group beneficiaries with EC grant administration, activity-planning, reporting, and procurement rules etc. A key element in ensuring the efficiency of grant implementation by the grantees is the existence of an independent technical assistance team / programme management unit to provide capacity building and advisory support to beneficiaries linked to EC grant processes, and ensure the effectiveness of the independent monitoring functions.

The effectiveness of the Aid Programme in terms of achievement of the anticipated goals and contribution to achieving the strategic objectives is overall judged to be good although the performance is mixed and the effectiveness for a number of actions is at risk of failure. Notably the effectiveness of some of the actions under Objectives 1 and 2 has been weak and the effectiveness of the assistance judged to be adequate only. This largely reflects the difficulties in terms of the actions for future application of the *acquis* at the 'central' level and the sometimes slow pace of the approval and adoption for roll-out of the strategic plans, policy reforms, and structural changes developed under the programme. This is also an issue linked to future application of the *acquis* actions under Objective 5.

The prospects for impact and sustainability of the Aid Programme assistance are generally judged to be good, though mixed, and for a limited number of the specific objectives targeted, the prospects for impact and sustainability are moderate or poor. The prospects are weaker in regard to some of the actions under Objectives 1, notably *Energy Infrastructure* and *Telecommunications Infrastructure*, while the impact and sustainability of other actions at the 'central' level supported under Objectives 1, 2 and 5 are strongly conditional upon the achievement of substantial reforms and structural changes, which require commitment at the 'central' level. Delays in establishing a policy environment and supportive structures for the enactment of reforms and for strengthened consultation with stakeholders will significantly reduce the pace of progress of the reforms and progress in narrowing the present socio-economic development gap of the TCc.

The key reforms that the beneficiary should undertake to improve sustainability of the Aid Programme assistance relate primarily to the preparation for future application of the *acquis* activities under Objectives 1, 2 and 5 and the level of ownership on the TCc-side of the reform process. This should be strengthened both at the 'central' 'institutional' level in terms of the budgetary-planning process and at the sectoral 'institutional' level in terms of senior-level engagement to guide the reforms through the processes of analysis, stakeholder consultation, preparation, adoption, and implementation roll-out of the reforms.

With regard Objective 3 a common issue for all actions is the need to further enhance related visibility and educational measures linked to the actions and the goals supported in order to achieve sustainable impact in terms of fostering reconciliation and confidence building. With regard Objective 4, the sustainability of the benefits produced via the *Scholarships for the TCc* could be strengthened in terms of ownership of the programme by the TCc. As encouraged by the EC, the TCc should support the prioritisation of the programme by undertaking a detailed analysis of skills-gaps to be addressed over the medium-term.

Future Programme

The anticipated future needs of the TCc and the future implementation of the assistance programme to support the achievement of the specific and strategic objectives will build on the lessons learned from previous phases and an assessment of continued relevance and of

the absorption capacity. In terms of the achievement of the strategic objectives the development processes are of a medium- to longer-term nature, which will continue to be relevant post-settlement of the Cyprus problem in terms of embedding the settlement.

Key assumptions in terms of the achievement of the goals are that good progress is made in negotiations between the Cypriot communities, and that civil society and the citizenry are suitably informed about and engaged in the process of reconciliation and the establishment of an environment conducive for reaching compromise on the 'core issues' linked to the negotiations of a settlement of the Cyprus problem. Without a supportive public opinion actively in favour of achieving a settlement the negotiation process will struggle.

Should a settlement be achieved over the medium-term (up to 2015/2016) it would likely stimulate an increased pace of development progress, but further targeted support would be necessary to close the development gap further – presumably via the EU's economic, social, and territorial cohesion policy instruments in the context of an expanded "Common Strategic Framework", and via a specific technical assistance (Twinning) capacity building programme.

Conclusions

Overall, the programming of assistance under the Aid Programme is generally good. The main finding in terms of programming gaps/weaknesses relates to the deficiencies of the projects in respect to 'SMART' intervention objectives or 'SMART' indicators of achievement. Gaps/weaknesses in the programming framework are also evident in terms of the limited evidence of detailed project risk assessment/planning, both at the level of implementation (efficiency/effectiveness) and post-project planning (impact/sustainability). More efforts are necessary to ensure effective ownership and commitment by the TCc, and project conditionality with a relevant deadline should be defined in the areas where new legislation or organisational restructuring is a prerequisite for programme/project effectiveness.

The key action linked to improving the efficiency, effectiveness, impact, and sustainability of the assistance relates to the level of ownership of the Aid Programme objectives and the reform processes demonstrated by the TCc-side. In this context it would be practical to strengthen utilisation of the TAIEX support, as the EC's main tool for preparation for future application of the *acquis* support to the TCc at the 'central' level. Presently the Monitoring Mechanism of the "Programme for the Future Adoption of the *acquis*" is too focused on operational delivery details. The immediate impact of the assistance would be improved via a clearer focus of the PFAA Monitoring Mechanism to address horizontal aspects linked to *acquis* preparations. This would facilitate guidance and support for the linked TCc decision-making process.

Recognising that a significant component of the Aid Programme is provided to TCc beneficiaries via grant scheme mechanisms, it would seem more efficient and effective that such support be provided via a single Programme Management Unit with, as necessary, a series of technical experts to provide sectoral expertise and advice. It would also seem more efficient and effective that the independent monitoring expertise presently supporting the EC oversee grant scheme implementation be undertaken via a single team.

The EC has good working relationship with the UNDP in Cyprus, having worked in close partnership since 2001 with the UNDP responsible for the implementation of the EU-funded "Partnership for the Future" (PFF) and components of the Aid Programme have also been implemented by the EC via "joint management" with the UNDP under Objectives 1, 2 and 3.

The justification for choosing the delivery instrument linked to the *Committee on Missing Persons* (and funding up to 2011 for *De-Mining Activities*) remains valid. In both areas the UN also provides essential mediation support, for which it is in a unique position. The justification for choosing the delivery instrument linked to *Cultural Heritage Initiatives* (and funding under the 2006 programme for *Local and Urban Infrastructure*) also remains valid. Both priorities are primarily delivered via works projects, for which the UNDP has a good understanding of the local working environment. Similarly the UNDP's role linked to the Mia Milia / Haspolat WWTP is justified due the bi-communal nature of the significant project. While it might be feasible that the EC undertake management of the infrastructure projects, it is not evident that this generates substantial benefits as compared with the increased workload and risks for the EC in terms of managing a series of different contractors.

The priority areas for focus and concentration of future programme support under the Aid Programme are the already well-established core specific objectives. Linked to Objective 1 the priority areas are *Environmental Infrastructure* notably taking into account the importance of the Water Framework Directive and the Waste Directive, and *Traffic Safety* in relation to the reduction of road traffic accidents and fatalities. Further actions in the areas of *Energy Infrastructure* and *Telecommunications Infrastructure* would be dependent on the pre-condition of substantive policy commitment demonstrated at the 'central' level. Linked to Objective 2 the priority areas remain to be *Rural Development*, *Human Resources Development*, and *Private Sector Development*. In each area the assistance should primarily be implemented via grant scheme mechanisms, supported by the provision of further technical assistance / programme management unit actions. The design and management of such combinations has been progressively developed to ensure efficiency and effectiveness. In each area it is also necessary to continue preparation for future application of the *acquis* and policy reforms at the 'central' level, and this should primarily be provided via the TAIEX instrument. Linked to Objective 3 the priority area remains to be *Civil Society*. The key focus for future EC support in the area is the further capacity building of civil society, to raise the standards of operations and the capacity to establish partnerships/networks with similar groups in particular of a bi-communal nature. With regard the *Committee on Missing Persons* it is evident that the EC will need to establish a medium-term 'exit-strategy' and ensure the transfer and longer-term sustainability of the actions to the Cypriot side. Linked to Objective 4 the priority areas remain to be *Scholarships for the TCc* and *Information on the EU*. In both areas the Aid Programme should be programmed so as to ensure the continuity of its concentration on the areas because a gap in the provision of either action will negatively impact in terms of the progressive achievement of the strategic objective. In the case of the *Information on the EU* action, the Project Steering Committee should adopt a clear strategic plan and detailed (annual) implementation action plan to guide the activities of the EU Info Point service-provider over the medium-term. Linked to Objective 5 the priority areas remain to be the *Preparation of Legal Texts / Reinforcement of Implementation Capacity* and the *Facilitation of "Green Line" Trade*. With regard the *Facilitation of "Green Line" Trade* the effectiveness and immediate impact of the assistance would be improved via a strengthened focus on the provision of training and advisory support to Turkish Cypriot producers and traders in terms of the branding-issues they may face regarding their goods.

Recommendations

Recommendations are made to the EC with the intention of improving the quality of programming documents and thereby to enhance the efficiency, effectiveness of the assistance and to improve the prospects for impact and sustainability of the Aid Programme:

1. *The quality of the programme/projects should be further improved by enhancing the 'SMARTness' of the intervention objectives and related indicators.*
2. *The quality of the programme/projects should be further improved by enhancing the application of risk assessment/planning and via the specification of conditionality.*
3. *An increased role for the TCc in supporting the design of projects including the definition of post-project planning would be an important action in this regard.*

Recommendations are made to the EC with the intention of improving the implementation of the assistance and thereby to enhance the efficiency, effectiveness of and improve the prospects for impact and sustainability of the Aid Programme:

4. *For projects supporting future application of the acquis the beneficiary should provide more complete information on the administrative and operational processes in place to ensure the absorption/ institutionalisation of the Outputs and immediate Results of the assistance, and more complete information on the post-project medium-term planning by the beneficiary.*
5. *The EC should review the potential to strengthen the effectiveness of the PFAA Monitoring Mechanism in terms of its function to support strategic management and decision-making by the TCc. This should be reviewed in cooperation with the 'EUCC'.*
6. *Technical advisory and training support for target group beneficiaries and grant awardees under the grant schemes continues to be a priority. It is recommended that support be provided via a single technical assistance Programme Management Unit.*

Recommendations are made to the EC with regard the undertaking of actions via "joint management" with the UNDP and thereby to enhance the efficiency, effectiveness of and improve the prospects for impact and sustainability of the Aid Programme:

7. *It is recommended that the EC continue to implement assistance under Objective 3 on the basis of "joint management" with the UNDP. It is recommended that further actions under Objective 1 in the area of Environmental Infrastructure be directly managed by the EC unless there is a clear bi-communal focus of the activities.*
8. *In order to ensure sufficient visibility of the EU-funded initiatives supporting the TCc implemented with the UNDP the EC should guarantee that communication issues are suitably detailed and planned within the contribution agreement (Annex I).*

Recommendations are made to the EC with regard the future programming focus linked to each of the five strategic objectives of the "Aid Regulation" to enhance the efficiency, effectiveness of and improve the prospects for impact and sustainability.

9. *It is recommended that the EC continue to implement assistance under Objectives 1-5. All 5 strategic objectives remain relevant and form a coherent whole though assistance is not justified for all specific objectives. Key specific priorities for continue support are identified under "Future Programme" in the Main Text / Recommendations, e.g. Environmental Infrastructure, Civil Society, including potential priority areas and presumed delivery mechanisms.*

Main Report

1. Introduction

1.1. Background

The **Instrument of financial support for encouraging the economic development of the Turkish Cypriot community**¹ was adopted by the Council of the European Union in February 2006 as the Community's legislative instrument for the provision of financial assistance to the Turkish Cypriot community (TCc).

The global objective of the Instrument – hereafter referred to as the “Aid Regulation” – and the associated European Commission (EC) Decisions on the allocation of programme funds is to facilitate the reunification of Cyprus. The “Aid Regulation” establishes five strategic objectives to guide the achievement of the global objective and the programming of support:

Objective 1	Developing and Restructuring of Infrastructure
Objective 2	Promoting Social and Economic Development
Objective 3	Fostering Reconciliation, Confidence Building Measures, and Support to Civil Society
Objective 4	Bringing the Turkish Cypriot community closer to the European Union
Objective 5	Preparing the Turkish Cypriot community to introduce and implement the <i>acquis communautaire</i>

The allocation of programme funding linked to the “Aid Regulation” has been **undertaken on the basis of eleven EC Decisions**: five were adopted in 2006 (in total € 259 million), one in 2009 (€ 2.50 million), one in 2010 (€ 3.00 million), two in 2011 (€ 28.00 million), and two in 2012 (€ 28.00 million) – see Annex 3 for an overview of the eleven programmes. In total **€ 310.65 million has been allocated linked to implementation of the “Aid Regulation” over the period 2006-2012**; a further € 9.65 allocated under the 2006 programme covered costs of staff involved in the implementation of the programme; since 2010 EC staff costs are financed from the general administrative budget line of DG Enlargement (DG ELARG).

1.2. Objectives and Scope of the Evaluation

The overall objective of this “**Evaluation of the financial assistance programme for [the] Turkish Cypriot community**” is to enhance the relevance, efficiency, effectiveness, impact, and sustainability of the Aid Programme by means of providing relevant findings, conclusions, and recommendations to the Commission by an overall programme evaluation – the previous interim/strategic evaluation of the Aid Programme was conducted in 2009.

The specific objectives of the evaluation relate to three key aspects of the Aid Programme:

- “**Programme Intervention Logic**”: to provide an assessment of the intervention logic of the “Aid Regulation” including to which extent programming documents are based on a balanced and comprehensive planning;

¹ Council Regulation (EC) No. 389/2006 of 27 February 2006, the “Aid Regulation”

- **“Programme Implementation Performance”**: to provide a judgement on the performance (either actual or expected) of the assistance particularly as regards its relevance, efficiency, effectiveness, impact, and sustainability; the judgement should differentiate between the two levels of sources of evidence and analysis, namely the programming level and the implementation level;
- **“Future Programme”**: to make recommendations about the application of the 2006 “Aid Regulation” to anticipated future needs of the TCc and about the future implementation of the assistance programme, taking account of the recommendations provided by the European Court of Auditors (in Special Report No. 6 // 2012).

Linked to the specific objectives for this overall programme evaluation the Terms of Reference (ToR) established **20 specific Evaluation Questions** – see Annex 1 for a fuller description of the background to the evaluation, its goals, and the specific Evaluation Questions. During the Inception Phase the Evaluation Questions were further defined by the Commission: one question linked to the “Future Programme” was dropped, reflecting that the anticipated annual budget for the Aid Programme over the medium-term is now clear and thereby that recommendations considering a range of budget options was no longer relevant; an additional question on the “Programme Implementation Performance” was included linked to the effectiveness of the associated visibility, promotion and ex-post publicity activities.

The scope of this evaluation covers the eleven EC Decisions over the period 2006-2012 – the Aid Programme – under which **48 specific projects** have been adopted addressing the five strategic objectives of the “Aid Regulation”; seven projects via a Technical Assistance Facility / Programme Reserve Facility so as to provide wider technical assistance activities and other support linked to programme implementation and the achievement of the strategic objectives – see Annex 3 for an overview of the Aid Programme and projects evaluated.

Following an initial project kick-off meeting at DG ELARG in October 2012, Field Phase research was undertaken in November and December 2012. The Evaluation Report reflects the operational and financial situation as of **31/12/2012 – the ‘cut-off-date’ for the Report**.

1.3. Methodology

The ToR established a clear framework for the evaluation based on five distinctive phases: (1) Initial Briefing in Brussels; (2) Field Phase in Cyprus; (3) Synthesis Phase; (4) Draft Final Report commentary and approval Phase; (5) Presentation Phase in Brussels and in Cyprus.

The underpinning evaluation methodology adopted is mainly based on criteria endorsed by the OECD-DAC and, more specifically, is derived from EC guidance with respect to standard interim evaluation methodology, e.g. as per the DG ELARG “Evaluation Guide” and the DG Budget guide “Evaluating EU activities – a practical guide for the Commission Services”, and is fully consistent with the EC's Joint Evaluation Unit's Methodology and Guidelines.

The basic methodology for conducting the Field Phase research linked to the evaluation consisted of a range of standard evaluation techniques and tools, e.g. documentation review, source data research and literature survey, logical framework analysis, plus semi-structured interviews with programme and project beneficiaries, with project stakeholders, with project operational and contracted implementing partners, with beneficiary final users, and with EC (DG ELARG) staff in the Task Force for the TCc, plus representatives of other donors etc.

Reflecting that an essential part of the data collection, verification, and review processes was undertaken via interviews, allowing for the elaboration of insight into particular programme features, it is noted that no significant constraints were experienced in securing interviews.

In order to fulfil the requirements of the ToR to evaluate the overall Aid Programme for the TCc, three different levels of programme intervention were progressively evaluated:

- At the level of the 18 specific objectives / operational priorities for intervention that have been addressed by the Aid Programme under the five strategic objectives of the “Aid Regulation”, thereby covering the 48 specific projects included in the Aid Programme;
- At the level of the five strategic objectives of the “Aid Regulation” / Aid Programme;
- At the level of the Aid Programme as a whole drawing on the collated findings above.

Each level was assessed against the 20 specific Evaluation Questions linked to the three specific objectives established for the evaluation.

1.4. Structure of the Evaluation Report

The main part of the Evaluation Report presents a synthesis report at the programme level.

It explores key issues concerning the programming and the implementation of the Aid Programme. It is structured to present the **Evaluation Findings** and the corresponding **Conclusions (Lessons Learned) and Recommendations** in response to the three specific objectives of this evaluation, i.e. at the level of the “Programme Intervention Logic”, of the “Programme Implementation Performance” and of the “Future Programme”.

As indicated above it is drawn on the overall analysis of the five strategic objectives based on the corresponding specific objectives and projects of the Aid Programme – the analysis linked to each of the strategic objectives is presented in Annex 4 of the Evaluation Report. This is also structured in terms of the analysis of the “Programme Intervention Logic”, the “Programme Implementation Performance”, and “Future Programme”.

An overview of the Aid Programme’s global, strategic, and corresponding specific objectives / operational priorities for intervention is presented in Annex 2 of the Evaluation Report. An overview of the Aid Programme’s financial performance data is provided in Annex 3. A list of documentation utilised in the context of the evaluation is provided in Annex 5. A full list of interviewees contacted linked to the evaluation is provided in Annex 6. A fuller description of the evaluation’s background context, the Evaluation Questions etc. is provided in Annex 1.

2. Evaluation Findings

2.1. Programme Intervention Logic

The first specific objective of this evaluation focuses on the quality of the intervention strategy and logic used in the programming of the assistance linked to the “Aid Regulation”.

According to EC guidelines², intervention logic is defined as: ‘the set of all assumptions used to explain how the intervention will produce its expected effects and which can be represented as a progressive sequence from activities to results and from results to different levels of expected impacts’. The logic should be assessed in the context of the ‘intervention rationale’ and ‘related policies’ as part of the evaluation of intervention strategy³.

The intervention rationale and logic are addressed via the first two Evaluation Questions, the quality of the programming process and its relation to the policies of the beneficiary and other donors are addressed via the subsequent four Evaluation Questions, while the main gaps of the current programming framework are addressed by the seventh Evaluation Question.

To what extent are objectives at different level clear, measurable, and realistic?

In order to achieve the **global objective** of the “Aid Regulation” – to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the *acquis communautaire* – the “Aid Regulation” establishes five **strategic objectives** to guide the achievement of the global objective and the programming of Community support, namely:

1. Developing and Restructuring of Infrastructure;
2. Promoting Social and Economic Development;
3. Fostering Reconciliation, Confidence Building Measures, and Support to Civil Society;
4. Bringing the Turkish Cypriot community closer to the European Union;
5. Preparing the Turkish Cypriot community to introduce and implement the *acquis*.

The strategic objectives are clear, measurable, and realistic. Each is logical regarding a clear linkage to the global objective of the “Aid Regulation” and collectively in terms of providing overall coherency and concentration for focus of the Aid Programme.

Each of the strategic objectives is further focused, via the programming process, on a series of **specific objectives** / operational priorities for intervention – 18 have been addressed, e.g. *Environmental Infrastructure, Private Sector Development, Cultural Heritage, Scholarships for the TCc, Preparation of Legal Texts/Reinforcing Implementation Capacity*, etc. The specific objectives are clear, measurable, and realistic, and each is logical regarding a clear linkage to the achievement of the strategic objectives of the “Aid Regulation” and, generally, also in regard to addressing needs of clear operational relevance to the TCc beneficiary.

² “Evaluation Methods for the European Union’s External Assistance”, (Volume 1 Methodological Bases for Evaluation), DG External Relations, DG Development, EuropeAid Cooperation Office

³ The evaluation of intervention strategy is based on the assessment of 3 elements: (i) rationale of the intervention to satisfy needs, solve problems or tackle challenges that are considered to be priorities and that cannot be addressed more effectively in another way; (ii) intervention logic; (iii) related policies of European institutions, EU Member States and other donors so as to understand where complementarities, potential synergies, risks of duplication and coordination needs lie.

The intervention objectives of the **Aid Programme's 48 projects** – adopted under the 2006, and the 2009-2012 programmes – were assessed for the extent that the objectives at different intervention levels – Wider Objective, Immediate Objective, Results/Outputs – are clear, measurable, and realistic, i.e. are 'SMART'. *[For intervention objectives the criteria have the following meanings: Specific (appropriately positioned, scoped and focused within the objectives hierarchy); Measurable (quantified, or potentially quantifiable, through the use of appropriate indicators); Achievable (in the light of the position in the intervention logic and assumptions made at the preceding level); Relevant (to EU and beneficiary requirements); Time-bound (provide a timeframe by which planned benefits should be achieved)]*

Overall, the formulation of the project intervention objectives is assessed to be adequate. This reflects that while a few projects – e.g. *Rural Development* (under Objective 2), Capacity Building programme in the *Environment* sector (under Objective 5) – are logically and clearly defined as to the chain of expected development effects to be progressively achieved via the projects across the project life-cycle, the quality is mixed across the specific objectives and corresponding projects and **a number of common weaknesses exist linked to the formulation of the project intervention objectives:**

- The scope of the objectives is often too broad or too diffuse – not sufficiently 'Specific' as to the development effect to be achieved. There can thereby be confusion as to positioning of the objectives within the hierarchy of goals, notably in terms of the clear demarcation of the intervention objectives at the levels of Immediate Objective and of Results/Outputs – the latter should be achieved during project implementation/delivery, the former on project completion or in the immediate short-term after completion.
- The formulation of objectives is also, generally, weaker at the level of the Wider Objective(s), which often lack a 'Specific' medium-term focus to which projects should contribute, e.g. 1 or 3 years after project completion, within the context of the longer-term achievement of the strategic objectives of the "Aid Regulation"; all of which shall continue to be of relevance over the longer-term period in regard of embedding a settlement negotiated between the Cypriot communities on the reunification of Cyprus.
- For some projects there is also a weakness in terms of the limited number of objectives defined at the level of Results/Outputs – for a few only one or two objectives are set in terms of goals to be achieved in the progression of project implementation/delivery, although the timeline for project implementation can run up to 6-years for execution.
- For many projects there is also a weakness in terms of the limited evidence of detailed project risk assessment undertaken relating to the achievement of goals at the different intervention levels and/or of the logical framework linkages between the different levels. The extent that such goals are thus realistically 'Achievable' is thus not always evident.
- Overall, none of the objectives is clearly 'Time-bound' in terms of its achievement.
- Despite these weaknesses, the vast majority of the project intervention objectives are assessed to be 'Measurable' and 'Relevant'.
- It is also evident that the quality of the intervention logic provided in the projects under the 2012 programme represents a clear improvement compared with the earlier years' programmes, although further effort is necessary to ensure the objectives are 'SMART'.

To what extent programming and monitoring mechanisms include SMART (Specific, Measurable, Available, Relevant and Time-bound) indicators to measure progress towards achievement of objectives?

The indicators of achievement of the projects were assessed for the extent that the indicators at different level – Wider Objective, Immediate Objective, Results/Outputs – are ‘SMART’ for the purposes of monitoring and of evaluation. *[For indicators of achievement the ‘SMART’ criteria have the following meanings: Specific (clearly defined, and closely linked to what they are trying to measure); Measurable (variables which can be objectively assessed and numerically expressed); Available (already exist or can be collected at reasonable cost and effort); Relevant (related to the core problems and needs addressed by interventions); Time-bound (based on a timeframe by which planned benefits should be achieved)]*

Overall, the formulation of the project indicators of achievement is assessed to be adequate. The quality is significantly variable across the specific objectives and corresponding projects – e.g. those linked to *Rural Development* (under Objective 2), *Scholarships for the TCc*, and *Information on the EU* (both under Objective 4), plus the *Environment* project linked to the solid waste sector (under Objective 1) are of a better quality than those linked to *Local and Urban Infrastructure*, or some of the earlier projects linked to *Human Resources*, and *Private Sector Development* (all under Objective 2), or *Civil Society* (under Objective 3), or *People-to-People Contacts* (under Objective 4), or those linked to *Preparations to introduce and implement the acquis* (under Objective 5).

A number of common weaknesses exist linked to the definition of project indicators:

- While most of the indicators are ‘Measurable’ the majority are not quantified in terms of performance targets; while a few projects do provide a level of quantification at the level of Results/Outputs, no targets are provided at the higher intervention levels. Additionally, no baseline data is provided so as to measure progress, e.g. “reduced” levels of leakage, “increased” production yields, “improved” levels of knowledge, etc.
- In many cases indicators could be strengthened in terms of being more ‘Specific’ in the definition of the development effect being measured, e.g. “increased productivity” can be assessed at a range of different levels so it is not immediately clear what the programming process assumes the indicator seeks to measure. In some cases the indicators, while possibly ‘Specific’, are not suitably located in the hierarchy in terms of being closely linked to what they are trying to measure, e.g. indicators of Results/Outputs provided at the higher intervention levels, or the sometimes inadequate demarcation between indicators of Results/Outputs and those of Immediate Objective.
- For some projects there is also a weakness in terms of the limited number of indicators defined at the level of Results/Outputs – for a few only one or two indicators are provided, e.g. simply defining indicators in terms such as “project implemented”. It is evident that the indicators would be strengthened by the inclusion of an adequate number of progress indicators so as to be reflective of the different processes and deliverables assumed to be produced in the progression of project implementation.
- Only a very small number of indicators are clearly defined in terms of ‘Time-bound’.
- A number of projects under the 2006 programme establish no indicators at any level.
- It is evident that the quality of the indicators provided in the projects under the 2012 programme represents a clear improvement compared with the earlier years’ programmes, although further effort is necessary to ensure the indicators are ‘SMART’.

To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient and effective projects to achieve the strategic objectives?

The EC is fully responsible for managing the programming and project selection processes linked to the Aid Programme for the TCc. **Overall, the project selection mechanism operated by the EC** – i.e. the processes for the identification, initial design, prioritisation, detailed preparation, through to the final selection of projects – **is assessed to be good**:

- The initial focus and relevance of projects is ensured in terms of a demonstrated linkage and potential contribution to the achievement of one of the 18 specific objectives identified by the EC for the Aid Programme linked to the five strategic objectives of the “Aid Regulation”. Each of the specific objectives is logical regarding its linkage to the strategic objectives. Projects that do not demonstrate a clear contribution to the specific objectives are not considered at the level of basic project identification.
- The basic design of projects – notably linked to Objectives 1, 2 and 4 – correspond with standard, long-term EU (EC and EU Member States) actions and programmes, e.g. associated with the implementation and enforcement of the *acquis* in terms of developing *Environmental Infrastructure*, or associated with the promotion of economic, social and territorial cohesion in terms of *Private Sector Development*, or associated with actions targeted to Europe’s citizens in terms of *Scholarships for the TCc*, etc.. The basic design of projects linked to Objective 5 correspond with standard actions operated by the EC (DG Enlargement) in the context of the delivery of assistance linked to *Preparations to introduce and implement the acquis*. The basic design of projects linked to Objective 3 (“Fostering Reconciliation etc.”) are specifically associated within the wider international effort and the Cypriot-led, bi-communal framework established to promote peace, confidence building, and reconciliation as the basis for the negotiation and enforcement of a settlement of the Cyprus-problem.
- The indicative prioritisation and detailed preparation of projects is undertaken by the EC on the basis of its consultation with key stakeholders on the TCc-side and with other key donors – prior to the EC’s decision as to the appropriate selection of projects.
- Consultation with the TCc-side was initially constrained in terms of weaknesses on the TCc-side to effectively participate in the EC programming process – e.g. due to the lack of familiarity with the programming process, or the insufficient existence on the TCc-side of clearly defined development policies/strategies suitable to guide prioritisation and the absorption of programme funding; for which € 259 million was programmed in year 2006, the first Aid Programme under the “Aid Regulation”. However, now that the programming process is established – prior to the settlement of the Cyprus-problem – as an annual process, with an indicative budget of € 28 million per year (in constant prices) through to year 2020, rather than an ad hoc process of EC budget availability under the EU’s 2007-2013 Multi-annual Financial Framework, the consultation process and the preparedness of the TCc-side to suitably engage in terms of the programming process and project identification/design has clearly improved. The 2013 programming exercise – for which the initial phases of consultation were launched in late 2012 – is being undertaken via a series of structured, consultative dialogue meetings over a period of months with representatives of the TCc-side and with Cypriot civil society.
- In regard to the initial lack of clearly defined development policies and strategies on the TCc-side– notably linked to Objectives 1 and 2 (“Developing and Restructuring of Infrastructure” and “Promoting Social and Economic Development”) – the project selection mechanism has been informed on the basis of the findings and prioritisation provided via a range of feasibility studies, e.g. conducted by the EU-funded Partnership for the Future programme implemented in northern Cyprus via the UNDP since 2001.

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- Reflecting that many of the specific objectives targeted by the projects are of a medium- to longer-term nature – and therefore that the objectives will be progressively achieved via a series of phased projects, financed across a series of programmes – the programming of assistance is now also increasingly informed via lessons learned during project implementation and project follow-up and via periodic evaluations of the support provided under the specific objectives and of the overall Aid Programme.

However, some **partial weaknesses** in the system for project selection were also identified:

- A number of projects are weak in terms of providing clear evidence of detailed risk assessment/planning conducted during the process of project design. A significant minority of projects prior to 2012 lack any evidence of risk assessment/planning at the different intervention levels, e.g. under Objective 4 (“Bringing TCc closer to the EU”).
- Additionally, a number of the planned project actions are ambitious in relation to the absorption capacity of the TCc beneficiaries – notably projects under Objectives 1, 2 and 5. The inadequate capacity and partially incomplete TCc administrative structure (in formal terms) has meant that identifying potential beneficiaries with sufficient capacity and competence for the role as key implementing partner and beneficiary to drive forward a reform agenda can be difficult. In this regard insufficient provision has been made for buffer periods of time needed for contingencies in an environment where there is no assurance that activities will be continued or results realised if there is inertia of the TCc decision-making system or the adoption of legislation is frustrated.

To what extent programming provides adequate prioritisation and sequencing of assistance?

Overall, the programming process is assessed to be good in terms of providing for the prioritisation and sequencing of the Aid Programme assistance.

This is assessed positively in terms of the prioritisation of overall programme funding allocation between the five strategic objectives of the “Aid Regulation” and, generally, also the prioritisation and sequencing of support at the level of the individual specific objectives.

Table 1: Aid Programme for the TCc – Financial Allocation / Strategic Objective

Nº	“Aid Regulation” / Aid Programme Strategic Objective	EC-funding (€ mil.)	EC-funding (%)
1	Developing and Restructuring of Infrastructure	136.75	44.0
2	Promoting Social and Economic Development	90.15	29.0
3	Fostering Reconciliation, CBM, and Support to Civil Society	29.00	9.3
4	Bringing the TCc closer to the European Union	17.00	5.5
5	Preparing the TCc to introduce and implement the <i>acquis</i>	22.91	7.4
-	Programme Reserve Facility / Technical Assistance Facility	14.84	4.8

With regard the prioritisation of funding allocation the emphasis provided to **Objective 1**, principally under the 2006 programme more recently the 2012 programme, is reflective of the significant gaps in northern Cyprus in terms of the provision of *acquis*-compliant basic infrastructure and associated quality standards and processes. Funding prioritisation recognises the significant investment costs and often longer timeline for implementation of

such works and capacity building etc. actions. The initial prioritisation was also reflective of the desire to provide clear, highly visible, and substantive evidence of EU support for the development of northern Cyprus and the TCc. The greatest emphasis has correctly been placed on *Environmental Infrastructure* – approximately 34% of total Aid Programme funding – primarily in the area of water supply and sanitation services, followed by solid waste management, plus nature protection. Many of the infrastructure projects – including the *Local and Urban Infrastructure* under Objective 2 – were stand-alone actions, identified based on the findings and recommendations of pre-feasibility studies commissioned for the purpose. Individually the programming of each project takes full account of the prioritisation and sequencing of actions in their implementation, with the aim of ensuring coherence. The 2012 funding provides complementary follow-up to reforms started under the 2006 programme.

Linked to **Objective 2** greatest emphasis has been provided in the area of *Rural Development* – approximately 13% of total Aid Programme funding – followed by *Private Sector Development*, with the smaller funding allocation for *Human Resources Development* reflective of the ‘softer’ nature of the interventions. The programming process in each area has been suitably prioritised and sequenced in terms of the design of a package of actions, which have, generally, provided an integrated series of complementary actions implemented across the different annual programmes. Reflecting that the funding under Objective 2 is primarily disbursed via grant scheme mechanisms suitable attention has also been provided to ensure the development of the capacity of TCc target groups of beneficiaries to participate in and to manage EC-funded actions, plus, where suitable, the initial piloting of actions as an important means of assessing the grant scheme priorities and management mechanisms.

Linked to **Objective 3** and **Objective 4** the support has primarily been provided via a series of phased projects, e.g. contribution to the *Committee on Missing Persons* (CMP), or in the area of *De-Mining*, or support to *Civil Society* via a series of grant schemes, or the annual *Scholarships for the TCc* grant scheme, etc. Programming of the assistance has been suitably prioritised and sequenced such as to ensure adequate linkage between the different implementation phases and the utilisation of lessons learned. Where relevant, the programming process has also, generally, provided adequate continuity of assistance across the series of annual programmes – although in respect to the *CMP*, and to *Information on the EU* there have been partial, limited gaps in terms of the continuity of EC-grant provision.

Linked to **Objective 5** the support is predominantly provided via the TAIEX instrument, initially established by the EC (DG Enlargement) in 1996 in the context of supporting preparations by the then Associated Countries to introduce and implement the *acquis*, via the provision of demand-driven, short-term technical assistance, and advice linked to the *acquis*. The instrument was extended to include the TCc as a beneficiary in 2004, via funds allocated under the 2003 Special Aid Package for northern Cyprus. In order to ensure suitable prioritisation and sequencing of the assistance the EC has encouraged the beneficiary to define medium-term strategies in priority areas for *acquis* support actions, which since 2009 has been formally structured within the TCc ‘Programme for the Adoption of the *acquis*’ (PFAA). Based on this it has been possible to prepare a series of medium-term Project Action Plans, updated on an annual basis, to detail the specific TAIEX actions, the necessary prioritisation and sequencing of actions, the associated inputs from all project partners etc.

To what extent programming takes adequate and relevant account of beneficiaries’ policies, strategies, and reform processes in relevant key areas?

The extent to which programming takes account of beneficiaries' policies, strategies etc. was assessed via examination of the relevant sections of the project fiches, as relevant the sector feasibility studies and other strategies, and the basis of information obtained via interviews.

Overall, it is assessed that the programming process is, generally, good in terms of taking adequate and relevant account of such policies, strategies etc. where these exist and are of relevance to the programming of the assistance. The majority of projects provide reference to and an overview of key policies, strategies etc. underpinning the project rationale. Reflecting the initial absence of such policies, strategies etc. in regard to most of the priority areas supported under Objective 2 and in regard to support under Objective 5, a key goal for the initial assistance was to facilitate the development and promote the adoption of such policies, strategies etc., e.g. a Rural Development strategy and action plan.

The programming process is undertaken in consultation with representatives of the TCc-side – at the 'central' and 'local' level – as well as with Cypriot civil society, which provides opportunity to further clarify needs, priorities and the evolution of policies, strategies etc. More recently the programming exercise is now undertaken via a series of structured, consultative dialogue meetings over a period of months with the TCc-side and civil society. Consultations with the beneficiary are also undertaken during the detailed design of project actions at the start of the implementation phase, e.g. in regard to grant scheme priorities.

However, a weakness of the programming process that has emerged during the implementation phase is the difficulties that have sometimes arisen due to the lack of consistent commitment to the policies, strategies etc. by the recipient beneficiary, and/or the absence of suitably resourced 'institutions' with the competence to direct the reform process.

To what extent programming takes adequate and relevant account of assistance provided and reforms promoted by key donors where applicable?

The extent to which programming takes account of the assistance provided and reforms promoted by key donors where applicable, was assessed via examination of the relevant sections of the project fiches, plus on the basis of information obtained via interviews.

Overall, it is assessed that the programming process is, generally, good in terms of taking account of such donor actions where applicable, although there are a few weaknesses in this regard. The assistance provided by most donors active in the provision of support to the Republic of Cyprus and/or the northern part of Cyprus is generally well documented. Apart from the EC the principal donors have been the USA and the United Nations – mainly represented by the UNDP and other UN agencies as its implementing partners, including actions undertaken by the UNDP in Cyprus via financial contribution agreements concluded with donors such as the EC and the USAID. These actions are mainly in areas with linkage to Objectives 1 and 2, plus some linkage to areas under Objective 3. Additionally assistance is also provided via the EEA / Norwegian Financial Mechanisms that is accessible to the TCc – notably in terms of support in the area of *Civil Society* – plus via a number of the EU Member States – notably in terms of offering *Scholarships for the TCc*.

While the programming process has generally been good in terms of identifying the other key donors and projects so as to avoid the duplication of efforts, it is evident that the data on other donors is sometimes simply 'copy/paste' from previous year's project fiches, rather than having been systematically updated during the programming process so as to reflect the latest situation, or so as to identify potential synergies between the donors' actions. However,

it is recognised that this weakness is now largely no longer relevant, reflecting that the other key donor, the USA, is in the process of exiting from the provision of assistance in Cyprus.

The other weakness, which remains still to be of relevance in regard to the programming process taking account of other donor actions, relates to the level of awareness on the EC-side linked to the significant **funding provided by the Turkish government to the TCc**, notably in relation to Objectives 1 and 2. For obvious reasons dialogue on and information provision linked to the strategy and the detailed aid programmes of the Turkish government is difficult to establish, and is often conducted in 'diplomatic speak'. Nevertheless, despite the lack of full awareness in this regard, the provision of information has generally been adequate to avoid the duplication of activities.

Which are the main gaps/weaknesses of the current programming framework?

The main findings in terms of gaps/weaknesses of the current programming framework are:

- Whereas the 2012 programme represents a clear improvement compared with the earlier years' programmes, there remain partial deficiencies in terms of the definition of the intervention rationale and logic of the projects in respect to 'SMART' intervention objectives and 'SMART' indicators of achievement. Notably the scope of the objectives is often not sufficiently 'Specific' as to the development effect to be achieved and there is thus confusion in terms of the clear demarcation of the intervention objectives at the levels of Immediate Objective and of Results/Outputs. For a few projects the number of objectives defined at the level of Results/Outputs is limited to just one or two. While most of the project indicators are 'Measurable' the majority are not quantified in terms of performance targets and no baseline data is provided so as to measure progress. The indicators at the level of Results/Outputs would be strengthened by the inclusion of an adequate number of progress indicators reflective of the different processes and deliverables assumed to be produced during project implementation. Finally, only a very small number of the indicators are clearly defined in terms of being 'Time-bound'.
- For many projects there is also a weakness in terms of the limited evidence of detailed project risk assessment/planning, both at the level of project implementation (efficiency/effectiveness) and post-project planning (impact/sustainability).
- While the programming exercise has been strengthened via the development of structured, consultative dialogue meetings over a period of months with representatives of the TCc-side and with Cypriot civil society, securing effective ownership of the project goals and clear commitment to facilitate implementation and post-project planning on the side of the TCc remains a weakness in terms of programming assistance in some areas, notably projects under Objectives 1, 2 and 5. In this respect it would be useful to define, as relevant, related pre-conditions and other specific conditions to be fulfilled during project implementation with a relevant deadline stated.
- A further constraint facing the current programming framework is the sometimes inadequate availability of contemporary and reliable statistical data, e.g. demographic data linked to the development and restructuring of *Environmental Infrastructure*.

2.2. Programme Implementation Performance

The second specific objective of this evaluation is to provide a judgement on the implementation performance (either actual or expected) of the assistance. This is presented in regard the programming of the assistance and the implementation of the assistance.

The sufficiency of the administrative and organisational structures and mechanisms in place to support programme implementation are addressed by the first three Evaluation Questions, relevance, efficiency, effectiveness, impact, and sustainability of the Aid Programme are addressed by the subsequent two Evaluation Questions, and the key reforms that the beneficiary should undertake to improve the sustainability by the sixth Evaluation Question.

Are the administrative and organisational structures in place ensuring efficient and effective implementation of financial assistance?

Programming Level

The programming process is intended to allocate limited EU-resources in the most efficient and effective manner so as to address the strategic and global goals of the “Aid Regulation”. The EC (DG ELARG, Task Force Turkish Cypriot Community) is responsible for managing the process, which is now undertaken on an annual basis – € 28 million is planned for 2013.

Overall, the administrative and organisational structures in place for managing the programming process linked to the Aid Programme are, generally, suitable. The programming process (identification, project design, preparation, selection) is generally good:

- Most actions are identified within a clear programming framework, developed with appropriate consultation of key partners and the target group of potential beneficiaries; with the certainty of an annual programming process now assured, the EC has developed a structured framework for consultative meetings with representatives of the TCc-side and with civil society, spread over a period of months linked to programming;
- The prioritisation, sequencing and, as appropriate continuity, of the assistance across the specific objectives/priorities, across the programmes, has, generally, been good;
- Suitable consideration is provided as to the policies, strategies etc. of the beneficiaries; the initial limited existence of comprehensive sector strategies on the TCc-side has been addressed via the provision of targeted support to establish such strategies etc.;
- Suitable consideration is provided as to the policies, strategies etc. of the other key donors, although detailed information on Turkey’s assistance programme is limited;
- The programming process is increasingly also informed via periodic evaluations of the specific objectives/priorities, e.g. the effectiveness of delivery mechanisms, impacts;
- However, weaknesses exist in terms of the definition of ‘SMART’ intervention objectives and indicators of achievement, plus in terms of risk assessment/planning. These weaknesses detract from the overall effectiveness of the programming exercise.

Implementing Level

The Aid Programme is primarily implemented on the basis of “**centralised management**” by the EC; some actions under Objectives 1, 2 and 3 are implemented on the basis of “**joint management**” by the EC with an international organisation; actions under Objective 5 are primarily implemented on the basis of “**indirect centralised management**” by the EC via the TAIEX instrument. In order to implement the EC’s management tasks a dedicated Aid Programme Team composed of Commission officials and contract agents has been set up as part of **Task Force TCc within DG ELARG** – the Team is based in Brussels at EC Headquarters with a number of staff stationed in Nicosia based at the EUPSO; up to 20 staff are presently stationed at the EUPSO, primarily contract agents and local staff: while a reduction from the up to 30 staff to support start-up of the significant funding under the 2006 programme (€ 259 million), the present staffing is adequate for the medium-term outlook.

Recognising the unique nature of the programme environment – the programme is implemented in an EU Member State but in an area that is not under the effective control of that Member State's government and where the application of the *acquis* is suspended – **the EC's implementation arrangements reflect that staff based at the EUPSO is not empowered to the extent of at an EU Delegation**, e.g. linked to the need for Headquarter authorisation of the detailed stages of decision-making linked to the procurement, the commitment or payment of EC grant. **This is a suitable arrangement reflective of the complexities that programme implementation faces**, due to the unique political, legal and diplomatic context nature of the programme, the impossibility for the EC to conclude a "Financing Agreement" with the 'government' of the beneficiary as a basic legal framework to underpin the programme, and thus the need for substantial decision-making authorisation at senior-levels at Headquarters. **It is not evident that this arrangement is a weakness**: the range of management tasks and processes are suitably organised by the EC on the basis of a clear division of core responsibilities between the Task Force in Brussels (at Headquarters) and based in Nicosia (at the EUPSO), with clear systems for the processing of project implementation data and dossiers between staff based at Headquarters and the EUPSO.

Recognising that staff based at the EUPSO are primarily contract agents and local staff, posted for up to three-years, sometimes departing earlier, a partial constraint in terms of the adequacy of the administrative structures is the systems to ensure the continuity of technically qualified staff. This was notably evident in the context of the scaling-down of staff based at the EUPSO over the period 2010-2012 and the need to re-adjust portfolios between Task Managers. A system for the "hand-over" between staff, e.g. the identification of key management tasks and issues etc., exists. However, this is not traditionally facilitated by the temporary overlap of staff and can thus often simply be a "hand-over note" sometimes of varied level of utility for the transition between staff. Whereas certain gaps in staffing can be temporarily managed for most project portfolios in terms of general management functions for on-going actions being covered by other Task Managers at the EUPSO with adequate management knowledge, the lack of a full-time Procurement Officer based at the EUPSO for almost one-year was a serious gap – rectified with the appointment of a contract agent in mid-2011. Additionally, the delays in appointing replacement staff experienced in 2012 have delayed the launch of many of the action grant schemes under the 2011 programme.

Despite initial constraints the **procurement processes have generally been well managed by the EC** – 87% of the allocated programme funds were committed as of the end of 2012 and 69% disbursed. Procurement processes linked to the 2012 programme are already launched and the commitment of EC-grant achieved prior to the end of the year, e.g. the *Committee on Missing Persons* (Objective 3), and *Scholarships for the TCc* (Objective 4).

To the extent feasible the EC seeks to ensure the active engagement of the TCc beneficiary in the design of actions prior to the launch of the procurement process, e.g. in drawing up technical specifications and terms of reference, and via involvement of TCc experts in tender evaluation panels. Generally this functions well, notably as the TCc-side has developed greater experience with the EU-funded project design and procurement rules. However, **obstacles to the efficient deployment** of the EC grant have arisen in regard the sometimes low absorption capacity or ownership by the beneficiary community in terms of supporting the technical specification of actions, or the insufficient preparation by the beneficiary of sites for related technical equipment supply. This has most notably been an issue linked to *Energy Infrastructure* and to *Telecommunications Infrastructure* (both under Objective 1).

Constraints to the efficient and effective deployment of the EC grant have also arisen linked to the property issue – it is estimated that 78% of privately owned land in the northern part of Cyprus belongs to Greek Cypriots – and the need to respect property rights in terms of obtaining the consent of the owner(s) that investments affecting such private land or properties may proceed. This has most notably been an issue linked to *Environmental Infrastructure* (Objective 1); wisely, certain flexibility was built in the programme as regards the pre-identification of reserve projects in case some investments could not go ahead. With the progression of time the EC and project partners such as the UNDP have built sufficient working experience in regard the property issue, in order to identify minimum risk options.

In recognition of the likely initial limited absorption capacity of the individual action grant beneficiaries contracted via a Call for Proposals under a **grant scheme mechanism**, it was wise to launch pilot small-scale Calls linked to *Rural Development*, *Human Resources Development*, and *Private Sector Development* (all under Objective 2), to test the planned procedures and to assess such things as the capacity of grantees to fulfil their obligations.

The efficiency of the procurement process linked to grant scheme mechanisms – also including schemes linked to *Civil Society* (Objective 3), *Scholarships for the TCc*, and *People-to-People Contacts* (both under Objective 4) – has generally also been improved via the use of a simplified one-step procurement procedure (i.e. Full Application) rather than the standard two-step procedure (i.e. Expression of Interest / Concept Note, and Full Application from the short-listed applicants). In the case of *Civil Society* this reduced the procurement process from approximately 13 months to 6 months. It is not evident that the simplified procedure has reduced the effectiveness of the project selection process in terms of the identification of the most appropriate grantees for the award of EC grant.

Project implementation, technical progress in delivery, plus risk-assessment is overseen by the EC via regular meetings with contractors and implementing partners:

- In the case of technical assistance contractors this is traditionally undertaken formally via a Project Steering Committee (often monthly for longer-term contracts) including participation by representatives of the TCc beneficiary, plus via ad hoc meetings with contractors' experts and the beneficiary partners;
- In the case of actions implemented on the basis of "joint management" by the EC with an international organisation – primarily with the UNDP as implementing partner – the frequency of the Project Steering Committee is variable across the different actions undertaken (under Objectives 1, 2 and 3);
- In the case of works projects, as is standard, the EC is supported by a specific external works supervisor to oversee the detailed operations and quality control;
- In the case of action grants contracted via a Call for Proposal under a grant scheme mechanism – as identified above, with exception of *Scholarships* – the EC is supported by external technical assistance to conduct financial/operational oversight of grantees.

Overall, it is judged that the **administrative and organisational structures in place managing project implementation processes**, e.g. the procurement, the implementation, the oversight/control of actions etc., linked to the Aid Programme **are, generally, suitable**.

The **main weakness** linked to the organisational structures in place supporting project implementation is often the uncertainty in terms of the commitment of the 'central' level beneficiaries, e.g. in terms of the suitable development of reforms, or communication with stakeholders, or reorganisation of implementation competences, notably under Objectives 1,

2 and 5. Additionally, a number of action grant awardees have encountered implementation delays and requested extensions for project duration – partially due to their lack of familiarity with EC grant management requirements, in particular cost-eligibility rules, but also due to the sometimes limited or overly ambitious initial design of projects, e.g. timelines for delivery.

To what extent are the monitoring mechanisms and structures appropriate and correctly functioning?

Programming Level

The monitoring mechanisms and structures in place supporting the programming process are suitable. Recognising that support has, primarily, been provided on the basis of a series of phased projects these are appropriately built on the EC's monitoring of previous actions and lessons learned and, increasingly, also via the evaluation of support to the specific areas.

Implementing Level

The monitoring mechanisms and structures in place supporting the project implementation processes linked to the Aid Programme are, generally, suitable.

Project implementation monitoring-data is primarily obtained by the EC on the basis of the regular monitoring of actions undertaken by the Task Managers at the EUPSO, notably via a series of Project Steering Committees and other means outlined in the Evaluation Question above. In addition, contractors or implementing partners provide the EC with standard project interim progress and final reports. Task Managers prepare a "Project Fiche Monthly Report" to summarise the status of projects, e.g. key actions undertaken, key issues, and prospects.

At the overall level of the Aid Programme an **Implementation Review Mechanism (IRM)** was established in September 2007 bringing together key programme partners to review progress achieved or implementation constraints that exist at the level of the programme and at the level of the specific objectives and projects. The frequency of the IRM is not fixed, although a meeting is traditionally held every 6 to 12 months. In addition, an Aid Committee has also been established, meeting more frequently than the IRM and focused primarily as a forum for core partners to provide a general update on progress and review problem issues. Both meetings produce agreement between the EC and TCc-side on related 'action points'.

In regard to the projects implemented by the EC on the basis of "**joint management**" with an international organisation the role of the Project Steering Committee in terms of the EC's monitoring delivery is particularly vital as progress reporting for longer-term contribution agreements/actions is, traditionally, provided by the partner organisation – in accordance with Article 2.6 of the "General Conditions" – only as an annual progress report.

In regard to the projects implemented via **grant scheme mechanisms**, despite initial weaknesses in terms of the monitoring functions linked to *Human Resources* and to *Private Sector* grant awards (under Objective 2) these constraints have now been rectified with the closer synergy of the technical assistance and grant scheme actions. Overall, the internal and external monitoring mechanisms linked to grant scheme actions are now suitably functional and serve as useful management tools, both in terms of monitoring implementation and informing further programming based on feedback as to the needs of the beneficiaries.

In regard to the projects implemented via the **TAIEX instrument** (under Objective 5) the EC has developed specific monitoring mechanisms and structures based on the series of mid-term Project Action Plans (PAP) developed for the specific actions targeted – the plans are

traditionally updated on an annual basis and provide a detailed specification of individual events, anticipated outputs and timelines, etc., to be undertaken by the TAIEX experts and by the beneficiary linked to every sub-objective within the PAP. The processes of monitoring and decision-making are also supported by a formal Project Steering Committee linked to each PAP, traditionally meeting twice a year. The meetings bring together the key project partners to review and oversee progress, to discuss issues of concern, to assess risks etc. At the level of the strategic objective “Preparing the TCc for the *acquis*” the monitoring function is supported by a programme-level Monitoring Mechanism. Based on feedback from the TCc the effectiveness of the Monitoring Mechanism could be strengthened in terms of motivating senior-level participation if there were a clearer focus on key implementation milestones, problems/risks, and specific questions to be addressed in terms of decision-making. Based on the minutes of the meetings it is evident that there is often too significant a focus on summarising each project action rather than a discussion of core issues for decision-making.

The **main weakness** in terms the effectiveness of the programme monitoring function is the partial quality of the indicators of achievement in the original programming documentation, in particular target indicators against which to monitor progress during the implementation phase – as outlined above linked to “Programme Intervention Logic”. Partially this is addressed via the review and additional specification of indicators per action undertaken as part of the detailed design of actions and the decision on the commitment of the EC grant; this produces partial clarity to the indicators in the original programming documentation, although many of these additional indicators still suffer in terms of not being ‘SMART’.

To what extent visibility, promotion and ex-post publicity activities increase effectiveness of the EU Aid Programme?

Programming Level

In terms of visibility etc. activities supporting effectiveness at the programming-level – the identification, formulation, negotiation, and adoption of the EC Decision on programme financing – such visibility etc. activities are primarily driven by the goal of transparency, and so as to develop awareness among the target group of beneficiaries (direct and in-direct).

Implementing Level

At the implementing-level visibility etc. activities are primarily undertaken by the project contractors or implementing partners. The EC’s guidance in respect to the management of such activities is provided in EuropeAid’s “The Communication and Visibility Manual”, with additional guidance also provided via the EU Info Point in Nicosia – financed under Objective 4 (“Bringing TCc closer to the EU”) – in “The EU Aid Programme Visibility Guide”.

In regard to the projects implemented by the EC on the basis of “**joint management**” with an international organisation the role of communication is addressed as part of the detailed description/budgeting of actions (Annex I of the contribution agreement). Traditionally this includes communication and visibility via a Webpage, social media, press releases, newsletters, brochures, publications etc. The EC primarily provides coordinated visibility etc. activities for these actions so as to complement the communication strategy of the implementing partner, e.g. press releases linked to key project events or milestones.

In regard to the projects implemented via **grant scheme mechanisms** the visibility etc. activities linked to the schemes and the announcement of individual Calls for Proposals are vital to ensuring effective take-up by the target group of beneficiaries and thus the

commitment of EC grant. In addition to the information seminars organised at the EUPSO and press coverage etc. secured by the EC, awareness-raising actions have generally been undertaken by technical assistance support, e.g. by means of dialogue meetings held across northern Cyprus, often in conjunction with support also provided via training workshops and consultations with potential applicants, e.g. on EU-funds' management. Linked to some of the tasks the EC is also supported by the EU Info Point (under Objective 4) in terms of the implementation of communication campaigns. Overall the effectiveness of these visibility etc. activities is good, as evidenced by the generally suitable number of applicants for grant. Reasonable levels of cooperation with representatives of the TCc-side exist so as to provide awareness of the grant schemes, e.g. the relevant 'units' of the 'Ministry of Education', the Turkish Cypriot Farmers' Union, the Chambers of Industry and Trade. Although the level of cooperation demonstrated by the 'universities' in northern Cyprus linked to promoting the *Scholarships for the TCc* grant scheme remains to be only partially sufficient, the annual nature of the Call for Proposals is now relatively well established and the demand from applicants has traditionally been two or three times the indicative number of grants on offer.

The **main weakness** in regard to visibility etc. activities relates to the successful promotion of actions targeted at the 'central' level bodies – under Objectives 1, 2 and 5. The success of the actions is dependent on the clear commitment of the beneficiary. Reforms can only be successfully prepared if there is sufficient understanding at the technical, administrative, senior-management, political decision-making, and stakeholder levels. It is clearly the responsibility of the beneficiary to ensure sufficient communication to and understanding, both within the 'institutions' implementing reforms and among the relevant stakeholders, as to the specific *acquis* reform objectives, processes, and benefits. While the communication efforts of the TCc's 'EUCC' at the horizontal level are considered adequate, efforts need to be further strengthened at the sectoral implementation level.

At minimum the visibility etc. activities undertaken increase the effectiveness of the EU Aid Programme in terms of communicating the nature of the actions to the direct target groups of beneficiaries and to the wider TCc and to other stakeholders in the interest of transparency.

To what extent is the on-going Financial Assistance Programme for Turkish Cypriot community has/is contributing to achieving the strategic objectives/priorities of the programme?

Programming Level

Reflecting that the processes for achieving the strategic objectives/priorities of the "Aid Regulation" and the associated Aid Programme are medium- to long-term processes that will remain to be relevant also post-settlement, the programming process has suitably provided overall consistency in terms of the identification and the concentration of programming focus.

The programming process has provided suitable balance between the five strategic objectives, and the corresponding specific objectives have been suitably prioritised over time for inclusion in the programming process to reflect the changing environment of the strategic objectives, the absorption capacity of beneficiaries, and lessons learned from earlier phases. The programme has also been designed sufficiently so as to allow an element of budgetary flexibility during implementation in order to respond to developments and demands.

Implementing Level

In terms of supporting the achievement of the strategic objectives of the “Aid Regulation” / Aid Programme **the continued relevance of the Aid Programme** and appropriateness of implementation design, in terms of addressing real needs are, **overall, judged to be good**.

As appropriate the partial weaknesses in the original programme/project design, notably linked to project components under the 2006 programme for Objective 2, have been rectified during the start-up phase of project implementation. To the extent feasible the EC seeks to ensure the active engagement of the TCc beneficiary in the subsequent review of needs during the detailed design of actions prior to start-up of implementation/procurement.

However, relevance weaknesses have emerged in some programme components related to variable levels of political will and commitment of ‘central’ beneficiaries, notably linked to Objectives 1, 2 and 5, and in part due to difficulties associated with disputed property issues.

Only the *Educational/Training Initiatives* under Objective 3, implemented in partnership with the Council of Europe, are poorly rated, reflecting weaknesses in project design. Whereas the project goals (under the 2006 programme) were/are of relevance, the design of the actions failed to sufficiently appreciate the wider project environment, were overly ambitious in terms of scale and of immediate deliverability in light of the risks to project implementation, achievability, and subsequent sustainability – the goals have since partially been achieved directly under the auspices of the Council of Europe via a series of smaller-sized actions.

The efficiency of the Aid Programme in terms of the deployment of programme funds for implementation is, overall, judged as good despite initial constraints.

In the case of actions implemented on the basis of “**joint management**” by the EC in partnership with the UNDP (and its project partners) the negotiation of the detailed description/budgeting of actions has been efficient, leading to the early commitment of programme funds and, generally, also the efficient deployment of funds by the UNDP during implementation. This allowed for the early deployment of Aid Programme funds under the 2006 programme already in early 2007, thus providing initial clear evidence of and visibility for the EU’s commitment – as per the EU’s General Affairs Council meeting of 26 April 2004 – “to put an end to the isolation of the Turkish Cypriot community and to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community”. The possibility to extend the EC’s funding allocation under such contribution agreements toward the approach of the individual programmes’ contracting commitment deadline, based on the existence of a project pipeline, has also facilitated the EC’s overall management and effective deployment of programme funds via the reallocation of savings.

In the case of actions implemented on the basis of services, action grants, works, or supply, the time pressure for completing the **procurement processes** linked to the 2006 programme was specifically very high, notably linked to Objectives 1 and 2 for which the issues of the prioritisation and sequencing of contracting of linked project components was often a specific requirement. Nevertheless the EC successfully ensured the deployment of programme funds: at the end of 2008 approximately 27% of the 2006 programme allocation of € 259 million was contracted; by the end of 2009 approximately 99% was contracted, based on almost 900 separate contracts⁴. The deployment of funds under the subsequent programmes (2009-2012) has also, generally, been efficient although with delays linked to the launch of the 2011 programme’s grant schemes – notably so that for *Civil Society* (under Objective 3)

⁴ Financial data provided in the Commission’s Annual Report on the implementation of the Aid Programme for the Turkish Cypriot community: COM(2009) 286 final, COM(2010) 468 final.

with the Call for Proposals presently assumed to be launched in spring 2013; while it is efficient that the EC launch a single Call combining funding for *Civil Society* under the 2011 and 2012 programmes, this will represent a gap of 4 years since the previous Call.

The efficiency of the Aid Programme in terms of the process of delivery and achievement of the programme/project goals is, overall, judged to be adequate, as a number of projects have faced delivery constraints and for a few projects serious delays and/or continued risks exist to the delivery and achievement of the programme/project goals.

In the case of actions implemented on the basis of “**joint management**” by the EC with an international organisation (under Objectives 1, 2 and 3), actions with the UNDP as implementing partner have generally been efficiently and appropriately undertaken in terms of the execution of activities, delivery of Outputs and the achievement of the project Results. However, the actions with the Council of Europe as implementing partner suffered in terms of the efficient delivery – one action was cancelled, as contract signature was not feasible due to constraints in the wider project environment, the other action was only partially successful.

In regard to the projects implemented via **grant scheme mechanisms** (under Objectives 2, 3 and 4) the sub-projects have, generally, been successfully executed. There were, however, some efficiency delays in terms of grant implementation by the grantees, due to the initially very limited familiarity of the TCc target group beneficiaries with EC grant administration, activity-planning, reporting, and procurement rules etc., and thus the “learning-curve” that exists in terms of increasing their knowledge and expertise in this respect. The activities have chiefly generated the expected sub-project Outputs/Results despite delays. A key element in ensuring the efficiency of grant implementation by the grantees is the existence of an independent technical assistance team / programme management unit to provide continued capacity building and advisory support to beneficiaries linked to EC grant processes, as well as to ensure the effectiveness of the independent monitoring functions.

Linked to **Objective 1** (“Developing and Restructuring of Infrastructure”), **efficiency** of the delivery and achievement of the programme/project goals is, overall, **judged as adequate**. This is largely due to the obstacles in the wider programme environment. The *Energy Infrastructure* and the *Telecommunications Infrastructure* actions have been severely hampered by the poor level of commitment of the management and staff of the beneficiaries to support the development, promotion, or implementation of reform processes including the restructuring of the beneficiary companies. Efficiency of the *Traffic Safety* actions was weakened by the absence of a single counterpart with adequate responsibility or competence for the success or failure of the programme, although the core technical assistance / programme management contractor did much to ensure suitable implementation and linkage of activities by the other contractors, and coordination with the parallel support of TAEX (under Objective 5) contributing to drafting of a new law linked to the use of car safety-belts. Efficiency of the *Environmental Infrastructure* actions has been affected by a number of complications delaying the start-up, delivery, and finalisation of the related works, e.g. the abandonment at the detailed planning stage of the Kumköy brackish water treatment and water blending plant because of concerns of over-exploitation of the Morphou aquifer, and the decision to undertake a much more expensive project for construction of a seawater desalination plant instead; there was a series of operational problems and it was subsequently cancelled after the contractor failed to perform the contract.

Linked to **Objective 2** (“Promoting Social and Economic Development”), **efficiency** of the delivery and achievement of the programme/project goals is, overall, **judged as good**.

Efficiency of the *Rural Development* actions has generally been good and the cooperation between the different technical assistance teams was generally sufficient, based on a good awareness of the common aim to build capacity on farms and in rural villages and towns. The main weakness in terms of efficient delivery relates to the animal husbandry and veterinary actions, due to problems on the side of the service-provider and of the beneficiary. Efficiency of the *Human Resources Development* and the *Private Sector Development* actions, while initially affected by the partial project design constraints under the 2006 programme, has improved with successive programmes/projects. In each area – Rural, Human Resources, and Private Sector Development – efficiency was also initially affected by the capacity of the grant scheme beneficiaries to manage EU-funds; as outlined above. Additionally, the efficiency has also been affected by the capacity of the main ‘central’ beneficiary to support the development, promotion, or implementation of reform processes. The *Local and Urban Infrastructure* actions have faced no significant efficiency constraints.

Linked to **Objective 3** (“Fostering Reconciliation etc.”), **efficiency** of the delivery and achievement of the programme/project goals is, overall, **judged as good**. The main delivery mechanism is implementation on the basis of “joint management” – the *Committee on Missing Persons, De-Mining Activities, and Cultural Heritage Initiatives* in partnership with the UNDP, and *Educational/Training Initiatives* with the Council of Europe. Actions implemented with the UNDP have been efficiently delivered although each has, at times, faced partial delays due to the need to ensure bi-communal consensus throughout project delivery so as to achieve the programme/project goals. Actions implemented with the Council of Europe faced a number of efficiency delays, partially due to the project environment, partially design. As outlined above, linked to the capacity of the grantees to manage EU-funds, despite some delivery delays for the *Civil Society* grants, sub-project goals have been efficiently delivered.

Linked to **Objective 4** (“Bringing the TCc closer to the EU”), **efficiency** of the delivery and achievement of the programme/project goals is, overall, **judged as adequate**. Efficiency of the *Scholarships for the TCc* is generally good; the main efficiency delay is the compliance of grantees with the formal reporting requirements, notably deadlines, necessary to account for the grant. As outlined above, linked to the capacity of the grantees to manage EU-funds, despite some delivery delays for *People-to-People* grants, sub-project goals have, generally, been efficiently delivered. However, due to the low level of participation under the *People-to-People* scheme it is evident that the efficiency has been poor in terms of the corresponding transaction costs and value-for-money. In the area of *Information on the EU* the efficiency of the delivery and achievement of the project goals has been mixed. Operational delivery by the EU Info Point of its clearly defined and agreed information events and actions has, generally, been efficiently undertaken and project targets achieved. However, too often the process of reaching agreement between the EC project implementing partners – at the strategic level – as to the direction and detailed, operational definition of the activities has been troubled, e.g. the 16-month delay in agreement on launching an EU Info Point website.

Linked to **Objective 5** (“Preparing the TCc to introduce and implement the *acquis*”), **efficiency** of the delivery and achievement of the programme/project goals is, overall, **judged as adequate**. TAIEX support linked to the *Facilitation of “Green Line” Trade*⁵ has been provided since 2004 and the delivery framework and mechanisms are well established. The efficiency of TAIEX support linked to the *Preparation of Legal Texts / Reinforcement of*

⁵ Based on Council Regulation (EC) No. 866/2004, the “Green Line Regulation”, as amended, and Commission Regulation (EC) No. 1480/2004, the “Implementing Regulation”, as amended.

Implementation Capacity has been strengthened via the introduction of Project Action Plans (PAP); traditionally covering a period for project delivery spread over 8 to 9 months, updated annually, linked to the 25-30 medium-term preparation for future application of the *acquis* projects presently undertaken. These are useful planning and management tools to guide the delivery and sequencing of actions. However, a significant weakness in terms of the efficiency of the delivery of the assistance is the mixed compliance of projects with the established PAP timelines, often due to the lack of sufficient planning made as to the time necessary for the processing of reforms and for decision-making by the TCc, as well as limitations in terms of staff participation in the processing of reforms. While the projects have delivered many of the Results/Outputs these are often achieved after delays and with other activities rolled-over into the subsequent PAP. Efficiency constraints also relate to the speed of processing the translation of key documents provided for under the TAIEX, e.g. of experts' assessments of TCc draft proposals for legal or policy options, that subsequently need to be further worked through by the TCc-side.

The effectiveness of the Aid Programme in terms achievement of the anticipated goals and contribution to achieving the strategic objectives is, overall, judged to be good, though the performance is mixed and effectiveness for a number of actions at risk of failure.

Effectiveness of the actions linked to Objective 1 is judged to be adequate. The *Environmental Infrastructure* actions that faced minimal efficiency obstacles, e.g. the rehabilitation of asbestos pipes for the northern part of Nicosia performed well and yielded positive results: water losses were reduced from 65% to 35%. However, the effectiveness of a number of the actions is partially hampered, e.g. the distribution of treated wastewater at the bi-communal Mia Milia/Haspolat WWTP for irrigation in the agricultural sector is not agreed between northern part of Nicosia and southern part of Nicosia (i.e. there is no concept for the use of the sludge produced at the WWTP); the prestige of the Famagusta WWTP project has, initially, been diminished due to serious corrosion problems and defects that developed in the waste water network system, which has negatively raised awareness of the problem by many of the inhabitants in Famagusta; as a result of two pending court cases construction activities are stopped at the Morphou/ Guzelyurt water network and sewerage pipes and the Natura 2000 projects. Effectiveness of the *Energy Infrastructure* and the *Telecommunications Infrastructure* actions is presently poor, reflecting the failure to adopt the planned regulatory and organisational restructuring programmes, although the supply components have provided a level of project effectiveness, e.g. the supply of electrometers for approximately 24,000 final users, and the solar power plant is demonstrating the potential contribution of renewable energy production. Effectiveness of the *Traffic Safety* actions is judged to be good, notably its timing in the period leading-up to the entry into force in December 2012 of the new law on car safety-belts. The schools awareness campaign and the accident data collection and analysis activities were notably effective. Road improvements have been made at certain accident "black spots" but funds have been insufficient to address larger budget sites. The main constraint is the diverse number of 'institutions' sharing competence in the sector.

Effectiveness of the actions linked to Objective 2 is judged to be adequate. The *Rural Development* actions have largely been successful in achieving the objectives, although there has not been strong achievement of all the objectives. Actions have been effective in the identification of viable commercial crop husbandry practices and approaches compatible with scarce availability of water resources, e.g. cost-effective alternative crops, while the

grant schemes are contributing to the initial introduction of a LEADER approach for the development of rural areas. However, the effectiveness of the animal husbandry actions is partially hampered: the installation and thereby the effective utilisation of the equipment by the 'Veterinary Laboratory' has been delayed due to the on-going process of refurbishment by the TCc-side of the site, while the veterinary staff still have skills gaps despite receiving a programme of relevant training. The *Human Resources Development* and the *Private Sector Development* actions have partially been successful in achieving the programme objectives. Overall they are contributing to the provision of better education and vocational skills for the labour market, and the growth and diversification of the private sector, notably via the grant schemes. However, effectiveness of the strategic plans, policy reforms, and structural changes is dependent on their approval and adoption for roll-out at the 'central' level. Whereas the Private Sector Strategy has been approved the Education Reform and the VETLAM strategies are yet to be approved, almost one-year after the completion of the projects. The *Local and Urban Infrastructure* actions have effectively supported renovations in Nicosia, Famagusta, and Kyrenia, and in smaller towns and villages, contributing to their socio-economic and cultural revitalisation.

Effectiveness of the actions linked to Objective 3 is judged to be good. The *De-Mining Activities* in the buffer-zone were completed in January 2011 – in total 81 minefields and 27,000 mines were cleared since 2004, of which two-thirds were anti-personnel mines; prior to the Aid Programme, EC grant was provided for pilot project/preparatory actions; Phase V was co-financed by grant to the UNDP by the Government of the Republic of Cyprus. The actions have facilitated the opening of additional crossing-points across the buffer-zone, as well as the work of the *Committee on Missing Persons (CMP)* in terms of the conducting checks and clearing some sites of mines and/or unexploded ordnance prior to the CMP archaeological investigations. As of December 2012 the CMP has exhumed the remains of 903 individuals for analysis from 243 sites, from which 1765 samples have been genetically analysed, with a further 526 samples sent to the laboratory for genetic analyses. To date the work of the CMP has successfully completed the identification and the return of the remains of 337 individuals – of the c. 2000 officially reported missing persons. The *Cultural Heritage* actions are presently in the earlier phase of roll-out, and thus the effectiveness of the operations is still to be demonstrated. However, based on the evidence of the delivery of similar projects via EC/UN partnership it is assumed the actions shall be undertaken so as to effectively ensure achievement of the anticipated goals. Despite partial efficiency delays linked to the *Civil Society* grants it is not evident this has negatively influenced on the final effectiveness of the sub-projects. The grant has supported the development of the internal organisational capacities, staff skills and the range of tools to assist the CSOs in the delivery of their services/advocacy goals, including via reinforcing links between Turkish Cypriot and Greek Cypriot civil society. The effectiveness of the *Educational/Training Initiatives* is poor.

Effectiveness of the actions linked to Objective 4 is judged to be good. Since 2007 the *Scholarships for the TCc* programme has awarded over 500 grants across six academic-years: 63% of the grants were for graduate studies, 27% for teachers, and 10% for undergraduate studies. The grant scheme has been suitably adapted by the EC over the years, e.g. to extend the opportunities for professional/vocational study, and future Calls shall extend the opportunities for undergraduate studies. Despite partial efficiency delays linked to the *People-to-People* grants it is not evident this has negatively influenced on the final effectiveness of the sub-projects. However, it is recognised that only 15 grants were awarded, representing only 27% of the planned funding under the grant scheme, and thereby

the effectiveness of the project in terms of the contribution to achieving the strategic objective of “Bringing the TCc closer to the EU” is limited in its extent. Effectiveness of the *Information on the EU* actions is good. The EU Info Point has become an important source of information for the TCc regarding both EU and Aid Programme related questions and inquiries from the public, plus is also an important actor in terms of raising visibility of the EU and of European policy issues via informative events. The website pages received approximately 90,000 hits per month in 2012, from approximately 4250 visits per month. However, general awareness among the TCc as to the very existence of the EU Info Point in northern Cyprus was only 34% in summer 2012; in this sense the effectiveness of the action is partially limited. Additionally, the effectiveness of the project has been affected by the lack of consensus between the project partners as to the strategic goals to be achieved over the medium-term.

Effectiveness of the actions linked to Objective 5 is judged to be good, although the performance is mixed. With regard the *Facilitation of “Green Line” Trade* the assistance has effectively supported TCc producers of agricultural goods in terms of their capacity to trade across the “Green Line”. Phytosanitary and veterinary experts provided via TAIEX have performed a number of survey activities and ensured regular follow-up checks and testing of goods at key points in the production process leading to the final issuing of certification for trade. Progressively the range of agricultural goods for which TAIEX missions have been undertaken in order to assess and to develop the conditions for potential inclusion on the list of approved goods for trade has expanded. The main focus of the assessment missions is now of the potential for inclusion of dairy products on the list. Despite efficiency delays linked to the *Preparation of Legal Texts / Reinforcement of Implementation Capacity* the assistance is effectively supporting the progressive development and enactment of reform proposals linked to *acquis* approximation. TAIEX has supported the TCc-side undertake the detailed analysis of reform needs and options, and has facilitated consultations with stakeholders linked to the drafting of legislation and/or the development of implementation and enforcement measures linked to seventeen Chapters of the *acquis*. However, a number of common constraints exist that may hamper the effectiveness of the assistance, e.g. difficulties in terms of the institutionalisation of reforms due to delayed decision-making, difficulties in developing effective partnership with and involvement of stakeholders in the reform process, plus delays in the approval of legislation.

Which are the prospects for immediate and long-term impact and sustainability of assistance? Are there any elements which are/could hamper the impact and/or sustainability of assistance?

Programming Level

Reflecting that the processes for achieving the strategic objectives/priorities of the “Aid Regulation” and the associated Aid Programme are medium- to long-term processes that will remain to be relevant also post-settlement of the Cyprus problem in terms of embedding the settlement, the programming process has suitably provided overall consistency in terms of the concentration of the programming focus, which shall facilitate the achievement of impact.

The assistance provided aims to contribute to the solution of the Cyprus problem by:

- **Objective 1:** redressing serious gaps in key infrastructure and related service provision in the northern part of Cyprus, e.g. in areas of water supply and sanitation services, to facilitate reunification and preparations to comply with the *acquis communautaire*.

- **Objective 2:** promoting the medium-to-longer-term social and economic development of the TCc, so as to reduce the development gap and ensure longer-term ability of the TCc to promote sustainable development within a reunified Cyprus and within the EU.
- **Objective 3:** increasing mutual trust and understanding between the Cypriot communities, as well as of the dialogue, contacts, and cooperation, including at the civil society level, so as to support the processes of confidence building and reconciliation.
- **Objective 4:** addressing the concerns of isolation expressed by the TCc via facilitating opportunities for contacts and communication between the TCc and the EU, including between the Cypriot communities, promoting mutual understanding and awareness.
- **Objective 5:** facilitating the TCc's preparations for the future application and enforcement of the *acquis communautaire* in anticipation of the lifting of its suspension in the northern part of Cyprus following entry into force of a comprehensive settlement.

Regarding impact, the main concern linked to the programming of the assistance stems from the sometimes insufficiently 'SMART' specification of objectives and related indicators at impact level. This is often reflective that the Wider Objective(s) lack a 'Specific' medium-term focus for projects within the overall framework of the longer-term strategic goal. However, while this represents a risk in terms of assessing impact it does not necessarily indicate the unsuccessful achievement of impact over the intermediate or longer-term period.

Regarding impact and sustainability linked to actions at the 'central' level under Objectives 1, 2 and 5, for future application of the *acquis*, there are common assumptions for strong beneficiary cooperation, commitment, and operational capacity for policy and organisational reform, and of policy support at the 'central' decision-making level, which represent clear risks. In this respect it would be useful to define, as relevant, related pre-conditions and other specific conditions to be fulfilled during project implementation and by project completion.

Implementing Level

The prospects for impact and for sustainability of the assistance, while mixed, are generally judged to be good; though for a limited number of the specific objectives targeted under the strategic objectives prospects for impact and sustainability are moderate or poor.

Regarding **Objective 1** the positive **impact** of the *Environmental Infrastructure* actions in terms of developing and restructuring of infrastructure is evident. Good progress is being made relating to water supply and sanitation, demonstrated at northern part of Nicosia while the WWTPs at Morphou, Famagusta, and Mia Mila / Haspolat will contribute to compliance with wastewater standards. However, because of the cancellation of the seawater desalination contract there is no contribution to improved water supply. Revised water sector tariff systems are applied in Famagusta and Morphou, but the one in Nicosia is insufficient to encourage reduced consumption. There is improvement of solid waste management, though a suitable tariff system linked to the waste producer and providing recovery of costs is not yet introduced. However, due to the works dispute and incomplete preparation of the Natura 2000 sites, plus the restricted number of sites due to the exclusion of the Kyrenia Mountains as a designated Special Environmental Protection Area the impact is presently weak. The impact of the Lefke mining area rehabilitation project is weak: the feasibility study did not result in the adoption of proposals for imminent actions. The positive impact of the *Traffic Safety* actions in developing infrastructure and capacity is evident. Good progress is being made to achieving a reduction in the number of yearly traffic accident fatalities. There is greater capacity for identifying causes of traffic accidents and in introducing measures to reduce their occurrence, which shall promote the project's impact over the medium- and

long-term. However, in regard the *Environmental* and *Road Transport* actions at 'central' level the immediate impact is partially weakened due to the constraints that can impede the decision-making process, notably in the adoption of laws and implementing regulations and plans. The impact of the *Energy Infrastructure* and the *Telecommunications Infrastructure* actions in terms of developing and restructuring of infrastructure is currently weak, reflecting the beneficiary's lack of commitment and ownership, plus difficulties in the 'central' decision-making process regarding restructuring. The supply of *Energy Infrastructure* equipment has produced positive impacts.

Regarding **Objective 1** the prospects for **sustainability** are largely dependent on the level of ownership of the programme goals and leadership at the 'central' level on the TCc-side. The prospects for sustainability of the specific *Environmental Infrastructure* works actions are reasonably good. Beneficiary municipalities show strong commitment and ownership of the water and sanitation systems and seek to be actively involved in project implementation and decision-making. Sustainability relies on the ability of the beneficiaries to operate and maintain the facilities, and costs are either covered by the communal budget (WWTPs) or by the 'central' budget (waste sector), and should be supported via the use of appropriate tariffs.

Regarding **Objective 2** the positive **impact** of the grant scheme mechanisms and related advisory support to beneficiaries in the adoption of new practices promoting *Rural Development*, *Human Resources Development*, and *Private Sector Development* is evident, which is contributing to reducing the socio-economic development gap. The grant schemes have encouraged increasing participation by farmers, rural economies and communities, schools, associations, chambers, unions and businesses etc. in activities to produce improved socio-economic outcomes and welfare. However, for actions at the 'central' level so as to facilitate the enactment and sustainability of the reforms, there has been some weakness, most notably linked to the delayed approval and adoption of strategic plans, reforms, and structural changes in the area of *Human Resources Development*, plus delays in regard the planned modernisation and upgrade of the 'Veterinary Laboratory'. Delays in establishing a policy environment and supportive structures will significantly reduce the pace of progress to narrow the present socio-economic development gap of the TCc.

Regarding **Objective 2** the prospects for **sustainability** are reasonably good but are strongly conditional upon the achievement of substantial reforms and structural changes, which require commitment at the 'central' level. Sustainability is dependent on the will of the range of stakeholders to promote new approaches in regard to socio-economic activities, in particular those with influence such as unions, associations, businesses etc., as well as policy makers and those with authority at the 'central' level in terms the promotion of an appropriate policy environment and of related commercial incentives and support schemes.

Regarding **Objective 3** the positive **impact** of the work of the *Committee on Missing Persons* is stressed by partners from both Cypriot communities. The immediate impact of the CMP is evident not only in terms of the benefits provided to the families of missing persons, but also the opportunity for communal reconciliation. The prospects for longer-term impact will be significantly influenced by the effectiveness of the linked communicational and educational activities supporting the development of a constructive, responsible dialogue. The impact of the *De-Mining Activities* is evident in regard the immediate removal of security risks, and in regard the return of cleared land in the buffer-zone, e.g. for the opening of additional crossing-points, or for certain agricultural purposes. However, the longer-term impact of the actions will be restricted in so far that civilian activities in the buffer-zone are still controlled –

to facilitate the UNFICYP maintenance of the integrity and stability of the buffer zone – and that while the buffer zone has been declared mine free, areas adjacent the buffer-zone are only partially de-mined. In regard the *Civil Society* actions, the supported organisations have achieved a degree of success in terms of increasing awareness of the issues they address and are strengthened at the management level, plus via the development of partnerships with other organisations including of a bi-communal nature. However, functional involvement of civil society as a partner in the public policy arena in the Cypriot environment is under-developed in comparison with many EU Member States, and civil participation is limited.

While the *Cultural Heritage* actions are presently at an early phase of implementation, the prospects for **impact** and for **sustainability** are good; a key determinant will be the success of the actions in terms of achieving participatory inputs from the local communities and stakeholders to develop a longer-term plan of action linked to the sites. The prospects for impact or for sustainability of the *Educational/Training Initiatives* are poor.

Regarding **Objective 3** the prospects for **sustainability** of the benefits in terms of “Fostering Reconciliation etc.” are mixed. While ownership of the goals by the *Civil Society* organisations is strong, many face constraints in terms of the sufficient continuity of funding for the delivery of activities post-project and some have since scaled-down their activities and/or are now reliant on volunteers to maintain the new services/actions. With regard the *Committee on Missing Persons* financial sustainability is presently assured by the continued provision of EC grant – it has covered approximately 67% of the operational funding for the CMP since 2007. However, it is recognised that the award of the EC grant cannot be open-ended, and cannot cover all operational costs that shall be associated with full closure of the work of the CMP in Cyprus over the longer-term, which is dependent on the provision of suitable funding by the Cypriot side. Linked to the *De-Mining Activities*, while sustainability of the immediate project action – de-mining in the buffer-zone – is good, the longer-term sustainability and impact in terms of promoting confidence building and reconciliation are dependent on the continuation of De-Mining actions in Cyprus. The threat posed by mines and/or unexploded ordnance on Cyprus has been diminished but the issue still remains a real threat to normalisation, confidence building, and reconciliation.

Regarding **Objective 4** the assistance has successfully provided a clear immediate **impact** and the prospects for the longer-term impact are also good. The exception is the *People-to-People* contacts for which the prospects for impact are moderate due to the limited take-up of the grant scheme. With regard the *Scholarships for the TCc*, in addition to providing grantees with qualifications that shall benefit them over the immediate and longer-term the study opportunity has also positively impacted in terms of grantees’ perception of increased self-confidence within a multi-cultural setting. While clear statistics on the number of students that return to Cyprus in the short-term after course completion do not exist – estimates range from 60-95% return in the near-term – it is clear that most grantees do eventually return and thereby contribute their increased skills to the local economy and societal development. However, the impact of the Scholarships programme is weakened by the insufficient level of analysis on the TCc side as to the potential prioritisation of fields for study to be concentrated on, over the medium-term, to meet forecast needs and/or gaps in the labour-market. With regard *Information on the EU*, via the combination of visibility and communication efforts targeted to the TCc – by the EU Info Point, the EC, television, newspapers, and radio, etc. – the general awareness of the TCc regarding the EU and the Aid Programme is gradually increasing, although from a low baseline level. However, opinion surveys suggest that the

percentage of respondents reporting their perceived level of general knowledge regarding the EU or the Aid Programme as 'good' / 'very good' has only marginally increased.

Regarding **Objective 4** the prospects for **sustainability** are good. The EC recognises that prior to the negotiation by the Cypriot communities of a settlement of the Cyprus problem the programme fills a gap in terms of the low effective participation by the TCc in the linked EU Programmes, e.g. Erasmus, Leonardo da Vinci, or in terms filling a gap prior to establishing an official Europe Direct information centre in northern Cyprus. Post settlement the sustainability of the goals and opportunities offered to all EU citizens in the area will be assured via participation in the EU Programmes and information activities via the EC.

Regarding **Objective 5** the prospects for **impact** of the assistance are mixed, but overall are judged to be positive. This partially reflects that the institutionalisation and implementation of the reforms linked to the *Preparation of Legal Texts / Reinforcement of Implementation Capacity* has been mixed, often with efficiency and effectiveness constraints, and that the prospects for immediate impact are therefore moderate. However, the prospects for long-term impact of the assistance are, generally, good. The mixed prospects in terms of impact are also reflective that the prospects for sustainability of the assistance are mixed. For the absorption of the project benefits to be successful it is vital that *acquis*-driven reform projects be directly linked into 'institutional' corporate structures, management plans, and budgets, and that beneficiary ownership and commitment is provided at the 'central' decision-making level and via the budgetary planning process. As the reforms are operationally deployed – and the capacity of the TCc to effectively apply and enforce the *acquis* in the future can be tested – wider societal impacts/benefits in terms of enhanced delivery of the related public services will progressively be achieved. With regard the *Facilitation of "Green Line" Trade*, while this has been efficiently and cost-effectively delivered the immediate impact of the assistance is moderate. While the range of agricultural goods approved for trade across the "Green Line" has progressively expanded, the range of general goods remains limited. The total value of goods traded has increased from around € 2 million in 2006, and is now, generally, worth around € 5 million per year, of which approximately 30-40% is in agricultural goods. Additionally, obstacles to the effective flow of trade across the "Green Line" continue to exist, e.g. Turkish Cypriot traders report difficulties in terms of advertising and branding their products and services in the government-controlled areas of the Republic of Cyprus.

Regarding **Objective 5** the prospects for **sustainability** are mixed. This reflects that the public expenditure and financial management systems operated by the TCc are still being strengthened, notably in terms of the development of a medium-term financial framework and a performance measurement system. Thus the longer-term planning process is only partially in place and future resource allocation to 'institutions' for staffing and operational costs uncertain. The lack of longer-term planning is already affecting the creation of new 'units', which presents a risk in terms of the sustainability of the achievements as delays in the implementation of the prepared reforms may result in the proposals becoming dated.

Which are the key administrative/financial/thematic reforms that the beneficiary should undertake to improve the sustainability in key areas?

Implementing Level

With regard key reforms that the beneficiary should undertake to improve the sustainability of the assistance these primarily relate to the actions at the 'central' level under **Objectives 1, 2**

and 5. The key determinant of the efficiency, effectiveness, impact, and the ultimate sustainability of the benefits produced is the level of ownership on the TCc-side of the reform processes. This should be strengthened both at the ‘central’ ‘institutional’ level in terms of the budgetary-planning process and at the sectoral ‘institutional’ level in terms of senior-level engagement to guide the reforms through the processes of analysis, stakeholder consultation, preparation, adoption, and implementation roll-out of the reforms.

In regard the budgetary-planning process the TCc-side should be encouraged to continue on and to prioritise its present reform path in the areas of public expenditure management and financial control; undertaken with support provided by the TAIEX instrument. Notable weaknesses in terms of the achievement of the reforms in the areas include insufficient staffing to implement reforms and delays in the approval of core legislative reforms. These constraints need to be addressed by the TCc-side in order to ensure successful progression from an annual budgeting process to a medium-term financial framework and outlook.

At both the ‘central’ and the sectoral ‘institutional’ level the delivery of and sustainability of the reforms would also be improved via strengthened communication efforts by the TCc-side as to the processes that the TCc-side seeks to undertake in terms of reform and the corresponding public service delivery and societal and economic benefits arising.

With regard **Objective 3** a common issue for all actions is the need for the *Civil Society* beneficiaries and project partners linked to the *Committee on Missing Persons, De-Mining, and Cultural Heritage* to further enhance related visibility and educational measures linked to the actions and the goals supported – such measures are essential to achieving sustainable impact in terms of fostering reconciliation and confidence building.

With regard **Objective 4** the sustainability of the benefits produced via the *Scholarships for the TCc* could be strengthened in terms of ownership of the programme by the TCc. Notably the TCc should be encouraged to undertake a detailed analysis of skills-gaps that need to be addressed over the medium-term, so as to support the prioritisation of the programme and its delivery of suitable impact. The EC has encouraged the TCc-side in this regard but as yet a single overview has not been presented by representatives of the TCc.

2.3. Future Programme

How can the objectives of the current Aid Regulation be met in medium to long-term (up to 2020)? State the assumptions made, particularly with respect to the potential settlement scenario.

The present concentration and focus of the Aid Programme is suitable. The specific objectives are prioritised by the EC across the annual programmes so as to support the achievement of the specific and strategic objectives, building on lessons learned from previous phases and an assessment of continued relevance and absorption capacity.

In terms of the achievement of the strategic objectives of the “Aid Regulation” it is recognised that the development processes are of a medium- to longer-term nature, which will remain to be of relevance post-settlement of the Cyprus problem in terms of embedding the settlement.

A key assumption in terms of the achievement of the goals is that good progress is made in respect the negotiations between the Cypriot communities. The progress that may be achieved will significantly shape the organisation of the future, reunified state and the competences of the different levels of the state within the bi-communal, bi-zonal federation.

This will notably influence the framework for implementation of 'central' level actions under Objectives 1, 2 and 5 plus the future prioritisation of development objectives for the grant scheme measures under Objective 2.

A key assumption in terms of the achievement of the goals is that civil society and the citizenry are suitably informed about and engaged in the process in terms of building reconciliation etc. between the communities and of the willingness for reaching compromise on the 'core issues' linked to the negotiations. In this context the more immediate, medium-term goal of Objective 3 is within the context of its facilitating the establishment of a conducive environment supporting the processes leading to the negotiation of a settlement – and thereby the achievement of the global objective of the "Aid Regulation", namely to facilitate the reunification of Cyprus. Without a supportive public opinion actively in favour of achieving a settlement the negotiation process will struggle; ultimately, it is the people of the two communities that will decide whether any proposed plan be accepted or rejected.

Should a settlement be achieved over the medium-term (up to 2015/2016) it would likely stimulate an increased pace of development progress, but the full level of achievement of objectives of the Aid Programme is unlikely to have been met and **further targeted support would be required** – presumably via the EU's economic, social, and territorial cohesion policy instruments in the context of an expanded "Common Strategic Framework" for such programmes, and via a specific technical assistance (Twinning) capacity building programme to support the future Turkish Cypriot constituent state in terms of *acquis*-compliance and in addressing constraints that may require specific transitional arrangements to be negotiated.

Should a settlement be achieved over the long-term (up to 2020) the development needs and corresponding EU assistance for the reunified Cyprus would be programmed by the Cypriot-side in the context of the EU's post-2020 Multi-annual Financial Framework.

3. Conclusions (Lessons Learned) and Recommendations

3.1. Programme Intervention Logic

How can programming of assistance be enhanced to more efficiently and effectively reach strategic objectives?

How can programming be enhanced to improve the impact and sustainability of financial assistance?

Overall, the programming of assistance under the Aid Programme, which provides the legal basis to address all five Objectives, is generally good.

The main finding in terms of programming gaps/weaknesses relates to the **deficiencies of the projects in respect to 'SMART' intervention objectives or 'SMART' indicators of achievement**. While the objectives and indicators are generally adequate, further improvements in the development of project objectives and indicators will strengthen the programming framework and the programming exercise. Specifically, the quality of the objectives and indicators should be strengthened in terms of being 'Specific' and also 'Time-bound'. The indicators should also be improved in terms of being 'Measurable': via the inclusion of quantified (and 'Time-bound') targets and related baseline data to support (a) progress monitoring – by the EC during the years provided for project implementation – and (b) for the purposes of evaluation (*ex-ante* through to *ex-post* or *impact*). The timeline for the chain of development effects/goals – objectives and indicators – should also be clearly demarcated: i.e. Results/Outputs = achieved by the project during implementation; Immediate Objective(s) = achieved on project completion or the immediate short-term after; Wider Objective(s) = the medium- (1-year) to longer-term (3-years) outlook post-completion.

Additionally, gaps/weaknesses in the programming framework are also evident in terms of the limited evidence of detailed project **risk assessment/planning**, both at the level of implementation (efficiency/effectiveness) and post-project planning (impact/sustainability).

Additionally, while the programming exercise has been strengthened over the recent period via the development of structured, consultative dialogue meetings over a period of months with representatives of the TCc-side and with Cypriot civil society, more collaborative efforts to agree priorities are necessary to ensure effective **ownership and commitment by the TCc**. Reform targeting programmes need the concerted ownership of related beneficiaries and other stakeholders, which should be improved through their concerted involvement starting at the design phase and subsequent phases of development and implementation. In all priority areas where new legislation or organisational restructuring is a prerequisite for programme/project effectiveness, related **project conditionality with a relevant deadline should be defined**.

Where actions being programmed are intended to benefit the communities of more than one municipality, e.g. *Environmental Infrastructure*, it should be an essential prerequisite that municipalities have formal cooperation agreements and are encouraged to work in partnership by being given joint responsibilities for appropriate elements of the programme.

Recommendations are made to the EC with the intention of improving the quality of programming documents and thereby to enhance the efficiency, effectiveness of the assistance and to improve the prospects for impact and sustainability of the Aid Programme:

1. *The quality of the programme/projects should be further improved by enhancing the 'SMARTness' of the intervention objectives and related indicators.*
2. *The quality of the programme/projects should be further improved by enhancing the application of risk assessment/planning/coordination and via the specification of conditionality.*
3. *An increased role for the TCc in supporting the design of projects including the definition of post-project planning would be an important action in this regard.*

3.2. Programme Implementation Performance

Are there any potential actions, which would improve the efficiency and effectiveness of on-going assistance?

Are there any actions, which would improve prospects for impact and sustainability of on-going assistance?

Implementing Level

As detailed in the Evaluation Findings above the key action linked to improving the efficiency, effectiveness, impact, and sustainability of the assistance relates to **the level of ownership** of the Aid Programme objectives and the reform processes demonstrated by the TCc-side. If the beneficiaries show strong commitment, success is more likely. And if they adopt medium-term strategies as part of longer-term planning, its achievement is more likely.

In this context it would be practical to strengthen utilisation of the **TAIEX** support, as the EC's main tool for preparation for future application of the *acquis* support to the TCc at the 'central' level, via strengthened scrutiny of the demand-driven requests received from the TCc; requests should be based on the provision of clear demonstrated commitment by the beneficiary, including post-project planning of further actions by the TCc-side to ensure impact and sustainability and, as relevant, via the greater specification of project conditionality – e.g. pre-conditions, or conditions linked to major implementation milestones etc.. It would also be practical to investigate the extent to which the TAIEX instrument could be utilised by the TCc-side so as to provide support, as a horizontal issue, in terms of further building the capacity of senior-management of 'institutions' to facilitate partnership building and change management. With regard the effectiveness of the "Programme for the Future Adoption of the *acquis*" (PFAA) **Monitoring Mechanism**, and by extension the immediate impact of the assistance, this would be improved via a clearer focus of the PFAA Monitoring Mechanism to address horizontal aspects linked to *acquis* preparations, so as to facilitate the provision of strategic guidance and to support the linked decision-making processes on the side of the TCc. Presently the Monitoring Mechanism is too focused on operational delivery details.

Recognising that a significant component of the Aid Programme is provided to TCc beneficiaries via **grant scheme mechanisms** – *Rural Development, Human Resources Development, Private Sector Development, Civil Society, and Scholarships for the TCc* – the efficiency, effectiveness, and impact of the assistance will require a continued strong focus of

technical advisory and training support for target group beneficiaries and grant awardees; especially in the areas of preparing proposals, EU procurement, implementation and reporting procedures and standards. Whereas this support was programmed in 2006 via a series of specific technical assistance and grant support programme management units focused on the individual sectors (with exception of *Scholarships*), it is evident that grant applicants and grant awardees face a series of common issues in terms the 'learning curve' of their familiarity and understanding of EC grant requirements. It would seem more efficient and effective that such support be provided via a single Programme Management Unit with, as necessary, a series of technical experts to provide sectoral expertise and advice. It would also seem more efficient and effective that the independent monitoring expertise presently supporting the EC oversee grant scheme implementation be undertaken via a single team.

The effectiveness and the impact of the assistance for *Civil Society* would also be improved via the further development of the civil society forum and participatory mechanisms utilised to support implementation of the 2006 programme actions. These provided a valuable forum via which civil society organisations could exchange information on the progress of their projects, including experiences in terms of grant management, plus to discuss the wider issues facing the civil society sector via a structured approach.

The effectiveness, impact, and sustainability of the *Scholarships for the TCc* programme would be strengthened via the provision by the TCc-side of clearer guidance as to the medium-term skills gaps/needs of the labour market and the public sector.

In regard *Information on the EU* the efficiency and effectiveness of the assistance to be provided for the second phase of the EU Info Point would be improved via the development of a clear strategic plan and detailed (annual) implementation action plan to guide the activities of the EU Info Point service-provider over the medium-term. The efficiency and effectiveness of the assistance would also be improved via clearer demarcation by the EC of the strategic and operational management structures linked to the project.

Recommendations are made to the EC with the intention of improving the implementation of the assistance and thereby to enhance the efficiency, effectiveness of and improve the prospects for impact and sustainability of the Aid Programme:

4. *For projects supporting future application of the acquis, there should be more EC engagement at the TCc senior level. The beneficiary should provide more complete information on the administrative and operational processes in place to ensure the absorption/ institutionalisation of the Outputs and immediate Results of the assistance, and more complete information on the post-project medium-term planning by the beneficiary.*
5. *The EC should review the potential to strengthen the effectiveness of the PFAA Monitoring Mechanism in terms of its function to support strategic management and decision-making by the TCc. This should be reviewed in cooperation with the 'EUCC'.*
6. *Technical advisory and training support for target group beneficiaries and grant awardees under the grant schemes continues to be a priority. It is recommended that support be provided via a single technical assistance Programme Management Unit.*

What are the advantages of the continuing "joint management" with UNDP of certain parts of the programme? Is the justification for choosing this instrument still valid?

Implementing Level

The EC has good working relationship with the UNDP in Cyprus, having worked in close partnership since 2001 with the UNDP responsible for the implementation of the EU-funded "Partnership for the Future" (PFF). The PFF has supported actions for urban and community infrastructure rehabilitation, the development of environmental infrastructure, the provision of assistance to SMEs, as well as the de-mining actions in the buffer-zone.

A number of components of the Aid Programme have also been implemented by the EC via "joint management" with the UNDP – the bi-communal Mia Milia / Haspolat WWTP (under Objective 1), the *Private Sector Capacity Building* project, and *Local and Urban Infrastructure* projects (both under Objective 2), and the *Committee on Missing Persons, De-Mining Activities*, and *Cultural Heritage Initiatives* (all under Objective 3).

The commitment of EC grant is made following the negotiation of individual contribution agreements with the UNDP, based on a detailed description and budgeting of the action. This process has, generally, been efficiently managed between the EC and the UNDP, allowing for the quick deployment of the EC grant. The UNDP (and its implementing partners) ensures the administration, coordination, and implementation of the activities so as to deliver the goals of the action. The UNDP has clear internal project-management structure to provide technical guidance in terms of the efficient and effective implementation of the actions, although with partial weaknesses in terms of reporting, e.g. monitoring data linked to actions under Objective 3 is not always clearly demarcated by separate project phase.

The justification for choosing the delivery instrument linked to the *Committee on Missing Persons* (and funding up to 2011 for *De-Mining Activities*) remains valid reflecting that the actions are directly linked to the UN's mandate in Cyprus, as well as the specific competence of the CMP in Cyprus and of the UN Office for Project Services and the UN Mine Action Service in respect of the delivery of the actions. In both areas the UN also provides essential mediation support, for which it is in a unique position.

The justification for choosing the delivery instrument linked to *Cultural Heritage Initiatives* (and funding under the 2006 programme for *Local and Urban Infrastructure*) also remains valid. Both priorities are primarily delivered via works projects, for which the UNDP has a good understanding of the local working environment – it has previously also undertaken similar actions on behalf of the USAID in Cyprus – and has thereby developed good capacity in terms of its databases of technically qualified engineers, architects etc. to undertake or oversee key aspects of the project implementation cycle. The UNDP also provides valuable mediation support linked to the bi-communal *Cultural Heritage Initiatives*. Similarly the UNDP's role linked to the Mia Milia /Haspolat WWTP is justified due the bi-communal nature of the significant project. Now that the EC (DG ELARG) has an operational programme support office in northern Cyprus, i.e. at the EUPSO, it is feasible that the management of the infrastructure projects could be undertaken by Task Managers at the EUPSO, via a series of different works and service contracts for project delivery. However, while feasible, it is assessed that the advantages for the EC in terms of it undertaking direct management of the actions are limited – it would necessitate a significant increased work-load for the EC in terms of procurement tasks and implementation management oversight and control tasks.

The limited advantage for the EC in terms of it undertaking direct management would be the greater control it would obtain in terms of visibility for the actions as EU-financed initiatives, as opposed to being an EU-financed initiative undertaken in partnership between the EU-UN.

However, it is not evident that this specifically generates substantial benefits as compared with the increased risks for the EC in terms of managing a series of different contractors.

The justification for choosing the delivery instrument linked to the *Private Sector Capacity Building* project under the 2006 programme was the timeframe. With the contribution agreement signed in late 2006 the start-up of the project provided high visibility of the EU's commitment and the financial support to promote socio-economic development of the TCc. However, the EC now has sufficient capacity for the management of Private Sector actions and grant scheme mechanisms by the Task Managers based at the EUPSO.

Recommendations are made to the EC with regard the undertaking of actions via “joint management” with the UNDP and thereby to enhance the efficiency, effectiveness of and improve the prospects for impact and sustainability of the Aid Programme:

7. *It is recommended that the EC continue to implement assistance under Objective 3 on the basis of “joint management” with the UNDP. It is recommended that further actions under Objective 1 in the area of Environmental Infrastructure be directly managed by the EC unless there is a clear bi-communal focus of the activities.*
8. *In order to ensure strong visibility of the EU-funded initiatives supporting the TCc implemented with the UNDP the EC should guarantee that such communication issues are suitably detailed and planned within the contribution agreement (Annex I).*

3.3. Future Programme

In the case of constrained budgets (similar to those for 2012 and 2013 – € 28 million/year), which are the areas recommended for concentration? How would the objectives of the Aid Regulation be met in such circumstances?

With regard the focus and concentration of future programme support under the Aid Programme the core specific objectives to be addressed are already well established.

Recommendations are made to the EC with regard the future programming focus linked to each of the five strategic objectives of the “Aid Regulation” to enhance the efficiency, effectiveness of and improve the prospects for impact and sustainability.

Linked to **Objective 1** (“Developing and Restructuring of Infrastructure”) the priority area remains to be *Environmental Infrastructure*. The island-wide nature and the socio-economic and quality of life, as well as environmental, consequences of the actions provide a strong argument justifying it being a continued priority for the Aid Programme, notably taking into account the importance of the Water Framework Directive and the Waste Directive. After the initial delivery of substantial works/supply projects, priority needs relate to management capabilities. Future actions may include works and related technical assistance for capacity building to ‘local’ service-providers/operators to improve management. The selection of actions will depend on budget availability; actions such as the construction of WWTPs may be desirable but they require commitment to a single, large budget, whereas the renewal of water pipe networks may be done incrementally. The second priority area is *Traffic Safety* in relation to the reduction of road traffic accidents and fatalities. The range of interventions that may be considered, e.g. infrastructure works, further educational and awareness-raising, capacity building etc., will be based in accordance with the size of available budgets. In both areas associated policy support at the ‘central’ level should continue to be provided via the

TAIEX instrument (under Objective 5). Further actions in the areas of *Energy Infrastructure* and *Telecommunications Infrastructure* would be dependent on the pre-condition of substantive policy commitment demonstrated at the 'central' level.

Linked to **Objective 2** ("Promoting Social and Economic Development") the priority areas remain to be *Rural Development*, *Human Resources Development*, and *Private Sector Development* with the aim of building local capacity to a largely self-generating level. In each area the assistance should primarily be implemented via grant scheme mechanisms, supported by the provision of further technical assistance / programme management unit actions. The design and management of such combinations has been progressively developed to ensure efficiency and effectiveness. A continued focus for the assistance is also recommended linked to further developing the capacity of grant beneficiaries. In the area of *Rural Development* priorities relate to supporting increased access to trade and the strengthening of the LEADER programme approach. In the area of *Human Resources Development* and *Private Sector Development* priorities could be assessed related to assistance to women entrepreneurship, to disabled students, and the support of business development centres and business incubators. In each area it is also necessary to continue preparations for future application of the *acquis* and policy reforms at the 'central' level, to establish appropriate institutional structures and experience, and develop a stronger ethos for promoting the achievement of socio-economic development. This should primarily be provided via the TAIEX instrument.

Linked to **Objective 3** ("Fostering Reconciliation etc.") the priority area remains to be *Civil Society*. In view of the key role that civil society will play in terms of facilitating the establishment of an environment conducive for the negotiation of a settlement, it is evident that the Aid Programme should be programmed so as to ensure adequate continuity of its concentration and the regularity of its Call for Proposals – the Call anticipated to be launched in spring/summer 2013 will be the first Call in the area under the Aid Programme for a period of more than four years. The key focus for future EC support in the area is the further capacity building of civil society, to raise the standards of operations and the capacity to establish partnerships/networks with similar groups in particular of a bi-communal nature. In addition to grant support it will also be necessary to ensure the provision of training etc. support for CSOs. With regard the *Cultural Heritage Initiatives* the key requirement is to establish a clear concentration of the support provided in terms of the repair and renovation of a representative, but focused number of cultural sites that may demonstrate clear benefits of the actions. The goal of the assistance is to foster reconciliation etc. via the restoration of cultural heritage; the latter is a means to the former. With regard the *Committee on Missing Persons* the issue remains a key factor in terms of "Fostering Reconciliation etc.", however, it is evident that the EC will need to establish a medium-term 'exit-strategy' and ensure the transfer and longer-term sustainability of the actions to the Cypriot side.

Linked to **Objective 4** ("Bringing the TCc closer to the EU") the priority areas remain to be *Scholarships for the TCc* and *Information on the EU*. In both areas the Aid Programme should be programmed so as to ensure the continuity of its concentration on the areas; a gap in the provision of either action will negatively impact in terms of the progressive achievement of the strategic objective; in this sense aid predictability should be assured. The delivery mechanisms in both areas, respectively via a grant scheme mechanism and via technical assistance, are clear. In the case of the *Information on the EU* action, a clear strategic plan and detailed (annual) implementation action plan to guide the activities of the

EU Info Point service-provider over the medium-term should be adopted by the Project Steering Committee, this would need to ensure coordination with the communication and information goals and activities planned by the Representation of the EC in Cyprus.

Linked to **Objective 5** (“Preparing the TCc to introduce and implement the *acquis*”) the priority areas remain to be the *Preparation of Legal Texts / Reinforcement of Implementation Capacity* and the *Facilitation of “Green Line” Trade*. The delivery mechanism – the TAIEX instrument – and implementation procedures for the support are already well established. With regard the *Facilitation of “Green Line” Trade* the effectiveness and immediate impact of the assistance would be improved via a strengthened focus on the provision of training and advisory support to Turkish Cypriot producers and traders in terms of the branding-issues they may face regarding their goods.

The related provision of support via the **Technical Assistance for the Implementation of the Programme / Programme Reserve Facility** also remains a priority.

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Annex 1: Scope of the Evaluation (Sections 1 and 2 of the ToR)

SPECIFIC TERMS OF REFERENCE

COM 2011 – LOT N° 1

**EVALUATION OF THE FINANCIAL
ASSISTANCE PROGRAMME FOR TURKISH CYPRIOT COMMUNITY
REQUEST FOR OFFER N° 2012 / 295522 Version 1**

1. CONTEXT AND BACKGROUND

In the context of the fifth enlargement of the European Union, of 1st May 2004, Cyprus acceded as a *de facto* divided island after the UN plan for a comprehensive solution to the Cyprus problem failed to gain the necessary support at the simultaneous referenda held in Cyprus on 24 April 2004. While the Turkish Cypriots approved it, Greek Cypriots rejected it.

As a result, according to Protocol 10 of the 2003 Accession Treaty, Cyprus as a whole entered the EU, whereas the *acquis* is suspended in the northern part of the island (“areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control”). This means inter alia that these areas are outside the customs and fiscal territory of the EU. The suspension has territorial effect, but does not concern the personal rights of Turkish Cypriots as EU citizens.

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

“The Turkish Cypriot community has expressed their clear desire for a future within the European Union. The Council is determined to put an end to the isolation of the Turkish Cypriot community and to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community. The Council invited the Commission to bring forward comprehensive proposal to this end, with particular emphasis on the economic integration of the island and on improving contact between the two communities and with the EU. The Council recommended that the 259 million euro already earmarked for the northern part of Cyprus in the event of a settlement now be used for this purpose”.

The Council, considering that the Turkish Cypriot community (TCc) had expressed its clear desire for a future within the European Union, recommended on 26 April 2004 that the funds earmarked for the northern part of Cyprus in the event of a settlement should be used to put an end to the isolation of that community and to facilitate the re-unification of Cyprus by encouraging the economic development of the Turkish Cypriot community, with particular emphasis on the economic integration of the island and on improving contact between the two communities and with the EU.

Responding to an invitation from the Council, the Commission proposed a comprehensive package of aid and trade measures and, as a consequence, on 27 February 2006 the Council adopted Regulation (EC) 389/2006, the "Aid Regulation" establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community.

The main objectives of the programme are:

- to promote social and economic development of the Turkish Cypriot community, including restructuring, in particular concerning rural development, human resources development and regional development;
- to develop and restructure of infrastructure, in particular in the areas of energy, transport, environment, telecommunication and water supply;
- to foster reconciliation confidence-building measures and support civil society;
- to bring the Turkish Cypriot community closer to the EU, through information on the EU as well as contacts between Turkish Cypriot and other EU citizens;
- to help the Turkish Cypriot community to prepare for the implementation of the *acquis* in case of a comprehensive settlement of the Turkish problem.

A total amount of € 259 million were made available in the 2006 General Budget of the European Communities to the aid programme for the Turkish Cypriot community. Following the initial 2006 allocation, additional €61.5 million have been made available in the 2009-2012 period (€2.5 million in 2009, €3 million in 2010, €28 million in 2011 and €28 million in 2012). The bulk of the projects funded under the 2006 budget will be finalised by the end of 2012.

It was only with the adoption of Council Regulation n°389/2006 that the Commission started to implement EU funding directly in support of the Turkish Cypriot community. Previous EU assistance has been delivered solely through UNDP and to a much more limited scale. In the period 2000-2003, a third of the pre-accession assistance of €14 million provided to Cyprus under Council Regulation n°555/2000 has been used for bi-communal projects. In 2003 a Special Aid Package of €12 million was provided solely for the northern part of Cyprus. The bulk of this assistance has been implemented through the United Nations Development Programme (UNDP) and has mainly been focused in particular on 1) funding of urban renewal infrastructure work and in particular the Nicosia Master Plan; 2) business support; 3) support to civil society; and 4) feasibility studies.

On the € 259 million Package a programme evaluation was carried out in 2009 (Final Report November 2009). At that time the programme was at an early stage and little experience had been gained. Some observations were made, however, on risks and sustainability of infrastructure investments, low "buy in" by the beneficiary and low TC capacity. Recommendations included the need for focus on strategic needs in grant calls, strengthening of steering committees and the engagement of TCs in sustainability planning.

Important considerations for the future are that a firmer base of sound legislative environment and better sustainability have to be achieved and that increased emphasis should be given to those areas where local capacity is low and the demands of the new *acquis*-compliant legislation will be high, particularly environment, agriculture, rural development and commercial transport. Progress will, however, depend on the level of engagement of the TCs in each areas. In support of a more stable character to the programming, the Commission proposes to integrate the TC support in the IPA envelope from 2014.

The Commission implements the Aid Programme in a unique and complex political, legal and diplomatic context. In the case of similar EC aid programmes there are financing agreements with the government of the beneficiary country, which set the rules and special conditions under which the assistance shall be implemented. However, no such agreement exists in the case of the assistance to the Turkish Cypriot community and *ad hoc* arrangements are needed

each time to allow the Commission to implement the programme whilst respecting the principles of sound financial management. This special arrangement transposes to a significant residual risk for the Commission, which in trying to complete the investments has to rely on *future* deliverables (such as e.g. a “legal” framework to be put in place) by the beneficiary, while assuming all the legal and operational risk in doing so.

2. DESCRIPTION OF THE ASSIGNMENT

2.1. The Beneficiary and the stakeholders

The beneficiary is the Turkish Cypriot community and the project has been carried out in the areas of the Republic of Cyprus in which the government of the Republic of Cyprus does not exercise effective control.

The stakeholders for this evaluation include (amongst others):

- The European Commission, namely the Task Force Turkish Cypriot Community;
- Turkish Cypriot beneficiaries

2.2 Global objective

The primary objective of this strategic/interim evaluation is to provide relevant findings, conclusions and recommendations to the Commission by an overall programme evaluation (follow-up of 2009 evaluation).

2.3 Specific objectives

The specific objectives are:

1. Providing an assessment of the intervention logic of the Aid Regulation to the TCc. The evaluators will also assess to which extent programming documents are based on a balanced and comprehensive planning:
 - Adequate, measurable, realistic and clear objectives,
 - Adequate assessment of needs (both financial and time) to put an end to the isolation of this community and helping prepare for the reunification of the island,
 - SMART (Specific, Measurable, Available, Relevant and Time-bound) indicators to measure progress towards achievement of objectives,
 - Adequate sequencing of assistance,
 - Adequate and relevant account of beneficiaries' policies and strategies in key areas,
 - Adequate and relevant account of assistance provided by other key donors where applicable and how that assistance will help meet accession requirements.
2. Providing a judgement on the performance (either actual or expected) of assistance, particularly as regards its relevance, efficiency, effectiveness, impact and sustainability. The judgement for each evaluation criteria should differentiate two levels of sources of evidence and analysis:
 - At programming level, based mainly on the assessment as per specific objective 1,
 - At implementing level, namely based on sources and indicators such as: status of contracting, institutional setting, monitoring reports and structures, etc. As far as possible, the evaluator will measure achievements against indicators set up in programming documents. However, adequate programme level objectives and impact indicators may not always be quantified or even available. Therefore, some limitations in the use of indicators can appear during the evaluation.
3. Making recommendations about the application of the 2006 Aid Regulation to anticipated future needs of the TCc and about the future implementation of the assistance

programme, particularly suggesting areas of concentration, medium and long-term strategies, suitable progress indicators and implementation methodologies. Account should be taken of the recommendations provided by the European Court of Auditors special report (Special Report No. 6 // 2012) and of the likely future funding scenarios and the integration into the 2014-2020 IPA Financing.

2.4 Requested services, evaluation questions, methodology and quality control

2.4.1 Requested services

The Consultant shall provide an appropriate team of experts to complete an evaluation of the wide ranging assistance programme to the TCc.

The contract will be GLOBAL PRICE.

Note: a methodology (not longer than 5 pages) should be submitted with the offer.

2.4.2 Evaluation questions

As regards the evaluation questions, the evaluation will be mainly based on the criteria endorsed by the OECD-DAC: relevance, impact, effectiveness, efficiency and sustainability. When answering the evaluation questions, due account should be taken of the specific context for enlargement assistance mentioned under section 1 above. Possible questions are the following:

Specific objective 1: Intervention logic

The overall objective of the evaluation is to enhance the relevance, efficiency, effectiveness, impact and sustainability of the Aid programme.

Assessment:

- To what extent are objectives at different level clear, measurable and realistic?
- To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient and effective projects to achieve the strategic objectives?
- To what extent programming provides adequate prioritisation and sequencing of assistance?
- To what extent programming takes adequate and relevant account of beneficiaries' policies, strategies and reform processes in relevant key areas?
- To what extent programming takes adequate and relevant account of assistance provided and reforms promoted by key donors where applicable?
- To what extent programming and monitoring mechanisms include SMART (Specific, Measurable, Available, Relevant and Time-bound) indicators to measure progress towards achievement of objectives?
- Which are the main gaps/weaknesses of the current programming framework?

Lessons learned and recommendations:

- How can programming of assistance be enhanced to more efficiently and effectively reach strategic objectives?
- How can programming be enhanced to improve the impact and sustainability of financial assistance?

Specific Objective 2: Relevance, efficiency, effectiveness, impact and sustainability of financial assistance

Judgement

- Are the administrative and organisational structures in place ensuring efficient and effective implementation of financial assistance? To what extent are the monitoring mechanisms and structures appropriate and correctly functioning?
- To what extent is the ongoing Financial Assistance Programme for Turkish Cypriot community has/is contributing to achieving the strategic objectives/priorities of the programme?
- Which are the prospects for immediate and long-term impact and sustainability of assistance? Are there any elements which are/could hamper the impact and/or sustainability of assistance? Which are the key administrative/financial/thematic reforms that the beneficiary should undertake to improve the sustainability in key areas?

Lessons learned and recommendations

- Are there any potential actions which would improve the efficiency and effectiveness of ongoing assistance?
- Are there any actions which would improve prospects for impact and sustainability of ongoing assistance?
- What are the advantages of the continuing "joint management" with UNDP of certain parts of the programme? Is the justification for choosing this instrument still valid?

The evaluation questions may be further defined during the inception phase.

Specific objective 3: Future Programme

- How can the objectives of the current Aid Regulation be met in medium to long-term (up to 2020). State the assumptions made, particularly with respect to the potential settlement scenario.
- What assistance programme, in outline terms, is recommended for the period 2014-2020, considering a range of budget options.
- In the case of constrained budgets (similar to those for 2012 and 2013-€28 million/year), which are the areas recommended for concentration? How would the objectives of the Aid Regulation be met in such circumstances?

2.4.3 Methodology

DG ELARG's Evaluation guide (attached) and DG Budget's guide "Evaluating EU activities – a practical guide for the Commission Services" provide guidance on good practices concerning conducting an evaluation.

Notwithstanding the above, the following aspects and assumption for the methodology and evaluation tools should be taken as a minimum requirement for the present project:

1. The evaluation and methodology approach should take in consideration the specific situation relative to the Aid Programme and the particular situation of Cyprus.
2. Data collection should be based on the documents and information provided by the Commission Services and the beneficiaries as well as collected during the research, interviews and field observation (if/where appropriate).

As a guidance, the evaluation should follow the steps described below:

1) Field Phase

- Collection and analysis of relevant documentation;
- Completion of the evaluation approach and methodology;

- Identification of the needs for interviews;
- Drafting and submitting a brief inception report (two weeks after start of the field phase), which
 - summarises the objectives, scope and outputs of the evaluation,
 - provides the final evaluation questions,
 - describes the methodological approach, including the judgement criteria to be used,
 - presents a work plan for the field and reporting phases.
- The field phase will include previous/current personal interviews in Cyprus and analysis of relevant information. E-mail questionnaires and other tools may complement personal interview and analysis of information.
- Conclusions and recommendations stemming from the field phase and presentation in Nicosia and Brussels

2) Synthesis Phase

This phase is mainly devoted to the preparation of the evaluation report based on the work done during the field phase and taking into consideration the outcomes of the briefing meetings.

The evaluator will make sure that his/her assessment is objective and balanced, affirmations - accurate and verifiable, and will present findings, conclusions and recommendations following a logical cause-effect linkage. When formulating findings and conclusions, the evaluator should describe the facts assessed, the judgement criteria applied and how this led to findings and conclusions.

Recommendations should address the weaknesses identified and reported. Recommendations should be operational and realistic in the sense of providing clear, feasible and relevant input for decision making. They should not be general but should address the specific weaknesses identified, clearly indicating the measures to be undertaken. Recommendations for action will be addressed to the Commission. However, where appropriate, the evaluator should specify the role of any actor other than the Commission, including beneficiary institutions, in implementing the recommendations.

The consultant is required to use his/her professional judgement and experience to review all relevant factors and to bring these to the attention of the Commission.

The Draft Final Report should be sent to the Commission at the end of the Synthesis Phase.

3) Draft Final Report Approval Phase

Comments from the stakeholders and the Commission will be sent by the Commission to the consultants during this phase.

4) Presentation Phase

The final report will be delivered and presented by the Team leader in Brussels and Nicosia.

2.4.4. Quality Control

Internal quality control

The evaluator should ensure an internal quality control during the implementing and reporting phase of the evaluation. The quality control should ensure that the draft reports comply with the above requirements and meet adequate quality standards before sending them to the

Commission for distribution to stakeholders for comments. The quality control should ensure consistency and coherence between findings, conclusions and recommendations. It should also ensure that findings reported are duly substantiated and that conclusions are supported by relevant judgement criteria.

Quality control by the Commission

The inception report will be reviewed locally in Nicosia by the Commission. At a later phase for the draft final report, the Commission will coordinate the collection of input from other stakeholders. The Commission will return the consolidated comments to the Consultant before production of the Final Report.

2.4.5. Sources of information

Sources of information to be used include:

- Planning and programming documentation and strategic documents;
- Project fiches;
- Monitoring reports;
- Previous relevant Interim and Ex-post evaluation reports;
- Available publications, surveys and reviews;
- Interviews and other survey methods;
- Relevant Strategies for TCc.

2.5 Required outputs

The outputs of the evaluation are:

(1) Inception report.

(2) The overall programme evaluation report. The report will include the four sections below:

1. An executive summary.
2. Lessons learned and judgement on the logic of the overall strategic intervention,
3. A judgement on the performance/expected performance as per specific objective 2,
4. Recommendations on both the strategic direction of future programming and the delivery mechanisms for assistance.

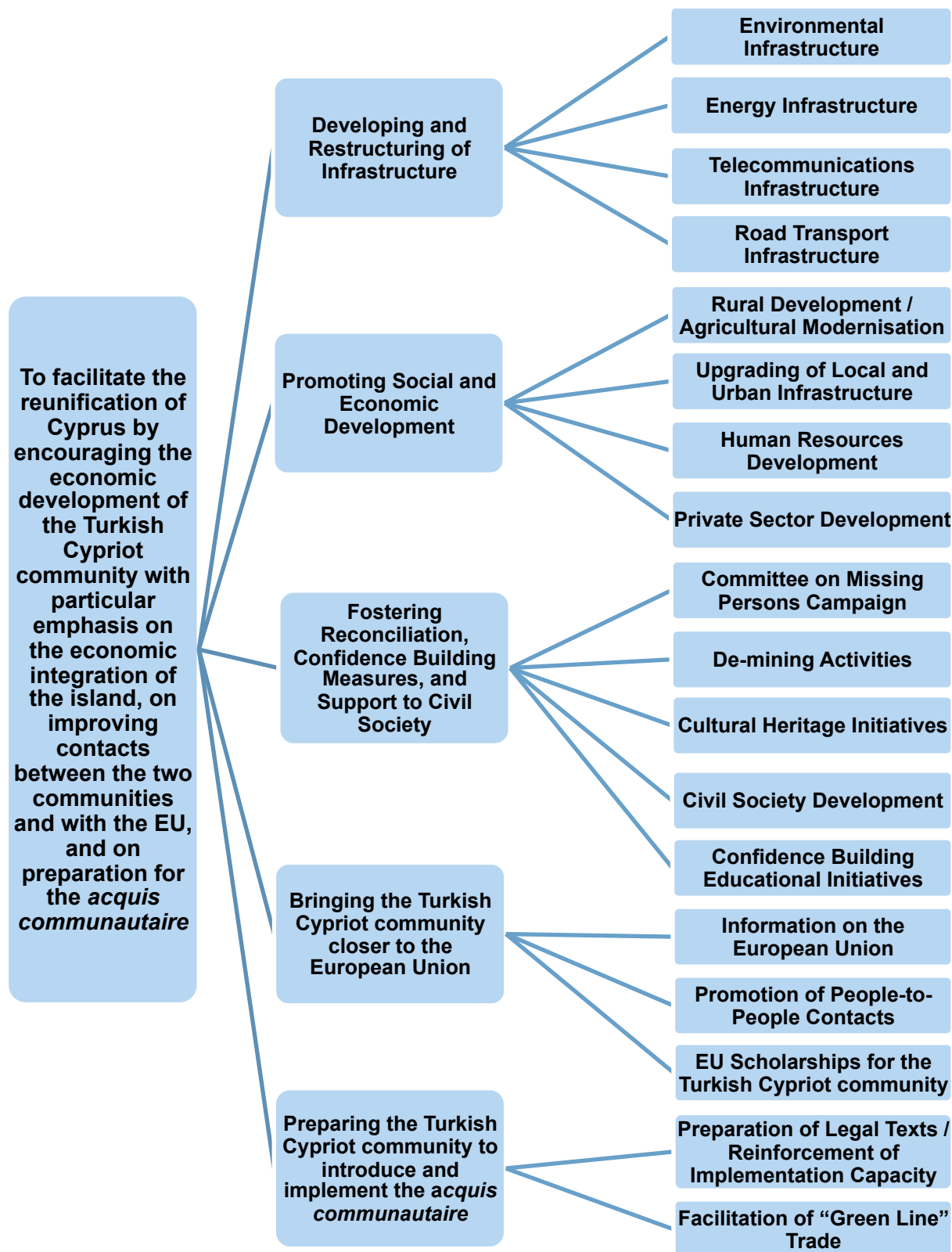
The evaluation report should specifically answer each of the evaluation questions as per section 2.4.2.

(3) Presentation and discussion of the reports both in Brussels (one presentation) and in Nicosia (one presentation).

The final report should include a list of the meetings held and period mobilization of all experts.

The outputs of this evaluation will be presented in the English language.

Annex 2: Programme Global, Strategic, and Specific Objectives



Annex 3: Programme Financial Performance Data

The allocation of EC funding linked to the implementation of the instrument of financial support for encouraging the economic development of the Turkish Cypriot community has been undertaken on the basis of **eleven EC Decisions**: adopted in 2006 (x5), in 2009 (x1), in 2010 (x1), in 2011 (x2), and in 2012 (x2). Together they establish **48 specific projects** addressing the five strategic objectives of the “Aid Regulation”; seven projects via a TA Facility / Programme Reserve Facility to provide wider technical assistance activities and support linked to programme implementation and the achievement of the strategic objectives.

An overview of the financial performance is provided below: at the overall programme level, at the strategic objectives level, and at the projects level. The **financial data is valid as of 31/12/2012** the “cut-off-date” for this evaluation.

The contracting deadline for the 2006, the 2009 and the 2010 programmes were, respectively, late-2009, mid-2011, and the end of 2012. Procurement linked to the 2011 and the 2012 programmes are on-going – the contracting deadlines are mid-2014 and late-2015.

Table 2: Financial Performance Data – Aid Programme for the TCc

EC Decision (Programme for the TCc)	EC Decision (Date)	EC funding (€ mil.)	Contracted (€ mil.) (31/12/2012)	Contracted (%) (31/12/2012)	Disbursed (€ mil.) (31/12/2012)	Disbursed (%) (31/12/2012)
Aid Programme (Part I)	27/10/2006	38.100	38.100	100	35.770	93.88
Aid Programme (Part II)	15/12/2006	197.550	196.416	99.43	154.687	78.30
TAIEX	26/06/2006	4.500	4.500	100	4.500	100
TA Facility (Part I)	23/06/2006	3.100	2.833	91.38	2.702	87.16
TA Facility (Part II)	22/12/2006	5.900	5.406	91.62	4.610	78.14
Aid Programme	08/10/2009	2.500	1.997	79.87	1.775	71.00
Aid Programme	11/10/2010	3.000	3.000	100	2.936	97.86
Scholarships	28/01/2011	1.500	1.483	98.87	1.326	88.38
Aid Programme	27/06/2011	26.500	13.982	52.76	4.663	17.60
Scholarships	10/07/2012	0.800	0.216	26.98	0.130	16.23
Aid Programme	22/11/2012	27.200	2.045	7.52	0	0
AID PROGRAMME – TOTAL		310.650	269.978	86.91	213.099	68.60

Table 3: Financial Performance Data – Strategic Objectives

Aid Programme Objective	EC-funding (€ mil.)	% Contracted (31/12/2012)	% Disbursed (31/12/2012)
Developing and Restructuring of Infrastructure	136.750	99.02	68.83
Promoting Social and Economic Development	90.150	74.26	70.99
Fostering Reconciliation, Confidence Building Measures and Support to Civil Society	29.000	85.35	72.99
Bringing the Turkish Cypriot community closer to the European Union	17.000	58.84	55.15
Preparing the Turkish Cypriot community to introduce and implement the <i>acquis communautaire</i>	22.910	95.38	71.69
Technical Assistance for the Implementation of the Programme / Programme Reserve Facility	14.840	73.55	53.36

Table 4: Financial Performance Data – Projects

Nº	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012)	% Disbursed (31/12/2012)
Objective 1: Developing and Restructuring of Infrastructure					
Specific Objective 1 – Protecting the Environment					
1	Sector programme for upgrading the quality and management of water supply and sanitation services	2006	71.60	117.11	69.54
2	Support to the TCc as regards management and protection of potential Natura 2000 sites in the northern part of Cyprus	2006	5.00	106.99	94.36
3	Solid waste sector programme for the Turkish Cypriot community	2006	21.20	92.23	82.50
4	Feasibility study for the rehabilitation of the Lefke mining area	2006	0.90	100.72	100.72
Specific Objective 2 – Improving Management of the Energy sector					
5	Upgrading the management of the energy sector	2006	5.00	120.72	118.13
6	Development and restructuring of the energy infrastructure – Part II	2006	8.75	61.05	60.31

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N°	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012)	% Disbursed (31/12/2012)
Specific Objective 3 – Improving Traffic Safety					
7	Improving traffic safety	2006	2.80	97.30	86.73
Specific Objective 4 – Telecommunications					
8	Development and restructuring of telecommunications infrastructure	2006	14.00	82.98	54.37
2012 – Aid Programme					
9	“Infrastructure”	2012	7.50	0.47	0
9	Objective 1 – Sub-Total		136.75	99.02	68.83

Objective 2: Promoting Social and Economic Development					
Specific Objective 1 – Promoting Rural Development					
10	Rural Development Programme	2006	29.70	100.46	104.71
11	Rural Development Programme	2011	7.65	27.01	5.45
Specific Objective 2 – Upgrading of Local and Urban Infrastructure					
12	Upgrading of local and urban infrastructure	2006	7.00	100	100
13	Upgrading of local and urban infrastructure – Part II	2006	8.00	122.30	110.73
Specific Objective 3 – Promoting Human Resources Development					
14	Human Resources Development Sector Programme	2006	7.80	97.51	92.14
15	Support to innovation and change in schools	2009	0.50	95.02	85.62
16	Support to innovation and change in schools	2011	0.70	0	0
Specific Objective 4 – Promoting Private Sector Development					
17	Micro and Small Enterprises (MSME) Loan programme	2006	9.00	0	0
18	Sustainable economic development and ICT sector programme	2006	6.20	112.45	93.75
19	Supporting private sector development within the TCc	2006	2.50	127.93	127.93
20	Private sector development programme	2011	5.60	0	0

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N°	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012)	% Disbursed (31/12/2012)
2012 – Aid Programme					
21	2012 “Social & Economic Devp.”	2012	5.50	0.18	0
12	Objective 2 – Sub-total		90.15	74.26	70.99
Objective 3: Fostering Reconciliation, Confidence Building Measures and Support to Civil Society					
22	Reconciliation, confidence building measures and support to civil society	2006	9.00	113.95	103.53
23	De-mining assistance programme	2006	6.50	99.94	99.94
24	Support to the development of new trends in history teaching for reconciliation and stability in Cyprus	2006	1.00	0	0
25	Contribution to the Committee on Missing Persons Campaign	2010	3.00	100	97.86
26	Contribution to the Committee on Missing Persons Campaign	2011	1.00	100	85
27	Support to Civil Society Organisations	2011	1.00	0	0
28	Support for the Cultural Heritage monuments of great importance for the communities of Cyprus	2011	2.00	100	77.82
29	2012 “Reconciliation, CBM, CSO”	2012	5.50	36.36	0
8	Objective 3 – Sub-total		29.00	85.35	72.99

Objective 4: Bringing the Turkish Cypriot community closer to the European Union					
30	Information on the European Union political and legal order	2006	1.50	87.54	78.32
31	Promotion of youth exchanges and other people-to-people contacts	2006	3.00	34.93	30.76
32	Community scholarship programme	2006	5.00	92.40	90.81
33	Scholarships Programme	2009	1.50	88.23	85.38
34	Scholarship Programme	2011	1.50	98.87	88.38
35	Scholarship Programme	2012	0.80	26.98	16.23
36	2012 “Bringing TCc closer to EU”	2012	3.70	0	0
7	Objective 4 – Sub-total		17.00	58.84	55.15

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N°	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012)	% Disbursed (31/12/2012)
Objective 5: Preparing the Turkish Cypriot community to introduce and implement the <i>acquis communautaire</i>					
37	Establishing the TAIEX programme for the TCc	2006	4.50	100	100
38	TA to support legal transposition as well as implementation of the <i>acquis</i> through TAIEX instrument – Part II	2006	6.50	141.54	138.45
39	Capacity building programme in the environment sector	2006	2.46	46.37	45.43
40	TA to prepare for the future implementation of the <i>acquis</i> through the TAIEX instrument	2011	6.15	113.98	29.40
41	2012 “TAIEX”	2012	3.30	0	0
5	Objective 5 – Sub-total		22.91	95.38	71.69

Technical Assistance for the Implementation of the Programme / Programme Reserve Facility					
42	Technical Assistance Facility to support the implementation of the instrument – Part I	2006	3.10	91.38	87.16
43	Technical Assistance Facility to support the implementation of the instrument – Part II	2006	5.90	91.62	78.14
44	Unallocated Technical Assistance and Programme Reserve Facility	2006	1.24	46.09	41.87
45	Technical Assistance Facility	2009	0.50	39.64	13.25
46	Technical Assistance Facility	2011	1.90	100	1.15
47	Programme Reserve Facility	2011	0.50	0	0
48	Programme Support Facility	2012	1.70	0	0
7	TA Facility / Reserve Facility – Sub-total		14.84	73.55	53.36

Annex 4: Detailed Programme Evaluation

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Annex 4.1: Objective 1 – Developing and Restructuring of Infrastructure

With regard to the “Aid Regulation” / assistance programme’s strategic objective of “Developing and Restructuring of Infrastructure” this has been addressed via nine projects.

The assistance aims to contribute to the solution of the Cyprus problem by redressing the serious gaps in key infrastructure and related service provision in the northern part of Cyprus – in particular in areas of the environment and water supply, energy, telecommunications, and transport – to facilitate preparations to meet the demands of the *acquis communautaire*.

Table 5: Objective 1 Projects – “Developing and Restructuring of Infrastructure”

Nº	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012) ¹	% Disbursed (31/12/2012)
1	Sector programme for upgrading the quality and management of water supply and sanitation services	2006	71.60	117.11	69.54
2	Support to TCc as regards management and protection of potential Natura 2000 sites in the northern part of Cyprus	2006	5.00	106.99	94.36
3	Solid waste sector programme for the Turkish Cypriot community	2006	21.20	92.23	82.50
4	Feasibility study for the rehabilitation of the Lefke mining area	2006	0.90	100.72	100.72
5	Upgrading the management of the energy sector	2006	5.00	120.72	118.13
6	Development and restructuring of the energy infrastructure – Part II	2006	8.75	61.05	60.31
7	Improving traffic safety	2006	2.80	97.30	86.73
8	Development and restructuring of telecommunications infrastructure	2006	14.00	82.98	54.37
9	2012 “Infrastructure”	2012	7.50	0.47	0

¹ Contracting deadline: for 2006 projects = 4Q/2009; for 2012 = on-going

Objective 1:

Programme Intervention Logic

To what extent are objectives at different level clear, measurable, and realistic?

With regard to achievement of the strategic objective “Developing and Restructuring of Infrastructure” four specific objectives / operational priorities for intervention have been targeted by the assistance programme, namely:

- Environmental Infrastructure (Projects 1–4 and 9)
- Energy Infrastructure (5 and 6)

- Telecommunications Infrastructure (8)
- Traffic Safety (7 and 9)

In terms of the strategic relevance of the four specific objectives/priorities each is logical regarding a clear linkage to the strategic objective (“Developing and Restructuring of Infrastructure”) and also in regard to addressing needs of operational relevance to the beneficiary; following years of underinvestment the needs in terms of the rehabilitation of infrastructure, and the upgrading of services to meet the demands of the *acquis* is significant.

The intervention objectives of the projects were assessed for the extent that the objectives at different level (Wider Objective, Immediate Objective, Results/Outputs) are clear, measurable, and realistic, i.e. are ‘SMART’. *[For intervention objectives the criteria have the following meanings: Specific (appropriately positioned, scoped and focused within the objectives hierarchy); Measurable (quantified, or potentially quantifiable, through the use of appropriate indicators); Achievable (in the light of the position in the intervention logic and assumptions made at the preceding level); Relevant (to EU and beneficiary requirements); Time-bound (provide a timeframe by which planned benefits should be achieved)]*

The formulation of the intervention objectives is generally good reflecting a logical planning methodology generally practised with infrastructure projects, although in some cases there is confusion in terms of the positioning of the objectives within the hierarchy of goals – notably the scoping of objectives does not always provide sufficiently ‘Specific’ demarcation of the intended development effects to be achieved at the level of Immediate Objective and the level of Results/Outputs. This reflects that most of the objectives are not ‘Time-bound’.

To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient and effective projects to achieve the strategic objectives?

The strategic relevance of the four specific objectives is assessed to be good, reflecting obligations arising from membership of the EU and the need to close the significant gaps in infrastructure provision and quality, and the significant investment costs and often longer timeline for implementation of works, capacity building etc. promoting increased standards and service provision to consumers and contributing to reducing the costs of reunification. The short-term infrastructure investment projects have been selected for the benefits they will provide over the long-term. In this respect key issues in their programming are possible impediments to the efficient execution of contract implementation such as property issues and absorption capacity, and the risks to effectiveness should sustainability not be secure.

Relevance of **Environmental Infrastructure** projects is good. There are substantial civil engineering construction components and technical assistance for capacity building and project preparation, which aim to address the development requirements of the TCc beneficiaries – particularly at the municipal level, and the Lefke Feasibility Study aims to identify remedial environmental measures. Project design, preparation, and selection for the initial programme under the “Aid Regulation” was guided by the findings of various master plans and studies prepared for and endorsed by the TCc. The water supply and sanitation services sector programme was informed by a 2004 EU-funded UNDP-PFF study, a master planning study started in December 2005, and a subsequent independent review conducted in 2011 to inform future programming. The Natura 2000 project derives from an EU LIFE project conducted in 2002. The solid waste sector programme was informed by a 2004 EU-funded UNDP-PFF study. The Lefke project meets the need for a study applying EU

methodology and norms. Because the Environmental Infrastructure priority is likely to be the most affected by the issue of disputed property rights, certain flexibility was built into the programme by selecting reserve projects in case some could not go ahead. Budget calculations were based on reasonable estimates of costs at the time of programming, considering the specific situation of northern Cyprus. Value-for-money is evaluated as good; there were no identified impediments to implementing the projects within budget.

Relevance of **Energy Infrastructure** projects is strong. There are components for equipment procurement and technical assistance, including also project management, which aim to improve energy efficiency of the TCc beneficiaries and support preparation of the TCc for full interconnection capability with the Republic of Cyprus. Project design, preparation and selection was based on the findings and recommendations of a 2004/2005 EU-funded UNDP-PFF study to determine the present situation, identify and analyse stakeholders and define priorities for further EU-funding. Programming acknowledged the inadequate absorption capacity as a risk to achievement of efficiency and effectiveness, identifying in particular the likely complexity of the relationship between contractor(s) and beneficiary.

Relevance of the **Telecommunications Infrastructure** project is strong. There are components for equipment procurement, including training and commissioning, and technical assistance, including project management and capacity building, which aim to support *acquis* compliant legal reform of the sector and improve the technical telecommunications infrastructure of the TCc to meet current and future requirements including interconnectivity with the Republic of Cyprus. Project design, preparation, and selection were based on the findings and recommendations of a 2006 EU-funded UNDP-PFF study, which provided a general assessment and identified priorities for assistance. The achievement of efficiency and effectiveness was taken into account during programming, which recognised the prudence, prior to tendering and contracting, of undertaking additional feasibility studies to test findings of the initial feasibility study, and to prepare technical specifications providing interconnectivity for a reunified Cyprus.

Relevance of the **Traffic Safety** project is strong. It consists of a package of seven independent activities comprising technical assistance, including project management, equipment procurement, and works, with the combined aim of reducing yearly traffic accident fatalities. Project design, preparation, and selection of the project was based primarily on statistics and targets of the European Road Safety Action Programme, which in comparison with equivalent statistics for the TCc, highlighted the potential for making big differences. The programming recognised the numerous TCc institutions required to be engaged in the project and emphasised the need for their full commitment.

Overall the planned actions were very ambitious in relation to the absorption capacity of the beneficiaries. Insufficient provision was made for buffer periods of time needed for contingencies, and in general the programming of activities had to proceed in an uncertain political environment. There could be no assurance that activities would be continued or results realised if there was non-adherence to policy, if there was inertia of the decision-making system or if adoption of new legislation was to be frustrated.

The inadequate capacity and incomplete TCc administrative structure (in formal terms) at the time of programming meant that identifying beneficiaries or potential beneficiaries with sufficient capacity for the role, was often difficult. As an example the 'Environment Protection Unit' was the TCc body designated with overall responsibilities in the environment sector. However, it lacked the resources to fulfil them. In practice responsibility for water

management issues was split between the 'Department of Geology and Mines' and the 'Department of Water Works', with larger municipalities also having some operational responsibilities in the area; the absence of a single dedicated water planning and development organisation with the competence to effectively manage collaboration between competing interests in such a water scarce situation was a serious handicap.

To what extent programming provides adequate prioritisation and sequencing of assistance?

The historical context of the island of Cyprus was a significant factor in the programming of the 2006 Aid Programme and especially so for the priorities under Objective 1 "Developing and Restructuring of Infrastructure" (49.9% of the 2006 programme budget). Many of the infrastructure projects included were large and stand-alone, which were selected to provide clear, highly visible, and substantive evidence of EU support for economic development and preparation for implementation of the *acquis communautaire*. As outlined above, selection of the **Environmental, Energy, and Telecommunications Infrastructure** projects was based on the findings and recommendations of studies commissioned for the purpose of identifying priority actions. In the case of the **Traffic Safety**, selection of the activities was based on identifying the key issues assessed as necessary to reduce traffic fatalities.

Individually the design of each project takes full account of prioritisation and sequencing of actions in their implementation, with the aim of ensuring coherence. Overall programming anticipated that the capacity support content of the projects would be complementary to and augmented by linked activities for future application of the *acquis*, e.g. via the TAIEX instrument.

The water and sanitation sector programme of the **Environmental Infrastructure** project made provision for reserve projects to be included in the project preparation activity as a precaution in the event the pre-investment feasibility studies might highlight problems that could lead to serious delays in implementation. Whereas the **Energy, Telecommunications, and Traffic Safety** projects are provided to the wider TCc via 'central' beneficiary institutions, the water and sanitation sector programme of the **Environmental Infrastructure** is provided more narrowly to local populations via beneficiary municipalities.

Priority projects were selected on their individual merits and not as components of a vertical sequence of activities. However, given that there were reserve projects at the time of selecting priority projects for the 2006 programme, there is the possibility for selection from among the alternative projects during subsequent programming. This could possibly apply in the water and sanitation sector programme, particularly through the provision of additional WWTP facilities. However, the size of the 2012 programme budget is insufficient to offer such support and instead provides supplementary support to strengthen the effectiveness of 2006 programme projects for **Environmental Infrastructure** (water and sanitation, Güngör landfill and Natura 2000) and **Traffic Safety**. These may be judged as sequenced actions because they follow and complement previous actions, though realistically they are expedient actions compensating for expiry of programme deadlines etc.

To what extent programming takes adequate and relevant account of beneficiaries' policies, strategies, and reform processes in relevant key areas?

Assessment of this evaluation question was done by reference to relevant sections of project fiches and the content of the sector studies outlined in the Evaluation Questions above.

In regard to **Environmental Infrastructure**, account was taken of the policies, strategies etc. of beneficiaries at the 'central' level in the case of the solid waste sector and the Natura 2000 project and at the municipal level, where mayors are key stakeholders in the case of the water supply and sanitation services sector. Furthermore the bi-communal nature of water supply and sanitation services was taken into account; developments in the Republic of Cyprus towards shared planning of water resources on a catchment-wide basis and the establishment of monitoring and compliance in accordance the *acquis* was accommodated.

In regard to **Energy Infrastructure**, programming reflected the policies, strategies etc. of the TCc beneficiary at the 'central' level, priorities, which also include seeking elements of complementary support from Turkey to strengthen the system. However, a weakness of the programming that emerged was the lack of commitment to all the policies, strategies etc. by the recipient beneficiary, Kib-Tek, the electricity company belonging to the TCc. Because of an absence of any influence from the 'central' level, no action was taken to resolve the weakness, which concerned the antipathy of Kib-Tek towards new management activities.

In regard **Telecommunications Infrastructure**, programming reflected the policies, strategies etc. of the TCc beneficiary at the 'central' level to prepare for liberalisation of the telecoms market in accordance with the *acquis* and equip the system for "next generation" capabilities. A weakness of programming that emerged was the lack of commitment of the recipient beneficiary, the 'Telecoms Office', to legal reform activities and implementation of the supply contract, and the complications resulting from separating retail and wholesale parts of the 'Office' in the TCc environment, although programming envisaged such risks.

In regard to **Traffic Safety**, programming sought more to encourage the development and enforcement of policies rather than reflect existing policies. Some twelve TCc institutions comprise the 'Road Safety Commission' and, because of the absence of a senior 'institution' granted the competence for overall direction of the sector, it is weak.

To what extent programming takes adequate and relevant account of assistance provided and reforms promoted by key donors where applicable?

The extent to which programming took account of assistance provided and reforms promoted by key donors where applicable, was assessed on the basis of the content of project fiches, plus also of what had been learnt about the general circumstances regarding beneficiaries and donors at the time of programming. The record of the assistance being provided and reforms promoted by most of the available key donors is well documented. Notable examples are the EU-funding implemented via UNDP-PFF since 2001, METAP⁶ funding for preparation of the Nicosia wastewater master plan, and USAID funding of environmental support actions.

Turkey is also a key donor and its considerable activities include: replacing water distribution pipelines in smaller municipalities and parts of larger ones; replacement of a 24 kilometre section of the water pipeline from Kumköy to Serhatköy; funding part replacement of equipment at the Kyrenia WWTP and construction of an effluent sea outfall pipeline; funding replacement of the Morphou/Nicosia/Famagusta conveyor; and renovation of the electricity transport network and transforming capacity to improve reliability of the system. However,

⁶ Mediterranean Environmental Technical Assistance Programme (METAP), a partnership among the EU, the European Investment Bank, the UNDP, Switzerland, Finland, and the World Bank.

programming could not take into account future assistance from Turkey in a transparent way because of the lack of direct communication between Turkey and the EU on such matters.

In contrast to **Environmental**, **Energy**, and **Traffic Safety**, there have been no major activities by donors in regard to **Telecommunications Infrastructure**.

To what extent programming and monitoring mechanisms include SMART (Specific, Measurable, Available, Relevant and Time-bound) indicators to measure progress towards achievement of objectives?

The indicators of achievement of the projects were assessed for the extent that the indicators at different level (Wider Objective, Immediate Objective, Results/Outputs) are 'SMART' for the purposes of monitoring and of evaluation. *[For indicators of achievement the 'SMART' criteria have the following meanings: Specific (clearly defined, and closely linked to what they are trying to measure); Measurable (variables which can be objectively assessed and numerically expressed); Available (already exist or can be collected at reasonable cost and effort); Relevant (related to the core problems and needs addressed by interventions); Time-bound (based on a timeframe by which planned benefits should be achieved)]*

The formulation of the projects' indicators of achievement linked to Objective 1 ("Developing/Restructuring of Infrastructure") is generally good, though weaknesses do exist. Most of the indicators are 'Measurable' although in many cases the indicators are not quantified in terms of targets, while the majority of indicators are also not 'Time-bound'. Furthermore, no baseline data is provided so as to measure medium-term progress, e.g. "reduced" levels of leakage. In some cases the indicators could be strengthened in terms of being more 'Specific' in their definition of terms, e.g. what constitutes a "good" result from routine sampling and analysis. Additionally, a number of projects have insufficient indicators to define the 'Specific' Results/Outputs to be delivered, simply defining indicators in terms such as "project implemented". Thus progress in terms of infrastructure and service provision improvement during project delivery and over the medium-term cannot always be measured. However, the quality of the **Environment** project linked to the solid waste sector programme is specifically noted for providing a good example of, generally, well-formulated 'SMART' indicators of achievement covering the whole project-cycle. The 2012 project linked to Objective 1 is also noted for the improved quality of its indicators compared to 2006 projects.

Which are the main gaps/weaknesses of the current programming framework?

How can programming of assistance be enhanced to more efficiently and effectively reach strategic objectives?

How can programming be enhanced to improve the impact and sustainability of financial assistance?

Technical cooperation at the programming level between the two Cypriot communities linked to "Developing and Restructuring of Infrastructure" is a constraining factor of the programme. Whereas there are bi-communal projects, such as the Mia Milia / Haspolat WWTP, in which both communities have a common interest, the existence of substantive island-wide or of bi-communal strategies linked to infrastructure development are limited other than those in the Environment sector adopted by the bi-communal Technical Committee supporting the process of talks between the two communities. Linked to the infrastructure initiatives under the Aid Programme the Republic of Cyprus is sensitive regarding EU-funded actions that

provide potentially unilateral infrastructure support to the TCc that may compromise or duplicate island-wide capacity post-reunification and seeks to ensure that this is respected.

The absence of full awareness of planned donor activities by Turkey is also a weakness of programming, although for the mainly 'hard projects' of "Developing and Restructuring of Infrastructure" the supply of information has generally been sufficient to ensure programming has been coherent and complementary, and the duplication of activities has been avoided.

A weakness of design of **Environmental Infrastructure** projects, particularly solid waste, relates to an under-estimation of the size of the existing population and rate of population growth, probably due to a lack of contemporary demographic data. Some of the newly constructed facilities are already at the limit of their capacities e.g. the Güngör sanitary landfill. Weaknesses of programming emerged for the **Energy Infrastructure** and **Telecommunications Infrastructure** projects linked to very poor commitment by the management of the respective recipient beneficiaries and the limited influence exerted by anyone at the 'central' level.

Programming is good overall but there are several ways by which it might possibly be enhanced. Generally involving beneficiaries, including the 'EUCC', more through briefings and feedback at the start of programming, and individually during preparation and development of the projects, might encourage them to have stronger ownership of those projects. Specifically as regards the strategic objective "Developing and Restructuring of Infrastructure" where sector level actions being programmed are intended to benefit the communities of more than one municipality, it should be an essential prerequisite that those municipalities have formal cooperation agreements and are encouraged to work in partnership by being given joint responsibilities for appropriate elements of the programme.

Whereas, quite reasonably, the property issue was previously included in programming documents as a general risk, there should now be sufficient working experience of property issues – their consequences and how they are best avoided – to enable the EC to identify minimum risk options at the time of programming.

Objective 1: Programme Implementation Performance

Are the administrative and organisational structures in place ensuring efficient and effective implementation of financial assistance?

Programming Level

The administrative and organisational structures in place for managing the programming process linked to Objective 1 ("Developing/Restructuring of Infrastructure") are, generally, suitable. The programming process (project design, preparation, selection) is generally good:

- Most actions are identified within a clear programming framework, developed in consultation with a broad range of partners and target group beneficiaries;
- Suitable consideration is provided as to the policies, strategies etc. of the beneficiaries, although the level of ownership and long-term commitment of the recipient beneficiary can be variable in terms of undertaking the restructuring of organisations;
- Following the prioritisation of assistance for Objective 1 under the 2006 programme the smaller-scale funding under the 2012 programme provides suitable continuity;

- The programming process is increasingly also informed via periodic evaluations of the specific objectives/priorities, e.g. the effectiveness of delivery mechanisms, impacts;
- However, weaknesses exist in terms of the definition of 'SMART' indicators of achievement – as outlined above linked to “Programme Intervention Logic”.

Implementing Level

The administrative and organisational structures in place managing project implementation linked to “Developing and Restructuring of Infrastructure” are, generally, suitable.

Reflecting the scale of funding linked to **Environmental Infrastructure** three EC Task Managers are presently based at the EUPSO to manage and oversee the implementation processes. The projects are predominantly implemented on the basis of contracts for works – approximately 80% of the € 110 million allocated for Environmental Infrastructure under the 2006 programme – with a smaller allocation of funds for the supply of related technical equipment – approximately 4% of 2006 funding for the sector – plus via the provision of associated technical assistance services, e.g. linked to the detailed technical design and specification for the works, or the supervision and control of the delivery of the works, or the development of management plans and capacity building actions, etc. In accordance with the norms for EU-funded civil engineering contracts the administrative structure of the core construction elements was guided by standard FIDIC⁷ contract conditions.

The procurement process has generally been well managed despite some constraints; approximately 40 contracts were concluded linked to the 2006 programme assistance in the area of **Environmental Infrastructure**, although a number of the contracts were concluded only in late 2009 just prior to the contracting deadline. The initial service contracts to support detailed design of the actions were concluded in 2007 and 2008, with the works' supervision and the works and supply contracts concluded in 2009. Linked to the water supply and sanitation services sector programme delays were experienced partially due to the quality of the services linked to the detailed technical design/specification of the actions. Partially this reflected that a number of the works contracts were for infrastructure elements forming part of an integrated network e.g. a contract for a WWTP at Morphou and a contract for a sewerage network to supply it, and similarly for Famagusta. Therefore care had to be taken that contracting for the WWTPs was done after contracting of the sewerage networks, although with a risk of a prolonged period for contracting. Additionally, all bidders exceeded the estimated budgets for the WWTPs of Morphou and Famagusta and for the Kumköy desalination plant, which required further detailed review of cost-estimations/proposals and consideration of the possibility that savings might emerge linked to the procurement of other water projects or via reallocations within the overall 2006 programme. Linked to the Natura 2000 project the procurement of works was delayed due to uncertainties surrounding the formal designation of the specially protected areas and the implementation of the works due to the delayed approval of relevant construction permits.

Project implementation is overseen by the EC and project partners via a series of progress meetings attended by the nominated representatives for the key roles of employer, engineer, supervisor etc., traditionally on a monthly basis or increased frequency at critical milestones. Generally this has functioned well as a means to manage the achievement of the projects' goals and to identify implementation delays and implementation risks, e.g. in the case of the

⁷ Fédération Internationale des Ingénieurs-Conseils

works contracts linked to the Kumköy desalination plant and for Natura 2000 the EC was forced to terminate the contracts due to the risks and the non-compliance of project partners.

Projects linked to **Energy Infrastructure**, **Traffic Safety**, and **Telecommunications Infrastructure** are implemented on the basis of contracts for the provision of technical assistance services to support reform processes, organisational restructuring, training, awareness-raising etc. and – notably in the areas of **Energy** and **Telecommunications Infrastructure** – also via the supply/installation of related technical equipment and infrastructure as well as via small-scale works. In each of the areas the EC’s management and oversight of the projects’ different contracts was supported via a core service contractor responsible for capacity building and project monitoring – across the three priorities approximately 30 contracts were concluded under the 2006 programme. Project implementation is additionally overseen by the EC via regular Project Steering Committees. The key weakness linked to the organisational structures in place in regard of the three priority areas is the uncertainty in terms of the commitment of the beneficiaries, e.g. in terms of the adoption of relevant legislation, or the reorganisation of implementation competences.

To what extent are the monitoring mechanisms and structures appropriate and correctly functioning?

Programming Level

The monitoring mechanisms and structures in place supporting the programming process linked to Objective 1 (“Developing and Restructuring of Infrastructure”) are suitable. The 2012 programme is appropriately built on the EC’s monitoring of previous actions, lessons learned and the evaluation of support to the priority areas under the 2006 programme.

Implementing Level

Project implementation monitoring-data is primarily obtained by the EC on the basis of the regular monitoring of actions undertaken by the Task Managers at the EUPSO, notably via a series of Project Steering Committees and monthly progress meetings in the case of works projects. In addition contractors provide standard project progress and final reports. Task Managers also prepare a “Project Fiche Monthly Report” to summarise the status of projects, e.g. key actions undertaken, key issues, and prospects. Additionally, project/programme management has been supported by the monitoring of implementation of the contracted activities by the core service contractor provider/supervisor per priority area.

Recognising the timeframes required for project implementation linked to “Developing and Restructuring of Infrastructure” – e.g. the absolute deadline for contract execution linked to the 2006 programme is mid-2014 – a constraint in terms of the sufficiency of the administrative and the monitoring structures has been the turnover of staff based at the EUPSO. Turnover occurs after maximally three-years of service, which can lead to a loss of institutional memory and the weakening of relationships with stakeholders. Some gaps in the appointment of Task Managers have occurred due to the difficulty of finding suitably technically qualified replacements linked to the Objective 1 priorities and the range of contracting mechanisms. Partially this has been mitigated via the Task Managers based at the EUPSO temporarily acting in a caretaker role for the administrative tasks linked to project implementation, supported by the Head of Section at the EUPSO linked to the key issues of consultation with the beneficiaries, e.g. on reforms linked to preparation for future application of the *acquis* and legislative matters.

To what extent visibility, promotion and ex-post publicity activities increase effectiveness of the EU Aid Programme?

Programming Level

In terms of visibility etc. activities supporting effectiveness at the programming-level – the identification, formulation, negotiation, and adoption of the EC Decision on programme financing – such visibility etc. activities are primarily driven by the goal of transparency, and so as to develop awareness among the target group of beneficiaries (direct and in-direct).

Implementing Level

At the implementing-level visibility etc. activities are primarily undertaken by the project contractors or implementing partners. The EC's guidance in respect to the management of such activities is provided in EuropeAid's "The Communication and Visibility Manual".

Overall, the visibility of the infrastructure projects is limited. In regard **Environmental Infrastructure** the visibility actions (e.g. web page of the EPD⁸ or video of the Mia Milia/Haspolat WWTP) are either not known or not accessible to the wider public. In Famagusta defects in the wastewater network system were publicised, resulting in a much greater proportion of the population becoming aware of EU activities to improve infrastructure provision. In regard **Energy Infrastructure** and **Telecommunications Infrastructure** little visibility has been achieved because the projects are performing poorly and, although contract activities have been implemented, the intended tangible benefits are not yet available to the wider public. By contrast the **Traffic Safety** project included an awareness-raising component for schools, while the goals and visibility of the action are also actively supported by the regular publicity provided on road safety issues on the radio / television by the Road Safety Committee.

To what extent is the on-going Financial Assistance Programme for Turkish Cypriot community has/is contributing to achieving the strategic objectives/priorities of the programme?

Programming Level

Reflecting that the processes of redressing the significant gaps in infrastructure and related policy and capacity provision linked to the strategic objective/priority – "Developing and Restructuring of Infrastructure" – are medium-term processes that will provide benefits over the long-term, including post-settlement, there has been a consistent approach to the identification and focus of programming. Within this focus the specific objectives have been suitably prioritised to provide clear, highly visible, and substantive evidence of EU support to economic development and preparation for implementation of the *acquis communautaire*.

Implementing Level

In terms of supporting the achievement of the strategic objective – Objective 1 ("Developing and Restructuring of Infrastructure") – the continued relevance of the programme and appropriateness of design of project implementation, in terms of addressing real needs are, overall, judged to be good. The design of the programme was appropriate to meet the needs of northern Cyprus. However, weaknesses have emerged in all programme components related to variable levels of political will and the commitment of 'central' beneficiaries, the

⁸ <http://www.cevrekorumadairesi.org/index.php>

slow preparation of new legislation etc., and difficulties associated with contracting and implementation including disputed property issues – notably **Environmental Infrastructure**.

The efficiency of the projects in terms of the deployment of funds is judged overall to be good. However, the time pressure for completing the procurement processes linked to the 2006 programme and for project implementation was initially very high and there was insufficient provision of buffer periods for contingencies. In such an environment the interdependence of several activities implemented under separate contracts provided additional risks of delays, thereby increasing the burdens for those managing the risks. The flexibility built into the **Environmental Infrastructure** water supply and sanitation services sector programme was a strength, which was used to programme the maximum amount of activities possible just prior to the deadline for contracting of the 2006 programme funds in December 2009, e.g. the contribution agreement with the UNDP linked to the Mia Milia / Haspolat WWTP, thus enabling the final amount allocated to be greater than originally planned. The actions taken to cancel the Kumköy desalination plant project before any payments had been made and the cancelling of the Natura 2000 works contract saving 60% of the contracted amount demonstrated prudent financial management of the programme.

The efficiency in terms of the process of delivery and achievement of the project goals is overall judged to be adequate, largely due to obstacles in the wider programme environment.

The efficiency of the **Energy Infrastructure** and the **Telecommunications Infrastructure** actions have been severely hampered by the poor level of commitment of the management and staff of the beneficiaries to actively promote the reform processes including the restructuring of the beneficiary companies: Kib-Tek and the 'Telecommunications Office'. In both cases there is a failure of leadership within the beneficiaries or at the 'central' level to overcome the hostility, as communicated by the unions, towards innovation and systems reform/modernisation. This was demonstrated in regard the failure to date to instigate a restructuring of Kib-Tek, or the late preparation of sites by the 'Telecommunications Office' for the installation of equipment supply. Additionally, the contractor of the turnkey telecoms project to install the new network system, working without the full commitment of the beneficiary, underestimated significant requirements and additional procurement is now required. The ownership constraints have placed high demands in terms of the EC's management and oversight of the respective projects and reform programme actions.

The efficiency of the **Traffic Safety** actions was weakened by the absence of a single counterpart with adequate responsibility or competence for the success or failure of the programme. The core programme management contractor did much to ensure suitable implementation and linkage of activities by the other project contractors, while the parallel support of TAIEX contributed to drafting of a new law linked to the use of car safety-belts.

The **Environmental Infrastructure** action at the Kumköy brackish water treatment and water blending plant was abandoned at the planning stage because of concerns of over-exploitation of the Morphou aquifer. Instead a much more expensive project for construction of a seawater desalination plant at Kumköy was chosen but, considering the high cost of producing water from seawater, the proposal to then transport such a valuable product via a severely corroded and leaky pipeline to Nicosia and Famagusta was a weakness. The urgent repairs project for reservoirs, pumping stations etc. was abandoned yet could have yielded significant benefits in reducing the amount of water losses through leakages and thus made a positive saving on water use. Implementation of the seawater desalination contract awarded to a Spanish and Republic of Cyprus consortium and at a site in an area under

Turkish military control was considerably delayed because of access restrictions. Despite efforts by the staff based at the EUPSO and the 'EUCC' the problems of time constraints could not be overcome and the contract was terminated. The consortium contracted for construction of all three WWTPs and the water and wastewater network system in two municipalities was overwhelmed by the contract. The respective contractors responsible for the water and wastewater system in Famagusta and Morphou/Guzelyurt were not able to keep to the time schedule or the standards specified. Leakages in the wastewater network system required remedial works, and serious corrosion problems at the Famagusta WWTP are delaying the start-up phase of the plant.

The effectiveness of the projects in terms of the achievement of anticipated goals and the contribution to achieving the strategic objective – Objective 1 (“Developing and Restructuring of Infrastructure”) – is overall judged to be adequate, reflecting the mixed performance.

Environmental Infrastructure projects, which could start on time, such as rehabilitation of asbestos pipes for northern part of Nicosia, performed well and yielded positive results. Water losses were reduced from 65% to 35%, which indicated the justification for additional funds to complete the work. There are some issues linked to the start-up phase of the bi-communal Mia Milia/Haspolat WWTP project being implemented under UNDP-PFF management. Wastewater from northern part of Nicosia and southern part of Nicosia is being treated and the treated wastewater could be used for irrigation in the agricultural sector. Distribution was to have been pro rata the inflow from northern part of Nicosia and southern part of Nicosia but the final agreement is still pending. As such there is no concept for the use of the sludge produced at the WWTP. Providing that the sludge meets the standards according to the EU Sewage Sludge Directive the material can be used as soil conditioner or fertilizer. Regarding the difficulties at the Famagusta WWTP the EU and the construction company are trying to find mutually acceptable technical and financial solutions to the corrosion problems. An unintended consequence of the defects in the network system was awareness of the problem by many of the inhabitants, especially in Famagusta, who complained. The prestige of this EU-funded project has, initially, been diminished and the reputation of the mayor of Famagusta, who was very much committed to the project, has suffered.

Although the works linked to solid waste at the Güngör sanitary landfill are “completed”, it is not operating as intended. The operator was initially granted a management contract for six months with possibility to extend, instead of the more usual minimum 5-year period, because another big (possibly Turkish funded) waste sector investment project⁹ is potentially pending. Initially the contract did not cover operation of the waste transfer station in Famagusta completed in May 2011. Equipment for transferring the waste from Famagusta to Güngör, purchased and handed over to the beneficiary as part of the project, is not yet in use and waste from Famagusta is being dumped at an uncontrolled dumpsite. An extension of the Güngör operator's contract has now been awarded, which covers operation of the waste transfer station in Famagusta amounting to 26,000-35,000 tons of waste per annum. As yet there is no separation of the various waste fractions although Güngör has storage facilities and equipment specifically for the treatment of construction and demolition waste.

Pending court cases are a risk for effectiveness. Contracts specify that disputes between contracting parties shall be referred to the courts of Belgium. However, in several cases local

⁹ This could be a central waste incineration plant or a biological mechanical treatment facility.

contractors used the local ‘court’ to sue the EC or other contractual partners. As a result of two pending cases construction activities are stopped at the Morphou/Guzelyurt water network and sewerage pipes and the Natura 2000 projects. For the latter, the contract is cancelled and achievement of the objective (implementation of the *acquis* in the field of nature protection) might be limited without the construction of the buildings. However, the overall effectiveness of the Natura 2000 project is already restricted by the exclusion of the Kyrenia Mountains – due to conflicts of land use for military and mining activities – from the six natural areas designated as Special Environmental Protection Areas.

The effectiveness of the **Energy Infrastructure** actions in terms of immediate project achievement is, overall, poor although there is a possibility for it to be improved. There has not been any restructuring of Kib-Tek to improve the management to be able to materially improve network economics, security of supply and customer satisfaction and provide the basis for further improvements. Systems e.g. SCADA and customer care, have been installed but are not fully implemented, though the supply of electrometers for approximately 24,000 final users has demonstrated that power losses may be reduced by 30%. The solar power plant is demonstrating the potential contribution of renewable energy production.

The effectiveness of the **Telecommunications Infrastructure** actions in terms of immediate project achievement is, overall, poor and because of the complex issues in regard to ownership of equipment and “final acceptance”, the possibility of it being improved is weak. The Electronic Communications law detailing the modalities of liberalisation of the sector was adopted in December 2011 and the regulator body has been in place since July 2012. The separation of the ‘Telecommunications Office’ into wholesale and retail parts will not be decided before 2014. There is concern that the ‘Telecommunications Office’ (or the part which is the beneficiary of the EU funded equipment) might be privatised and sold to a Turkish company, which would not be in accordance with rules linked to EU assistance programmes.

The effectiveness of the **Traffic Safety** actions is judged to be good, especially the new law on car seat belts that came into force in December 2012. The schools awareness campaign and the accident data collection activity, which has resulted in a working database providing increased capacity of key people to analyse accident statistics are also of note. The effectiveness of the activity for supply of vehicle inspection equipment was delayed for five months by the supply of faulty equipment, and the beneficiary not reporting the problem. Road improvements have been made at some accident “black spots” but funds have been insufficient to undertake works at larger budget sites. The key objective yet to be achieved is the designation of a body with overall competence for road transport.

Which are the prospects for immediate and long-term impact and sustainability of assistance? Are there any elements which are/could hamper the impact and/or sustainability of assistance?

Programming Level

Regarding impact, the design of Objective 1 (“Developing and Restructuring of Infrastructure”) at the level of Wider Objectives provides focus on medium-term processes to increase the provision of infrastructure and related policy and capacity to provide benefits over the long-term. The measurement indicators are predominantly tangible absolute standards. There are common assumptions for strong beneficiary commitment and capacity, and policy support at the ‘central’ level, which represent significant risks. Regarding

sustainability, the design emphasises dependence on structures being put in place to effectively manage/operate services, and political commitment to the needed policy changes.

Implementing Level

The prospects for impact and sustainability of the assistance are significantly mixed, but overall are assessed as good, though there are major issues to be resolved in several cases.

The positive impact of the **Environmental Infrastructure** actions in terms of developing and restructuring of infrastructure is evident. Progress is being made to prepare the TCc for implementation of the *acquis* by improving water supply and sanitation. The potential to reduce transported water losses has been demonstrated by good progress at northern part of Nicosia and, the Morphou, Famagusta, and Mia Mila WWTPs will be contributing to compliance with wastewater standards. However, because of the cancellation of the seawater desalination contract there is no contribution to improved water supply. The revised water sector tariff system in Famagusta and Morphou applies the principle of water value being equal to the cost of making it available, but the one in Nicosia is insufficient to encourage reduced consumption and increase revenues. There is improvement of solid waste management, though a suitable tariff system linked to the waste producer and providing recovery of costs is not yet introduced. The Mia Mila WWTP contributes to aligned management of the water and sanitation systems by the Turkish Cypriot and Greek Cypriot communities, and demonstrates their potential to work together as well as areas of continuing differences. However, while the immediate impact of the specific works projects is evident, the immediate impact of the preparation for future application of the *acquis* actions at the 'central' level is less evident. This reflects the constraints that can impede the decision-making process at the 'central' level, notably in the adoption of laws and implementing regulations and plans. A new environmental law was adopted in July 2012; a new water law has been drafted and is now being discussed within TCc 'institutions', and the legal transposition of the regulations drafted under the programme is on-going. As such, the prospects for impact will be further strengthened over the medium-term, as the legal and regulatory framework is adapted and applied. The prospects for sustainability are reasonably good. Beneficiary municipalities show strong commitment and ownership of the water and sanitation systems and want to be more actively involved in project implementation and decision-making. Sustainability relies on the ability of the beneficiaries to operate and maintain the facilities, and costs are either covered by the communal budget (WWTPs) or by the 'central' budget (waste sector). Linked to this is the use of appropriate tariffs. There is uncertainty in regard to the long-term operational sustainability of Mia Milia/Haspolat WWTP until the financial problems of northern part of Nicosia are overcome. The prospects for impact and for sustainability of the Natura 2000 project are rather weak due to the works dispute and incomplete preparation of the sites, plus the restricted number of sites due to the exclusion of the Kyrenia Mountains as a designated Special Environmental Protection Area. Equally, the prospects for impact and for sustainability of the Lefke mining area rehabilitation project are weak: the feasibility study did not result in the adoption of proposals for imminent actions and because the results of the study will become outdated, sustainability is rated low.

The impact of the **Energy Infrastructure** actions in terms of developing and restructuring of infrastructure is currently weak. The contribution to facilitating future interconnection of the energy system upon reunification and thereby also the economic integration of the island has been limited by the beneficiary's lack of commitment and ownership. The supply of suitable equipment has made it technically possible to apply new multiple tariffs and improve

customer-care but the management has not taken the appropriate steps to implement the necessary operational and structural changes. The potential for renewable energy generation has been demonstrated at the solar power plant. The prospects for achieving any significant impact of the actions and for the sustainability of the actions are conditional on the emergence of strong leadership to change the culture of the beneficiary, and on the provision of supplementary technical assistance to support introduction of management changes.

The positive impact of the **Traffic Safety** actions in terms of developing and restructuring of infrastructure and capacity is evident. Good progress is being made to achieving a reduction in the number of yearly traffic accident fatalities. There is greater capacity for identifying causes of traffic accidents and in introducing measures to reduce their occurrence, which shall promote the project's impact over the medium- and long-term. However, the prospects for impact and for sustainability are partially weakened due to the significant number of 'institutions' with responsibility in the area of road transport policy.

The impact of the **Telecommunications Infrastructure** actions in terms of developing and restructuring of infrastructure has potential to be very strong but it is currently weak. The contribution to improving the telecommunications system and improving the framework for the delivery of telecommunications services has been limited by the complex issues in regard the "final acceptance" of the supplied equipment, the delayed modification of the relevant telecommunications laws and the absence of relevant policy at the 'central' level about future ownership of the beneficiary. The prospects for sustainability are good if action is taken at the 'central' level to demonstrate strong ownership and resolve the problematic issues.

Which are the key administrative/financial/thematic reforms that the beneficiary should undertake to improve the sustainability in key areas?

Implementing Level

With regard key reforms that the beneficiary should undertake to improve sustainability of the assistance under Objective 1, these relate to all programme actions. Taking account that they are medium-term processes that will provide benefits over the long-term, including post-settlement, the sustainability of the benefits produced in terms of "Developing and Restructuring of Infrastructure" rely on the correct organisational structures being in place to ensure the roll-out and implementation of service reforms, and over the long-term an assured revenue sufficient to cover all operating and maintenance costs of the infrastructure.

In regard **Environmental Infrastructure** the revenue can be generated by the use of suitable tariff systems. However, as outlined above, the current tariffs are not set high enough for Nicosia (water supply and WWTP), which already has financial problems, and a tariff system is not yet introduced for solid waste. These are matters to be addressed respectively by the municipality of Nicosia and by the 'central' level. The 'central' level also has the capability to enhance the legislative progress of the newly drafted water law by setting and enforcing deadlines for each stage of the process. In regard **Energy Infrastructure** operational and structural changes are needed at Kib-Tek for the successful introduction and implementation of the proposed new working methods in order to enhance sustainability. The first opportunity for doing this, when technical assistance was available, was wasted and strong commitment by the beneficiary might make possible the provision of more technical assistance. Strong commitment at the 'central' level to brokering solutions to the problematic issues of the **Telecommunications Infrastructure** beneficiary would

enhance sustainability. This includes adoption of a clear policy for the future structure and ownership of the 'Telecommunications Office', and an accelerated legislative process for drafting and enacting the laws for separation of the 'Telecommunications Office' into wholesale and retail parts. In regard **Traffic Safety** the sustainability of actions requires the consistent application of rules and enforcement of legislation, such as for the recently implemented law on car seat belts. The current structure of the sector makes achievement of this objective difficult, because the many relevant competences are shared out to numerous 'institutions' instead of being under a single lead 'body'. With this dilution of authority, follow-up initiatives risk being implemented with insufficient commitment and coherence for them to be effective. Structural reform would contribute significantly to enhancing the impact and sustainability of actions to reduce the number of traffic fatalities.

Are there any potential actions, which would improve the efficiency and effectiveness of on-going assistance?

Are there any actions, which would improve prospects for impact and sustainability of on-going assistance?

Implementing Level

The actions under the 2006 programme are either completed or close to being completed and, at this stage, there are not any potential actions that could improve efficiency of the assistance. However, some of the reforms outlined above would not only improve sustainability but would also ensure effectiveness of the actions for **Energy Infrastructure**, **Telecommunications Infrastructure**, and **Traffic Safety**. Further actions are proposed under the 2012 programme and their efficiency and effectiveness might be improved by more actively involving beneficiary 'municipalities' in project implementation and decision-making for **Environmental Infrastructure** actions. It is likely that project planning and procurement for **Environmental Infrastructure** actions will not face the problems of delays experienced under the 2006 programme, which included the challenges associated with establishing operations in the northern part of Cyprus. Nonetheless, lessons to be borne in mind should include the additional risks of delays if there are interdependent activities, which are to be implemented under separate contracts. Achievement of the aim that there is a single body with competence for **Road Transport** issues would, as outlined above, improve efficiency, effectiveness, impact and sustainability of Road Transport actions.

What are the advantages of the continuing "joint management" with UNDP of certain parts of the programme? Is the justification for choosing this instrument still valid?

Implementing Level

In terms of the assistance under Objective 1 ("Developing and Restructuring of Infrastructure") one of the actions linked to **Environmental Infrastructure** has been implemented in partnership with the UNDP on the basis of "joint management". The Mia Milia / Haspalot WWTP project in Nicosia is a significant bi-communal activity, for which the UNDP is in a unique position to undertake the implementation: not only does it have strong experience of implementing infrastructure actions in Cyprus and thereby of working with the Turkish Cypriot and Greek Cypriot communities and contractors, but it is also in a position to act as mediator and consensus promoter in terms of the sometimes complex political situation of achieving bi-communal consensus during project implementation and follow-up.

Objective 1:

Future Programme

How can the objectives of the current Aid Regulation be met in medium to long-term (up to 2020)? State the assumptions made, particularly with respect to the potential settlement scenario.

In terms of the achievement of the strategic objectives of the “Aid Regulation” the processes of the assistance linked to Objective 1 (“Developing and Restructuring of Infrastructure”) are medium-term, providing benefits over the long-term, redressing the significant gaps in infrastructure and related policy and capacity provision. The specific objectives have been suitably prioritised to provide clear, highly visible, and substantive evidence of EU support to economic development and preparation for implementation of the *acquis communautaire*.

In regard **Energy Infrastructure** and **Telecommunications Infrastructure** there have not been any budgetary allocations since the 2006 programme, because there are no additional related objectives to be met. However, in regard **Environmental Infrastructure** and to a lesser extent **Traffic Safety** the *acquis* related objectives continue to be relevant over the medium- and longer-term, in order to continue strengthening capacity and infrastructure in preparation for implementation of the *acquis* – notably in the areas of water and wastewater, solid waste management, and nature protection. Taking account of the additional major importance of the island-wide context of **Environmental Infrastructure** in relation to bi-communal management of water resources and the trans-boundary nature of bathing waters, it is imperative that the objectives in the area are met by the time there is a settlement. Should there be a settlement in the medium-term the full level of achievement of objectives of the Aid Programme is unlikely to have been met and further targeted support would be required. This could presumably be provided under the environmental protection and risk prevention priority of the European Regional Development Fund.

In the case of constrained budgets (similar to those for 2012 and 2013 – € 28 million/year), which are the areas recommended for concentration? How would the objectives of the Aid Regulation be met in such circumstances?

With regard the focus and concentration of future programme support linked to Objective 1 (“Developing and Restructuring of Infrastructure”) the core specific objectives to be addressed are already well established: **Environmental Infrastructure, Energy Infrastructure, Telecommunications Infrastructure, and Traffic Safety.**

The island-wide nature and the socio-economic and quality of life, as well as environmental, consequences of the **Environmental Infrastructure** actions provide a strong argument justifying it being a continued priority for Objective 1 and for the Aid Programme, taking into account the importance of the Water Framework Directive and the Waste Directive. There is scope for continuing actions in both areas, which may include works and related technical assistance for capacity building to ‘local’ service-providers/operators to improve management and meet the demands of the *acquis* in the Water and Waste sectors. The current programme activities demonstrate the qualitative and quantitative range of actions that is possible. Actions such as construction of WWTPs may be desirable, but they require commitment to a single, big budget, which may not be available whereas actions such as renewal of water pipe networks may be done incrementally, which allows more flexible use of

limited budgets. Associated policy support at the 'central' level should continue to be provided via the TAIEX instrument (under Objective 5).

Despite the presently limited performance in respect **Telecommunications Infrastructure** and **Energy Infrastructure** sectors, there remain substantial needs to be addressed and possibilities remain for further technical assistance and TAIEX actions in to enhance *acquis* compliant standards of regulation, management, and the provision of service – on the pre-condition of substantive policy commitment demonstrated at the 'central' level – but further unilaterally funded supply and works actions of a significant size are unlikely to be justified.

There is potential for strong impact from the provision of further assistance to the **Traffic Safety** sector in relation to the reduction of road traffic accidents and fatalities. The range of interventions that may be considered, e.g. infrastructure works, further educational and awareness raising, capacity building, etc., will be based in accordance with the size of available budgets. The overriding priority is that coherence of the road transport sector is strengthened and that rules and standards are enforced more rigorously. Thus there can be a strong focus on *acquis* compliance supported with TAIEX actions, and further provision of small budget supply and works actions with complementary technical assistance.

Hitherto the specific principle of co-financing has not been applied in the context of the Aid Programme other than in the context of the grant scheme mechanisms; this is reflective of the unique circumstance of the Aid Programme in regard to the EC's cooperation with TCc 'institutions' that are not recognised. In the context of future support under Objective 1, experience demonstrates that the requirement for co-financing of works and/or supply produces a greater level of responsibility, ownership, and partnership of the recipient beneficiary, service-provider/operator, and, importantly, also facilitates the identification of priorities during programming. Therefore future programming should give consideration of the importance for the introduction of and adherence to co-financing of support, as practical.

Annex 4.2: Objective 2 – Promoting Social and Economic Development

With regard to the “Aid Regulation” / assistance programme’s strategic objective of “Promoting Social and Economic Development” this has been addressed via twelve projects.

The assistance aims to contribute to the solution of the Cyprus problem via supporting efforts promoting the medium- and the longer-term social and economic development of the Turkish Cypriot community, so as to reduce the development gap and ensure longer-term ability of the TCc to promote sustainable development within a reunified Cyprus and within the EU.

Table 6: Objective 2 Projects – “Promoting Social and Economic Development”

Nº	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012) ¹	% Disbursed (31/12/2012)
1	Rural Development Programme	2006	29.70	100.46	104.71
2	Rural Development Programme	2011	7.65	27.01	5.45
3	Upgrading of local and urban infrastructure	2006	7.00	100	100
4	Upgrading of local and urban infrastructure – Part II	2006	8.00	122.30	110.73
5	Human Resources Development Sector Programme	2006	7.80	97.51	92.14
6	Support to innovation and change in schools	2009	0.50	95.02	85.62
7	Support to innovation and change in schools	2011	0.70	0	0
8	Micro and Small Enterprises (MSME) Loan programme	2006	9.00	0	0
9	Sustainable economic development and ICT sector programme	2006	6.20	112.45	93.75
10	Supporting private sector development within the TCc	2006	2.50	127.93	127.93
11	Private sector development programme	2011	5.60	0	0
12	2012 “Social & Economic Development”	2012	5.50	0.18	0

¹ Contracting deadline: for 2006 projects = 4Q/2009; for 2009 project = 31/08/2011; for 2011+2012 = on-going

Objective 2:

Programme Intervention Logic

To what extent are objectives at different level clear, measurable, and realistic?

Evaluation of the financial assistance programme for Turkish Cypriot community

With regard to achievement of the strategic objective “Promoting Social and Economic Development” four specific objectives / operational priorities for intervention have been targeted by the assistance programme, namely:

- Rural Development / Agricultural Modernisation (Projects 1, 2 and 12)
- Upgrading of Local and Urban Infrastructure (3 and 4)
- Human Resources Development (5, 6, 7 and 12)
- Private Sector Development (8, 9, 10, 11 and 12)

In terms of the strategic relevance of the four specific objectives/priorities each is logical regarding its clear linkage to the strategic objective (“Promoting Social and Economic Development”) and in regard to addressing needs of operational relevance to the beneficiary. The priorities address development issues linked to traditional and contemporary rural and non-rural economic actors, business activities, processes and skills, plus the development of human resources and skills, and the reform of education and training systems, and the enhancement of small-scale infrastructure to promote development and the quality of life. The priorities are reflective of traditional EU goals, programmes and actions linked to the strengthening of economic, social, and territorial cohesion, sustainable and inclusive growth.

The intervention objectives of the projects were assessed for the extent that the objectives at different level (Wider Objective, Immediate Objective, Results/Outputs) are clear, measurable, and realistic, i.e. are ‘SMART’. *[For intervention objectives the criteria have the following meanings: Specific (appropriately positioned, scoped and focused within the objectives hierarchy); Measurable (quantified, or potentially quantifiable, through the use of appropriate indicators); Achievable (in the light of the position in the intervention logic and assumptions made at the preceding level); Relevant (to EU and beneficiary requirements); Time-bound (provide a timeframe by which planned benefits should be achieved)]*

The formulation of the intervention objectives is, generally, good although the quality is mixed across the specific objectives/priorities: those for **Rural Development** are generally well formulated across the different levels of intervention/development effects; for **Human Resources** and for **Private Sector** there is a partial weakness in terms the limited definition in some projects of an adequate number of ‘Specific’ Results/Outputs to be achieved, while the scope of the **Human Resources** intervention objectives are potentially too ambitious in terms being ‘Achievable’ in view of the scale of financing foreseen; for **Infrastructure** the formulation of the objectives often lack adequate, ‘Specific’ detail on the development effects to be achieved by the projects. Overall, none of the objectives is clearly ‘Time-bound’ in terms of its achievement. Formulation of objectives is, generally, weaker at the level of the Wider Objective, which often lacks a ‘Specific’ medium-term focus to which projects should contribute within the longer-term goal of “Promoting Social and Economic Development”.

To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient and effective projects to achieve the strategic objectives?

The priorities reflect goals relevant to reducing the gap in social and economic development of the TCc with the Republic of Cyprus and establishing the socio-economic infrastructure to ensure that the social and economic development of the TCc is sustainable. The process used for project selection reflects the strong need for projects that build local capacity to support economic and social development to a level at which it is largely self-generating.

Relevance of **Rural Development** projects is good. The 2006 sector programme has five core components for technical assistance and programme management delivered through service contracts, which aim to support capacity building, two substantial components for grant schemes, and two components for equipment procurement contracts; the 2011 sector programme has two components for technical assistance and two for grant schemes. Project design, preparation, and selection of the 2006 project were largely based on the findings of a 2004 EU-funded UNDP-PFF sector study. This was supplemented by a World Bank study on sustainability and sources of economic growth; plus the results of previous EU-funded pilot projects, and collection during 2006 of infrastructure needs for villages. The project consists of a coherent and proportionate package of seven activities, which focus on rural development planning, crop husbandry, animal husbandry, programme management, grant schemes for rural and community development, and for organic farming. Although large overall, project activities were designed for delivery in amounts, which gave due regard to the limited absorption capacity of the TCc beneficiaries. Grants schemes accounted for 59% and 88% of the 2006 and 2011 programme budgets respectively. The programming took account of complementary TAIEX activities supporting agriculture sector *acquis* alignment.

The project selection mechanism of **Infrastructure** projects reflects a combination of an identified strong need for activities for upgrading of local and urban infrastructure and an efficient implementing mechanism provided by the UNDP. The UNDP's good working relationship with municipalities and rural communities has provided a pipeline of identified activities; similarly its unique position with the Turkish Cypriot and Greek Cypriot communities has facilitated the inclusion of bi-communal activities. Relatively big projects of Infrastructure Part I benefitted mainly the municipalities of Famagusta, Kyrenia, and Nicosia, with mayors playing influential roles in project design and selection. The generally smaller projects of Part II, which benefitted village communities, had more focus on capacity building, with emphasis on social dimensions and the application of EU standards.

Relevance of **Human Resources** projects is mixed. Design of the 2006 sector programme was developed through wide stakeholder consultation with schools as well as with other education stakeholders and aims to address the need to enhance capacity for human resources development in an *acquis* consistent way. Specifically it aims not only to improve formal education provided by schools via education reform, but also to improve informal education and vocational training via development of the active labour market. In setting such ambitious targets, the influence of the programme environment may not have been fully assessed. The limited positive involvement of the teachers' unions, and the education and labour authorities, was not identified as a risk to efficient implementation, and ultimately the absence of commitment at the political level posed a risk to effectiveness. The project has five activities delivered through technical assistance (including capacity building and programme management), and grant schemes. The 2009 sector project, which focused on grants, appropriately included technical assistance to monitor implementation and provide feedback to contribute to further programming, a well-designed model also adopted for the 2011 and 2012 sector projects.

The project selection mechanism for **Private Sector** projects reflects the need to enhance the capacity of the TCc private sector to meet EU standards, and to improve the level of its productivity and competitiveness. Technical assistance addressed the differentiated needs of the target groups to develop capacity and improve strategic planning for development of the private sector particularly of SMEs. Sector specific EU standards and innovation oriented

technical assistance has also served this purpose particularly the SECOND TA project for private sector development. The grant schemes and loan programme addressed needs to enhance capacity, productivity, and competitiveness. However, though the MSME Loan Programme addressed the real needs of the TCc private sector to have access to finance through a sustainable non-collateral based loan mechanism, it did not satisfy EC contracting conditions and could not be implemented. Programming linked to the 2011 and 2012 actions is greatly improved, including elements also of bi-communal activity.

To what extent programming provides adequate prioritisation and sequencing of assistance?

The concept of the design of **Rural Development**, which consists of an integrated package of activities, is excellent. The 2006 sector programme has objectives for: policy strengthening; sustainable water use; improved livestock production; community initiatives at village level, and organic farming. The original sixth objective – to increase forested areas – was actually a sub-objective of the community initiatives objective and was never intended to have the prominence suggested by its position in the Logic Matrix. An underlying priority was that selected activities/projects should be compatible with any future integration in the CAP. The programme was designed based on the sequenced delivery of the integrated package of activities, spread over five years. Activities were to start with technical assistance, instigating the capacity development process, and thus preparing the way for the piloting of the grant schemes in the first year of implementation. As outlined above, the programmed amounts of funding to be disbursed via the grant schemes was substantial and the piloting was an important means of assessing the grant scheme priorities, guidelines for calls for proposals and management mechanisms (evaluating proposals, awarding grants, and monitoring grant beneficiaries). Furthermore implementation of the grant schemes, after the pilot phase, was also conditional on the development by the TCc beneficiary of a Rural Development Plan.

Programming the 2006 **Infrastructure** projects is reflective of the previous infrastructure activities of the UNDP for local and urban communities. Projects of Part I are a continuation of work by the UNDP, under the EU-funded 2003 Special Aid Package, focused on Nicosia, Famagusta and Kyrenia, which included preparation of feasibility studies and master plans. Because the UNDP has good knowledge of the physical fabric and social dynamics of the TCc, linked with a good understanding of the capabilities of contractors and absorption capacity of beneficiaries, it played an important part in the prioritisation and sequencing of assistance. Projects of Part II were also identified as priorities linked to preserving the original appearance of those towns and villages with some architectural value.

Programming of **Human Resources** projects included technical assistance and grant scheme components that were relevant and complementary but for the 2006 projects their synergy was not adequately considered. Attempts were made to improve the design of projects in subsequent programmes by the inclusion of specific technical assistance to monitor grant schemes and provide feedback. The synergy of technical assistance and grant schemes combinations was enhanced under the 2009, the 2011 and 2012 programmes, and priorities were adjusted in accordance with the needs identified in preceding programmes.

Programming of the **Private Sector** projects took account of evolving priorities and was sequenced to provide a mix of technical assistance, and loans and grants to entrepreneurs. The 2006 programme (€ 17.7 million) priorities provided support for: private sector development via Capacity Building (€ 2.50 million), access to finance via a MSME Loan

Programme (€ 9.00 million), and improving competitiveness and productivity via Economic Development and ICT sector support (€ 6.20 million). For the Capacity Building projects 100% of operational costs were allocated for technical assistance support. The already well-established implementation mechanisms of the EU-funded UNDP-PFF programme were initially employed in a pilot project approach to provide EU visibility quickly and simultaneously in six technical assistance focus areas. For the MSME Loan Programme 80% of project operational costs were covered via a refinance facility. For the Economic Development and ICT sector projects 33% of project operational costs were allocated to independent SME and ICT development via the grant schemes, but although consecutive, they were designed without synergy. The 2011 programming priorities progressed to promoting production and service (€ 5.60 million) and the 2012 priorities the development of best practices (€ 0.50 million) to facilitate cross border trade with the EU Member States.

To what extent programming takes adequate and relevant account of beneficiaries' policies, strategies, and reform processes in relevant key areas?

Programming of **Rural Development** reflects that the TCc is in the process of aligning its agricultural sector policies with those of the CAP in preparation for the future reunification of the island. Programming therefore takes account of related developments in the agricultural sector of the Republic of Cyprus, including the Rural Development Plan it has prepared.

Programming the **Infrastructure** projects took careful account of policies, strategies and reform processes of beneficiaries through the participative process of preparing feasibility studies and master plans as outlined above. As a result importance was given to providing resources for all the infrastructure needs related to the opening of new crossing-points.

The programming of the **Human Resources** and **Private Sector** programmes was hindered by a lack of TCc sector specific strategies and action plans, and exacerbated by a lack of adequate comprehensive sector studies and statistics of the TCc. The overall rationale and guidance were provided by a World Bank sustainability study (2005) and a UNDP study (2006). An on-going EC-funded World Bank study to assist the development process should contribute to improved design of projects. Although the initial programme was characterised by weak stakeholder involvement and difficulties in identifying beneficiaries, elements such as grant scheme mechanisms have been progressively improved. With increasing visibility of the EC there has been improved stakeholder participation by the 'EUCC', unions of teachers, SME organisations etc., which has contributed to significant improvements overall.

To what extent programming takes adequate and relevant account of assistance provided and reforms promoted by key donors where applicable?

With regard **Rural Development** there were relatively good links with US-funded initiatives providing support for rural SMEs, plus technical actions in the areas of alternative crops, sheep and goats, the dairy industry, and organic farming. However, links were less strong with the Turkish government, which was known to be funding projects for: modern irrigation systems; seed production, animal husbandry, and agricultural mechanisation; plant production; farmer registration and modernisation; agricultural research and development.

There is a history of key donors providing assistance supporting **Infrastructure** projects. Actions are chosen for their recognised value and the way such assistance may be provided in conveniently sized units. Nicosia in particular has been a beneficiary of urban upgrading

support because of its symbolically focal position; the EU and USAID have provided most of it, and both the Turkish Cypriot and Greek Cypriot communities have been beneficiaries. Turkish aid has supported the TCc, funding several infrastructure and rehabilitation projects.

There has been relatively little support by key donors linked to **Human Resources** and **Private Sector** development. Since 2001, the UNDP has been responsible for the implementation of the EU-funded Programme “Partnership for the Future (PFF)”. The PFF aims at contributing to the peace-building process in Cyprus through different levels of intervention ranging from urban infrastructure rehabilitation to assistance to small and medium-sized enterprises, etc. Regarding the **Private Sector** development, USAID provided some assistance to both priorities under its former Cyprus Programme for Economic Growth, although the attempt to provide banking sector support for SMEs through a credit guarantee programme was unsuccessful.

To what extent programming and monitoring mechanisms include SMART (Specific, Measurable, Available, Relevant and Time-bound) indicators to measure progress towards achievement of objectives?

The indicators of achievement of the projects were assessed for the extent that the indicators at different level (Wider Objective, Immediate Objective, Results/Outputs) are ‘SMART’ for the purposes of monitoring and of evaluation. *[For indicators of achievement the ‘SMART’ criteria have the following meanings: Specific (clearly defined, and closely linked to what they are trying to measure); Measurable (variables which can be objectively assessed and numerically expressed); Available (already exist or can be collected at reasonable cost and effort); Relevant (related to the core problems and needs addressed by interventions); Time-bound (based on a timeframe by which planned benefits should be achieved)]*

The formulation of the projects’ indicators of achievement linked to Objective 2 (“Promoting Social and Economic Development”) is, generally, good, although a number of weaknesses exist. While most of the indicators are ‘Measurable’ the majority of the indicators are not quantified in terms of targets, although a minority of the Results/Outputs are quantified. Additionally, no baseline data is provided so as to measure progress, e.g. “increased” production yields, or the number of adults in re-training. A number of the indicators could be enhanced in terms of being more ‘Specific’ in the definition of what they seek to measure, e.g. “increased productivity” can be assessed at a range of different levels so it is not clear what the indicator seeks to measure. Overall, none of the indicators is ‘Time-bound’. The assessment of progress of some of the earlier projects linked to **Human Resources**, **Private Sector**, and **Infrastructure** is also constrained by the limited definition of project indicators addressing the three different levels of the project-cycle and development effects; the quality of the indicators linked to the **Infrastructure** projects is particularly weak, e.g. defining indicators largely relevant as project Results/Outputs at the level of the Wider Objective.

Which are the main gaps/weaknesses of the current programming framework?

Overall much of the programming of assistance linked to Objective 2 is good.

However, during programming of **Rural Development** projects the issue of contested property ownership was not identified as a risk, which emerged as a weakness during implementation. The extent and consequences of property issues, specifically relating to agricultural holdings and residential properties, which remain the property of Greek Cypriots

but which were being farmed and occupied by Turkish Cypriots, had not been foreseen. Problems arose, particularly in relation to the grant schemes.

As outlined above the design of early **Human Resources** and **Private Sector** assistance was weakened by some objectives being ambitious and not precisely defined, and means for achieving potential synergy was insufficiently considered. The weakness of the MSME Loan Programme for **Private Sector** development was its incompatibility with EC contracting requirements.

How can programming of assistance be enhanced to more efficiently and effectively reach strategic objectives?

How can programming be enhanced to improve the impact and sustainability of financial assistance?

A focus on specific areas and realistic targets could enhance programming linked to **Human Resources Development** and **Private Sector Development**. The role of beneficiaries might be explicitly defined in order to improve their involvement during the design and subsequent phases. Reform targeting programmes particularly in **Human Resources Development** sector need concerted ownership of related beneficiaries and other stakeholders, which could be improved through their concerted involvement starting at the design phase. In all priority areas, including also **Rural Development**, where new legislation is a prerequisite for programme/project effectiveness, a related pre-condition with a relevant deadline should be stated. Also closer synergy with TAIEX cooperation would support effectiveness. The Rural Development and the Private Sector Development grant schemes demonstrated the value of pilot projects and this approach is recommended instead of starting with an ambitious, large-scale project in new priority areas. Having access to reliable statistics and sector/thematic studies would enhance the programming and the detailed focus of the assistance. When synergies among technical assistance and grant schemes are considered at their design, they could enhance the impact of the assistance. Current programming gaps could further be assessed, which could potentially include assistance to women entrepreneurship, to disabled students, and the support of business development centres and business incubators.

Objective 2: Programme Implementation Performance

Are the administrative and organisational structures in place ensuring efficient and effective implementation of financial assistance?

Programming Level

The administrative and organisational structures in place for managing the programming process linked to Objective 2 “Promoting Social and Economic Development” are, generally, suitable. The programming process (project design, preparation, selection) is generally good:

- Most actions are identified within a clear programming framework, developed with appropriate consultation of key partners and the target group of potential beneficiaries;
- The prioritisation, sequencing and, as appropriate continuity, of the assistance across the specific objectives/priorities, across the programmes, has, generally, been good. Some initial weaknesses were identified and remedied subsequently;

- Suitable consideration is provided as to the policies, strategies etc. of the beneficiaries; the initial limited existence of comprehensive sector strategies on the TCc-side has been addressed via the provision of support to establish sector strategies and policies;
- Suitable consideration is provided as to the policies, strategies etc. of the other key donors, although detailed information on Turkey's assistance programme is limited;
- The programming process is increasingly also informed via periodic evaluations of the specific objectives/priorities, e.g. the effectiveness of delivery mechanisms, impacts;
- However, some weaknesses exist in terms of the definition of 'SMART' intervention objectives and indicators of achievement, plus in terms of risk assessment/planning.

Implementing Level

The administrative and organisational structures in place managing project implementation processes linked to "Promoting Social and Economic Development" are, generally, suitable.

Projects linked to **Rural Development** are implemented on the basis of technical assistance, grants, and equipment supply, which are managed by a team of at least two EC Task Managers based at the EUPSO. The three-year contract duration of task managers has been managed to ensure that on the occasions when there have not been two task managers dedicated to Rural Development, temporary support has been provided from the team of another sector, e.g. Environmental Infrastructure during the period July-December 2009.

Under the 2006 programme four "pillar" technical assistance contracts were awarded in 2008 starting with the priority project for Rural Development Planning, contracted four months prior to those for Programme Management, Crop Husbandry and Animal Husbandry, which were contracted during September/October. It was appropriate that the technical assistance team for Programme Management was based in offices adjacent to the EUPSO, because it is their role to work closely with the EC Task Managers at the EUPSO in implementing the sector programme and, particularly, in supporting implementation of the Rural Development and Community Development grants scheme, the first of its type in the northern part of Cyprus. Each of the other teams chose the place of their office according to their focus on field operations rather than central stakeholder capacity development, which is the priority for TAIEX, e.g. the Crop Husbandry team located in the Guzelyurt/Morphou area because of its irrigated arable bias. This approach allowed each technical assistance team to concentrate on its own agenda to assist beneficiaries in consultation with the EC Task Managers at the EUPSO, while also being available to provide assistance to the grant schemes as required. A Project Steering Committee was established for each technical assistance team during their respective inception phase, being composed of EC Task Managers, representatives of the TCc from the 'EUCC' and relevant 'department' of the 'Ministry of Agriculture'.

The recognition of the likely limited absorption capacity of beneficiaries in relation to the large amounts (€ 20.50 million) allocated to grants and risk management in general, guided the approach to launching Calls for Proposals for the grant scheme's components/strands. A pilot small-scale grant scheme (€ 0.46 million) was run to test the planned procedures and assess such things as the capacity of grantees to fulfil their obligations. Under a framework contract, the pilot was evaluated and the findings contributed to preparation of Calls for the Rural Development grant and the Community Development grant, were made available under the 2006 project via two Calls using a simplified (one-step) procedure with acceptance of applications written in Turkish or English. Under the Rural Development strand € 8.20 million was awarded via 188 grants (16 subsequently cancelled), while € 8.58 million was awarded via 37 grants under the Community Development strand. An interim evaluation of

the two Rural Development Calls in 2010 made recommendations including allowing 90 days instead of 45 days for preparation of applications, further simplification of procedures and more attention to guidance on procurement procedures for beneficiaries. The 2011 project's Rural Development grant (€ 6.75 million) was launched in 2012 after a series of delays.

Projects linked to **Human Resources** and to **Private Sector** are implemented on the basis of technical assistance and grants; projects are managed by a team of four Task Managers at the EUPSO. A Project Steering Committee was established for each technical assistance team composed of EC Task Managers, contractor, and representatives of the TCc.

The 2006 **Human Resources** sector programme consists of two technical assistance components (VETLAM and ROPSE), each combined with a grant scheme component. The VETLAM technical assistance was implemented over 42 months and the VETLAM grant (€ 1.30 million) made available via three Calls for Proposals with in total 31 grants being awarded. The ROPSE technical assistance was implemented over 40 months with the grant (€ 2.50 million) made available via four Calls with in total 72 grants awarded. The 2009 grant scheme for Schools (€ 0.50 million) was implemented via a single Call with 15 schools awarded grant. The 2011 grant scheme for Schools (€ 0.70 million) is currently under way.

The **Private Sector** MSME Loan Programme was cancelled in 2009 and the € 9.00 million budget was made available for reallocation. The 2006 Private Sector Development Capacity Building project was undertaken during the period 2006 and 2011 with a mix of grants and training events; a contribution agreement (€ 2.50 million plus € 0.80 million) between the EC and the UNDP as implementing body was promptly signed in December 2006 (additional funds in late 2009). In regard to the 2006 Economic Development and ICT sector project (€ 6.20 million) contracting of the technical assistance (€ 2.75 million) was concluded only in December 2009, and the two grant components (€ 0.60 and € 3.50 million) were concluded in August and December 2009 with in total 33 grants. In regard to the 2011 Private Sector Development project a technical assistance contract (€ 0.40 million) for a Programme Management Unit to support grant beneficiaries was concluded in July 2012; it is to support Private Sector grant beneficiaries and Rural Development grant beneficiaries alike. Further technical assistance contracts including one for audit were still to be concluded. Regarding Private Sector grant Calls (€ 5.00 million), 275 Concept Notes were received for assessment.

Projects linked to **Infrastructure** were implemented by the EC jointly with the United Nations as donor and the UNDP as implementing partner via contribution agreements. The Phase I contract (€ 7.00 million) was promptly signed in December 2006, the Phase II (€ 8.00 million) signed in December 2007. Via an Addendum signed in December 2009 the execution of Phase II was extended up to 46 months and the project budget increased by € 1.784 million to cover additional projects. Contracting of works and related services were done in accordance with UNDP rules and regulations, and implementation actions were endorsed by a Project Steering Committee composed of EC and UNDP representatives, meeting initially six-monthly and from November 2008 at less regular intervals, sometimes only annually.

To what extent are the monitoring mechanisms and structures appropriate and correctly functioning?

Programming Level

The monitoring mechanisms and structures in place supporting the programming process linked to "Promoting Social and Economic Development" are suitable. Recognising that

support has, primarily, been provided on the basis of a series of phased projects / EC financing, these have appropriately built on the EC's monitoring of previous actions and lessons learned and, increasingly, also via the evaluation of support in the specific areas.

Implementing Level

The monitoring mechanisms and structures in place supporting the project implementation processes linked to "Promoting Social and Economic Development" are, generally, suitable.

Project implementation monitoring-data is primarily obtained by the EC on the basis of the regular monitoring of actions undertaken by the Task Managers at the EUPSO, notably via a series of Project Steering Committees. In addition, grant contractors or implementing partners provide the EC with standard project interim progress and final reports. Task Managers at the EUPSO prepare a "Project Fiche Monthly Report" to summarise the status of projects, e.g. contracting, key actions undertaken, key issues, and prospects.

Recognising that Objective 2 assistance – linked to **Human Resources, Private Sector, and Rural Development** – is primarily delivered on the basis of grant scheme mechanisms, i.e. to a series of sub-project grants, the monitoring function is a core integral activity, both in terms of the monitoring of the full extent of grants awarded and in terms of ensuring that the focus of grant schemes is suitably modified over time to maintain the relevance of activities.

The monitoring mechanisms and structures linked to the **Rural Development** grant actions have been well designed and operated. The technical assistance project teams have responded to the variations of priorities over the medium-term in close consultation with the EC Task Managers at the EUPSO. The Programme Management team, supported by the Crop Husbandry and Animal Husbandry teams, did on-the-spot checks of grantees, in the case of Community Development grants focused on the fabric of buildings the checks also had to confirm there were no property issues. In addition to monitoring implementation there was also follow-up monitoring of the pilot Rural Development grants, the value of which might be assessed in regard to conducting similar ex-post monitoring of Rural Development and Community Development grant beneficiaries – or application to other grant schemes.

Despite some initial weaknesses in terms of the monitoring functions linked to **Human Resources** and to **Private Sector** grant awards – due to the limited provision of specific technical assistance to independently monitor grants' implementation in support of the monitoring activities undertaken by the EC Task Managers – these constraints have now been rectified with the closer synergy of the technical assistance and grant scheme actions. Strong focus on ex-ante assessment, monitoring and ex-post evaluation of the projects is currently in place in **Human Resources** sector.

Overall, the internal and external monitoring and evaluation mechanisms and structures operated by the EC supporting grant scheme actions are now suitably functional and serve as useful management tools, both in terms of monitoring implementation and informing further programming based on feedback to identify the changing needs of beneficiaries. The establishment of a Programme Management Unit to cover Rural Development and Private Sector grant beneficiaries alike will strengthen the consistency of the monitoring system.

To what extent visibility, promotion and ex-post publicity activities increase effectiveness of the EU Aid Programme?

Programming Level

In terms of visibility etc. activities supporting effectiveness at the programming-level – the identification, formulation, negotiation, and adoption of the EC Decision on programme financing – such visibility etc. activities are primarily driven by the goal of transparency, and so as to develop awareness among the target group of beneficiaries (direct and in-direct).

Implementing Level

At the implementing-level visibility etc. activities are primarily undertaken by the project contractors or implementing partners. The EC's guidance in respect to the management of such activities is provided in EuropeAid's "The Communication and Visibility Manual", with additional guidance also provided via the EU Info Point in Nicosia – financed under Objective 4 ("Bringing TCc closer to the EU") – in "The EU Aid Programme Visibility Guide".

In regard **Rural Development** activities, visibility has been provided through the numerous meetings, training courses and field demonstrations of the technical assistance projects, the various Rural Development and Community Development calls and subsequent awards, and the supply of equipment, which was handed over with accompanying publicity. As outlined above the high standards of grant administration have enhanced the reputation of the EU. Information on the grants was also available via organisations such the SME Development Centre (KOBIGEM), Chamber of Agricultural Engineers, Turkish Cypriot Farmers' Union, etc.

Activities linked to **Infrastructure** are generally very well promoted. The UNDP-PFF erects durable information/publicity boards to ensure good visibility at sites where works activities have been undertaken, and publicises any related ceremonies via the media. As an implementing partner for the EU since 2001, the UNDP-PFF is motivated to provide visibility etc. for EU-funded activities because in so doing it also provides visibility for itself.

In regard **Human Resources** and **Private Sector** activities, visibility of the EU has been very high at schools and private companies, which received grants directly. The visibility of technical assistance components has varied depending on the local conditions. Regarding the **Private Sector** development, the UNDP implemented projects had rather low visibility of the EU along with a limited understanding of beneficiaries about the EU funding. Business Supporting Organisations, such as the Chambers of Commerce and Industry, associations of entrepreneurs and of professionals, as well as the SME Development Center (KOBIGEM), and local communities contribute to visibility of the technical assistance and grants.

To what extent is the on-going Financial Assistance Programme for Turkish Cypriot community has/is contributing to achieving the strategic objectives/priorities of the programme?

Programming Level

Reflecting that the processes of "Promoting Social and Economic Development linked to the strategic objective/priority are progressive capacity building processes that will remain to be relevant also post-settlement, the programming process has suitably provided overall consistency in terms of the identification and concentration of programming focus. The specific objectives have been suitably prioritised over time to reflect the evolving environment of the objectives, the absorption capacity for grants, and lessons learned from earlier phases.

Implementing Level

In terms of supporting the achievement of the strategic objective – “Promoting Social and Economic Development” – the continued relevance of the programme and appropriateness of the design of projects, in terms of addressing real needs are, overall, judged to be good.

Despite some initial constraints¹⁰ the efficiency of the **Rural Development** projects in terms of the process of delivery and achievement of the project goals is, overall, judged to be good. Efforts were made to identify the changing needs of the beneficiaries, and the focus of activities has been modified to maintain the relevance of activities under the grant schemes.

The efficiency of delivery of the four technical assistance components has been generally good, with the teams adopting approaches to facilitate their consultations with and provision of assistance to their target group of beneficiaries, and in their consultations with the Task Managers; although the efficiency of Animal Husbandry has been mixed due to problems to ensure the availability of suitable expertise of the resident team. Cooperation between the teams was generally sufficient, based on a good awareness of the common aim to build capacity on farms and in rural villages and towns. In regard the grant scheme (with € 20.50 million funding under the 2006 programme) the efficiency of the deployment of funds is judged to be good – lessons from the pilot-phase were incorporated into the Calls, although the first Call for Proposals was delayed until early 2009 because the draft Rural Development Plan, being prepared by the delayed Rural Development Planning project, was only endorsed by the TCc in late 2008.

In regard to **Infrastructure** the good working relationship between the local offices of the EC (EUPSO) and the UNDP (UNDP-PFF), contributed to the efficient implementation of the projects. The good working relationship also enabled UNDP-PFF to respond at short notice to cover actions supporting effective implementation of other programme elements such as “road black spots” linked to Traffic Safety / Traffic Safety under Objective 1.

The efficiency of the **Human Resources Development** projects is, overall, judged to be good. The VETLAM and the ROPSE technical assistance teams were sufficiently flexible to respond to the changing needs of the final beneficiaries, although the ROPSE team’s activities, which were strong in terms of support to schools preparing proposals, were not sufficiently planned with beneficiaries and other stakeholders in terms of the need for a continued strong focus of support to grant beneficiaries through the grant implementation process. Yet the ROPSE TA team failed to achieve a participative approach in developing some outputs to ensure the ownership of the beneficiary institution. The grant scheme sub-projects have generally been efficiently implemented despite the applicants’ initial lack of experience for preparing proposals and in working with EC procurement and implementation procedures. Some procurement and certificate of origin problems have been encountered by the grantees, which have now been addressed. Over time the project management capacity of schools (educational and vocational) to manage EU-funds has been strengthened, which will support the efficiency of future grant delivery, e.g. under the 2011 grant scheme for schools which was closed for applications in late 2012.

The efficiency of the **Private Sector Development** projects in terms of the delivery and achievement of the project goals, while initially with constraints, has improved over time and

¹⁰ The start of the Rural Development Planning project was delayed by the departure of the team leader due to ill health. Ill health also caused the departure of the team leader at the start of the Animal Husbandry project and the delayed arrival of the team leader of the Programme Management project.

is now, overall, judged to be good. Difficulties linked to the contracting and implementation of projects mainly stem from the “unique” conditions and environment of the TCc.

The private sector Capacity Building project, undertaken in partnership with the UNDP, has been efficiently implemented and the process of deployment of funds by the UNDP-PFF is assessed as cost-effective; the project provided immediate evidence of EU support for private sector actors. The funds allocated via the project were extended due to reallocations within the 2006 programme and have been fully utilised through increased demand of the beneficiaries. The final beneficiaries have benefited from the relative ease of implementation procedures and widespread direct access to the UNDP. Procurement of supplies was also relatively easier for grant beneficiaries because the UNDP-PFF procedures are more flexible than those of the EC. This in turn improved cost-effectiveness of the projects of individual grant beneficiaries as well as efficiency of the overall project. Project monitoring and visibility of the EU, have, however, been less structured than in other EU assistance activities.

However, the other Private Sector projects have faced procurement constraints, which have delayed the efficient deployment of the EC grant. The MSME Loan Programme was cancelled due to obstacles related to EC internal contracting procedures, with funds reallocated. The Economic Development and ICT sector project was only fully contracted close to the end of the 2009 contracting deadline, due to the need to address a number of implementation design weaknesses linked to the technical assistance team’s role. Thereby the award of grants to the final beneficiaries under the project grant scheme was also delayed; starting briefly prior to the technical assistance. The efficiency of the grantees was poor in the early stages as they were poorly guided, and reporting and monitoring were poor and delayed. However, as the technical assistance team has become familiar with the beneficiaries’ needs the project activities have generally been well managed despite several difficulties. Efficiency has also been reduced by lengthy procedures for grantees in securing bank guarantees necessary for pre-financing payments. Discussions held between the EC and the local banks to overcome the constraints are likely to reduce the bank guarantee difficulties experienced by the beneficiaries of the 2006 project in the context of the 2011 project’s grant scheme for Private Sector Development.

Grant beneficiaries still lack a thorough knowledge of EC project preparation, management, and implementation procedures, on which the EC has been rightly focusing within the framework of recent projects. Procurement rules, particularly certificates of origin, have been one of the main problem areas for grant beneficiaries and the programme management and ex-post auditing planned under the 2011 Private Sector Development project is expected to provide guidance for applicants so they may avoid unexpected problems. Based on lessons from the first phase of support the management and monitoring of the current grant scheme is more efficient and several management problems have been overcome.

The effectiveness of the projects in terms of the achievement of anticipated goals and the contribution of projects to achieving the strategic objective of “Promoting Social and Economic Development” is mixed and, overall, is judged to be adequate.

The **Rural Development** actions have largely been successful in achieving the objectives of the 2006 programme although there has not been strong achievement of all objectives. Reasonable progress was made in preparation of a draft Rural Development Plan though because of the urgency to complete the activity, and with limited cooperation between ‘local’ and ‘central’ TCc stakeholders, there was insufficient participation by and preparation for future application of the *acquis* at the time of the ‘unit’ for rural development at the ‘Ministry of

Agriculture'; this has since been addressed via the provision of support under the TAIEX instrument (Objective 5). Additionally, the initial indifferent involvement of farmers' associations hampered the pace of implementation at the start of the programme, although this was progressively overcome and sufficient working relationships developed with different associations including via the provision of technical advisory services. The outputs of the Rural and Community grant schemes have contributed to introducing a LEADER approach for development of rural areas, while demonstrating the number and type of obstacles to be encountered. There has been effective identification of viable commercial crop husbandry practices compatible with scarce availability of water resources, including the identification of new approaches to fodder production and conservation, new seed varieties of traditional crops and cost-effective alternative crops. These, together with organic farming practices, are to be further developed with 2011 programme support. While the absorption capacity of grant beneficiaries has increased, notably in the villages participating in the Community Development grants, one of the aims of the grant, to contribute to developing monitoring capacity of 'local authorities', was deferred due to concerns regarding objectivity and impartiality. Whereas activities to improve livestock farming, including on-farm hygiene and animal health have generally been effective, the components to develop capacity in veterinary controls and animal disease eradication have only been partially effective. In regard the € 0.66 million equipment supply delivered to the 'Veterinary Laboratory', the installation and thereby the effective utilisation of the equipment has been delayed due to the on-going process of refurbishment by the TCc-side of the site. While a relatively straight-forward matter that shall be addressed when the new items of infrastructure and modifications are completed by the TCc-side, it is evident that the 'institutional' long-term planning processes and capacity of the TCc beneficiaries can pose constraints in terms of the effective embedding of reforms. The development of the technical capacity of the 'Veterinary Laboratory' to fully utilise the new equipment to the necessary standards has only partially been achieved. Despite delivery of a programme of training, pilot activities to conduct epidemiological surveys and provide training on the supplied ELISA equipment for epidemiological testing highlighted a number of skills gaps of veterinary staff.

The **Infrastructure** actions are largely effective. Major works supporting renovations in Nicosia, Famagusta and Kyrenia have contributed to their enhancement, and the support to small towns and villages is contributing to their socio-economic and cultural revitalisation. The activities are now more inclusive and greater efforts have been made in providing technical assistance for project planning and the organisation of cultural events. Maronite communities, such as Kormakitis village, are now included and there is effective support of their culture. However, progress on enhancing the buildings at the Ledra Street crossing point was restricted by risks presented by unexploded ordnance in some buildings.

The **Human Resources Development** and **Private Sector Development** actions have partially been successful in achieving the programme objectives although there has not been strong achievement of all objectives and there are areas of weakness. Overall they are contributing to the provision of better education and vocational skills for the labour market, and the growth and diversification of the private sector, notably via the grant schemes targeted to educational and private sector actors. While with some management inefficiencies, the capacity of the grant beneficiaries to undertake their delivery of quality educational services or productive business operations has increased, together with a gradual development of the project preparation/management culture, which has contributed to improving standards and progress towards the achievement of the programme objectives.

However, the effectiveness of the strategic plans, policy reforms, and structural changes developed under the Human Resources and Private Sector technical assistance projects is dependent on their approval and adoption for rollout at the 'central' level. Presently the Private Sector Strategy is the only current example of a successful approval, whereas the Education Reform and the VETLAM strategies have yet to be approved, almost one-year after the completion of the projects. Regarding the ROPSE project under the Human Resources Development sector, in the current programme environment 'institutions' are not suitably structured to encourage or facilitate reforms, and the systems ensuring that the results of policy interventions are sufficiently complementary with regulations in the sectors are not sufficient to ensure full achievement of the programme objectives.

Which are the prospects for immediate and long-term impact and sustainability of assistance? Are there any elements which are/could hamper the impact and/or sustainability of assistance?

Programming Level

Regarding impact, the design of Objective 2 "Promoting Social and Economic Development" at the level of the Wider Objectives provides focus on processes for the development of economic welfare and social capital, which are progressive capacity building processes with continuing relevance post-settlement. The measurement indicators are comparative rather than absolute standards and a common assumption is that there will be cooperation and commitment for policy change at the 'central' level, which represents a risk. Regarding sustainability, the programme design again emphasises dependence on policy changes, political commitment and ownership, though there is also some expectation that in regard businesses, sustainability will be related to the economic climate for commercial operations.

Implementing Level

The prospects for impact and sustainability of the assistance are assessed, generally, as good, but are weakened by the commitment at the 'central' level for **Rural Development**, **Human Resources Development**, and **Private Sector Development** actions.

The positive impact of the **Rural Development** actions in terms of social and economic development is evident in the increasing commitment by farmers and rural communities for activities contributing to sustainable use of natural resources and protection of the environment, and improved living conditions. Increasing numbers of farmers are experiencing the practical results and potential benefits of improved crop and animal husbandry practices, and the Rural Development and Community Development grant schemes are generating support for the LEADER programme approach to strengthening rural economies and communities. The 'unit' for rural development at the 'Ministry of Agriculture' is better informed for full development of a sound Rural Development Plan and the agricultural 'institutions' are better resourced with equipment to fulfil their technical role.

The prospects for sustainability are reasonably good. They are dependent on the will of stakeholders, in particular those with influence such as the unions and agribusinesses, the policy makers and those with authority at the 'central' level. Appropriate commercial incentives can further encourage farm practices resulting in outputs of better quality such as milk, which may permit increased "Green Line" trade. Commitment to continuing capacity building at the 'Veterinary Laboratory' will contribute to a viable animal disease eradication programme. Resolute actions at the 'central' level to work constructively with 'local'

stakeholders to develop, implement, and enforce policies would promote technical and commercial developments such as milk quality incentives and farmer producer groups.

The positive impact of the **Infrastructure** actions is evident in the greater participation of beneficiaries, who recognise the potential benefits for their towns and villages, and in the rising standards of working practices in the construction sector. The size of actions is proportionate to the size of the towns and villages to make a significant difference. In the larger towns, either individually or in aggregate, they are big. In the smaller towns and villages, although they are on a smaller scale, they make an equivalent contribution to social and economic development. The prospects for sustainability are good. Communities, and in particular their leaders, recognise the value of enhanced infrastructure and are committed to an on-going process of maintenance and upgrading. They have the capacity to identify, to prioritise, and seek sources of funding to implement further infrastructure actions.

The positive impact of the **Human Resources** and **Private Sector** actions in terms of social and economic development is evident in the substantially enhanced capacity in the areas of human resources and the private sector, which is contributing to reducing the socio-economic development gap with the Republic of Cyprus in terms of education, vocational skills, and strength of the private sector. The bottom-up approach of grant schemes has encouraged increasing participation by schools, associations, chambers, unions and businesses in activities to produce better-educated and trained people for the private sector. However, limited progress has been achieved in the approval and adoption of strategic plans, reforms, and structural changes at the 'central' level for the provision of Human Resources Development actions, particularly in the education sector. This is likely to significantly reduce the pace of progress to narrow the gap with the Republic of Cyprus, thus keeping the TCc at a disadvantage. The prospects for impact over the medium-term and for sustainability are strongly conditional upon the achievement of substantial reforms and structural changes, which require commitment at the 'central' level. There is significant potential for further achievement. The high visibility and awareness of EU policies and practices are likely to contribute to additional demand for reducing the gaps, and alignment with EU standards and practices. And the know-how that is developed for accessing EU grants will facilitate schools, institutions delivering training etc. to gain access to them.

Which are the key administrative/financial/thematic reforms that the beneficiary should undertake to improve the sustainability in key areas?

Implementing Level

With regard key reforms that the beneficiary should undertake to improve sustainability of the assistance under Objective 2, these relate in particular to programme actions for **Rural Development, Human Resources Development, and Private Sector Development**. As outlined in the preceding Evaluation Question, the sustainability of the benefits relies on the policy environment being conducive to "Promoting Social and Economic Development".

In each area the degree to which the policy environment is conducive to "Promoting Social and Economic Development" is dependent on the achievement of the planned policy reforms and structural changes, plus that influential stakeholders take actions appropriate to fostering a suitable environment. The authority of the 'central' level policy makers could provide the leadership and stimulus for promoting strengthened dialogue with stakeholders, e.g. the various farmers' unions and agri-businesses to reach consensus on the roll-out of long-term

development objectives and activities so as to encourage farm practices that are sound in the context of Cyprus and result in outputs of better quality. In regard the 'Veterinary Laboratory' it should be encouraged to take further advice on how to strengthen management practices and adopt a programme of technical capacity building to prepare it to contribute to a viable animal disease eradication programme. In regard **Human Resources Development** there is a need for the 'central' level to approve and adopt strategic plans, reforms, and to implement structural changes for provision of Human Resources actions.

Are there any potential actions, which would improve the efficiency and effectiveness of on-going assistance?

Are there any actions, which would improve prospects for impact and sustainability of on-going assistance?

Implementing Level

As outlined above there is the need for the 'central' level to expedite approval of planned policy reforms and implementation of structural changes, plus provide leadership in developing consensus with influential stakeholders to foster an environment more conducive to "Promoting Social and Economic Development". In regard **Rural Development**, prompt action by the 'Veterinary Laboratory' to strengthen management practices and technical capacity building will contribute to enhancing the efficiency and effectiveness of the animal disease eradication programme. In regard of **Human Resources Development**, cooperation among relevant stakeholders and dialogue with the 'central' level leadership can facilitate robust support for the reforms proposed by the technical assistance components of the ROPSE and VETLAM (Strategic Plan) projects, thereby contributing to their enhanced effectiveness, impact, and sustainability. Specifically, greater cooperation between the 'central' bodies responsible for education and labour issues and their private sector counterparts can contribute respectively to ensuring adequate resourcing and application of appropriate measures.

A continued strong focus of technical advisory support for participants of **Human Resources Development** and of **Private Sector Development** grant schemes, especially in the areas of preparing proposals and EU procurement and implementation procedures, and most appropriately provided by the programme management unit, should improve efficiency of the process and effectiveness of the outcomes. The provision of training workshops to grant beneficiaries and potential beneficiaries, at an early stage of the grant schemes is important. Particularly, in regard of the **Private Sector Development grant schemes**, these should be suitably well structured and intensive, and include practical guidance on project proposal preparation, project implementation management, procurement rules (including certificates of origin), and on-line registration with the EU database ("Potential Applicant Data Online Registration – PADOR"). Improved consistency of quality of translations of Calls into Turkish will contribute to greater efficiency. Reaching agreement with the local banks on the part of the EU in regard to bank guarantees for participants of grant schemes will also contribute to their enhanced efficiency and effectiveness.

There are successful records of applying lessons learned in regard to both **Human Resources Development** and **Private Sector Development** projects. A follow-up evaluation of the SECOND project should contribute to an understanding of the systematic difficulties experienced in the first and second grant schemes, and the achievements of the

technical assistance component. The results should inform implementation of on-going assistance.

What are the advantages of the continuing "joint management" with UNDP of certain parts of the programme? Is the justification for choosing this instrument still valid?

Implementing Level

In terms of Objective 2 assistance the **Infrastructure** actions and Capacity Building project of **Private Sector Development** have been implemented in partnership with the UNDP.

In regard **Infrastructure** as outlined above, the efficient implementation of the projects was facilitated by the good working relationship of the EC and the UNDP teams, with the latter providing the strength of continuity. In addition to the agreed actions, the UNDP was able at short notice to agree to the implementation of additional projects in support of other Aid Programme goals, demonstrating its status as a trusted partner in the Infrastructure area.

In regard the **Private Sector Development** project, while the activities were efficient due to the relative ease of implementation under UNDP-PFF procedures, the procedures did not provide beneficiaries with adequate preparation for future engagement with EU procedures, and project monitoring and visibility was less structured than for EU activities.

Objective 2:

Future Programme

How can the objectives of the current Aid Regulation be met in medium to long-term (up to 2020)? State the assumptions made, particularly with respect to the potential settlement scenario.

In terms of the achievement of the strategic objectives of the "Aid Regulation" the processes of the assistance linked to Objective 2 ("Promoting Social and Economic Development") are progressive actions, which aim to build capacity to develop economic welfare and thereby reduce the present economic and social development gap and ensure longer-term ability of the TCc to promote sustainable development within a reunified Cyprus and within the EU.

As previously outlined in regard to **Rural Development, Human Resources Development** and **Private Sector Development** the objectives of the Aid Programme continue to be relevant over the medium- and longer-term in order to achieve relevant policy reforms, to establish appropriate institutional structures and experience, and to develop a stronger ethos for achievement. The aim for the development of and sustainable adherence to good farming, educational, and business practices, resulting in increased socio-economic opportunities and better quality outputs, is likely to be only partially achieved over the medium-term, and more time is required for implementation of actions for them to be sufficiently sustainable, e.g. to develop strong stakeholder relationships and good local-knowledge of operators as a prerequisite for better achievement of effectiveness, impact, and sustainability of the actions. Further assistance could continue in the form of grants and technical assistance, e.g. a focus on quality assurance and marketing. A key driving-force in terms of "Promoting Social and Economic Development" will be increased access to trade, and in particular "Green Line" trade. As access to trade represents a tangible goal further support in raising the capacity of the TCc-side in this area would be justified over the longer-

term. Additionally, the priority areas also offer opportunities for actions parallel to those in the Republic of Cyprus, and potential to strengthen bi-communal relations supporting settlement.

Should a settlement be achieved in the medium-term it would likely stimulate an increased pace of development progress but the full level of achievement of objectives of the Aid Programme is unlikely to have been met and further targeted support would be required – presumably via the EU's economic, social, and territorial cohesion policy instruments in the context of an expanded "Common Strategic Framework" for such EU/EC programmes.

In the case of constrained budgets (similar to those for 2012 and 2013 – € 28 million/year), which are the areas recommended for concentration? How would the objectives of the Aid Regulation be met in such circumstances?

With regard the focus and concentration of future programme support linked to Objective 2 the core specific objectives to be addressed are well established: **Rural Development**, **Human Resources Development**, and **Private Sector Development**; the objective of **Local and Urban Infrastructure** is addressed in the context of the Community Development theme of Rural Development, plus, as relevant via Cultural Heritage (under Objective 3).

In the case of constrained budgets, as outlined above, the key areas for support linked to **Rural Development** are those providing increased access to trade and the strengthening of the LEADER programme approach. Grant schemes and technical assistance could continue to be used to support both. In the case of technical assistance it would be advantageous in the TCc programme environment to design projects providing longer periods of implementation for the key experts to be able develop strong working relationships and local knowledge. Grant schemes, which provide the opportunity for direct support for specific actions at the level of the individual/small enterprises, have the advantage that the size of the Call budget and the focus for award may be modified as necessary.

In the case of constrained budgets the key areas recommended for support linked to **Human Resources Development** and **Private Sector Development** are achieving relevant policy reforms, establishing appropriate institutional structures and experience, and developing a stronger ethos for achievement, as outlined above. These are objectives currently supported by programme actions and their sustainability is mostly contingent on continuity of the Aid Programme, which a multi-annual perspective can ensure. Current programming gaps could further be assessed, which could potentially include assistance to women entrepreneurship, to disabled students, and the support of business development centres and business incubators. They and other priorities may be implemented by provision of further technical assistance actions in combination with grant schemes. The design and management of such combinations has been progressively developed to ensure efficiency and effectiveness. Particular focus is recommended to develop capacity of grant beneficiaries and in the case of policy reform it is recommended that TAIEX assistance is used to support the activities of technical assistance teams.

Annex 4.3: Objective 3 – Fostering Reconciliation, Confidence Building Measures, and Support to Civil Society

With regard to the “Aid Regulation” / assistance programme’s strategic objective of “Fostering Reconciliation, Confidence Building Measures, and Support to Civil Society” this has been addressed via eight projects.

The assistance aims to contribute to the solution of the Cyprus problem through increasing mutual trust and understanding between the Turkish Cypriot and Greek Cypriot communities, as well as of the dialogue, contacts, and cooperation between the two communities, and of civil society, so as to support the processes of confidence building and reconciliation.

Table 7: Objective 3 Projects – “Reconciliation, CBM, and Civil Society”

N°	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012) ¹	% Disbursed (31/12/2012)
1	Reconciliation, Confidence Building Measures, and Support to Civil Society	2006	9.00 ²	113.95	103.53
2	De-mining Assistance Programme	2006	6.50 ³	99.94	99.94
3	Support to the Development of New Trends in History Teaching for Reconciliation and Stability in Cyprus ⁴	2006	1.00	0	0
4	Contribution to the Committee on Missing Persons Campaign	2010	3.00	100	97.86
5	Contribution to the Committee on Missing Persons Campaign	2011	1.00	100	85.00
6	Support to Civil Society Organisations	2011	1.00	0	0
7	Support for the Cultural Heritage Monuments of great importance for the communities of Cyprus	2011	2.00	100	77.82
8	Reconciliation, Confidence Building Measures, and Support to Civil Society	2012	5.50	36.36	0

1 Contracting deadline: for 2006 projects = 18/12/2009; for 2010 project = 31/12/2012; for 2011+2012 = on-going

2 Includes an allocation (via EC Decision on 22/04/2009) of € 2.00 million from the 2006 Programme Reserve Facility

3 Includes an allocation (via EC Decision on 22/04/2009) of € 1.50 million from the 2006 Programme Reserve Facility

4 Project cancelled in spring 2009; the funds were re-allocated for commitment within the related 2006 programme

Objective 3:

Programme Intervention Logic

To what extent are objectives at different level clear, measurable, and realistic?

With regard to achievement of the strategic objective “Fostering Reconciliation, Confidence Building Measures, and Support to Civil Society”, five specific objectives / operational priorities for intervention have been targeted by the assistance programme, namely:

Evaluation of the financial assistance programme for Turkish Cypriot community

- Support to the Committee on Missing Persons Campaign (Projects 1, 4, 5 and 8)
- Support to De-mining Activities (2)
- Support to Cultural Heritage Initiatives (7 and 8)
- Support to Civil Society Development (1, 6 and 8)
- Support to Confidence Building Educational/Training Initiatives (1 and 3)

In terms of the strategic relevance of the five specific objectives/priorities each is logical regarding its clear linkage to the strategic objective (“Fostering Reconciliation etc.”), and, generally, also in regard to its addressing needs of operational relevance to the beneficiary. Three priorities – **Committee on Missing Persons**, **De-Mining**, and **Cultural Heritage** – are closely linked to the confidence building measures undertaken in the context of the United Nation’s mandate in Cyprus and/or the Cypriot-led, bi-communal Working Groups and Technical Committees supporting the process of talks between the two communities, paving the way for negotiation of a settlement. The fourth priority addresses the role of **Civil Society** in terms of the promotion of confidence building and of good governance measures, providing support for civil society’s active engagement, and that of the wider society, in the reconciliation and governance processes. The priority **Educational/Training Initiatives** supports the process of confidence building via initiatives, under the auspices of the Council of Europe, to promote pan-Cypriot dialogue on issues of historiography and political studies.

The intervention objectives of the projects were assessed for the extent that the objectives at different level (Wider Objective, Immediate Objective, Results/Outputs) are clear, measurable, and realistic, i.e. are ‘SMART’. *[For intervention objectives the criteria have the following meanings: Specific (appropriately positioned, scoped and focused within the objectives hierarchy); Measurable (quantified, or potentially quantifiable, through the use of appropriate indicators); Achievable (in the light of the position in the intervention logic and assumptions made at the preceding level); Relevant (to EU and beneficiary requirements); Time-bound (provide a timeframe by which planned benefits should be achieved)]*

Whereas the formulation of intervention objectives is generally adequate, it is evident that the scope/focus of the objectives is often too broad or too diffuse to provide clear programming direction in terms of the chain of expected development effects to be achieved by projects – many of the objectives are judged poorly in terms of not being sufficiently ‘Specific’, and, given the limited evidence of detailed project risk assessments, the extent that those objectives are thus realistically, or meaningfully, ‘Achievable’ within a clearly defined timeframe is not evident. The lack of ‘Specific’ scoping of the objectives also creates some confusion as to whether the objectives are correctly positioned within the hierarchy of goals, or if there is sufficient differentiation between goals to be achieved over the project lifetime. Finally, none of the objectives is ‘Time-bound’. While the timeframe for the Results/Outputs and the Immediate Objective can be inferred (i.e. the former achieved during implementation, the latter on project completion or the immediate short-term after completion), the timeframe for projects’ Wider Objective(s) is open-ended (i.e. from the medium- to longer-term outlook). Partially this open-ended nature of the Wider Objective(s) under Objective 3 (“Fostering Reconciliation etc.”) reflects the fact that the processes of confidence building and reconciliation are long-term processes that will remain to be relevant also post-settlement. However, it is also reflective that the Wider Objective(s) often lack a ‘Specific’ medium-term focus within the framework of the longer-term strategic goal of “Fostering Reconciliation etc.”

Whereas the intervention objectives are generally adequate rather than ‘SMART’ this places additional emphasis to the definition of objectives during the project implementation phase.

To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient and effective projects to achieve the strategic objectives?

In terms of the strategic relevance of the five specific objectives/priorities targeted by the projects, this is outlined via the Evaluation Question above and is generally judged to be good. In terms of the programming of assistance, the project selection process/mechanism linked to Objective 3 (“Fostering Reconciliation etc.”) is reflective of the fact that the specific objectives/priorities are medium- to long-term goals, i.e. the objectives will be progressively achieved via a series of phased projects, financed across a series of annual programmes.

In this respect a key issue for the EC in regard to the programming of assistance is the need to assess the extent that further funding is justified in terms of the absorption capacity, lessons learned from previous funding, and the proposed plan of actions for further funding.

In regard to projects linked to three of the specific objectives/priorities – **Committee on Missing Persons, De-Mining, and Cultural Heritage** – these are financial contributions to efforts within the wider international and Cypriot framework promoting peace, confidence building, and reconciliation in Cyprus. While, in each area, the EC is the main financial contributor the process of project selection is, appropriately, driven within the wider framework, i.e. the process of project design, preparation and the selection of the most relevant, efficient and effective project actions for EC support is identified within a clear programming framework and in full consultation with key project partners and beneficiaries.

Reflecting that the provision of financing for these specific objectives/priorities is provided across a series of annual programmes – in the case of De-Mining, phases I-III were financed by the EC prior to the adoption of the first (2006) programmes under the “Aid Regulation” – the programming of assistance is now also increasingly informed via periodic evaluations of the support. In the area of **De-Mining** evaluations were conducted in 2008 and in 2011, while an evaluation in the area of the **Committee on Missing Persons** is planned for early 2013.

In regard to projects linked to the specific objective/priority **Civil Society** the programming of assistance (i.e. the process of project design, preparation, and selection) is primarily focused on the initial design/formulation of the grant scheme mechanism – e.g. detailed intervention objectives/themes – via which funds will then be committed to a number of sub-project/grant actions by means of a Call for Proposals during project implementation. The design of the grant schemes (both during the programming and the implementation phases) is undertaken on the basis of relevant needs-analysis (e.g. CIVICUS assessments), the lessons learned from previous Calls for Proposals (three were launched under the 2006 project), consultation with other key donors, and a process of dialogue with civil society organisations (CSOs). An evaluation in the area is planned for early 2013; in consolidating lessons from previous Calls the evaluation will also be used to support final design of the up-coming Call for Proposals.

In regard to projects linked to the specific objective/priority **Educational/Training Initiatives** the programming of assistance was conducted in close consultation with the Council of Europe, utilising its expertise so as to extend its recognised initiatives aimed at strengthening the reconciliation process through education, i.e. via New Trends in History Teaching and via the Academy of Political Studies. Whereas the projects (both under the 2006 programme) were/are of relevance, the design of both projects failed to sufficiently appreciate the wider project environment and the subsequent risks to project implementation and sustainability. In this sense the project selection mechanism did not design/select effective/efficient projects.

To what extent programming provides adequate prioritisation and sequencing of assistance?

As outlined via the Evaluation Question above, four of the five specific objectives/priorities linked to Objective 3 (“Fostering Reconciliation etc.”) – **Committee on Missing Persons, De-Mining, Cultural Heritage, and Civil Society** – have been supported on the basis of a series of phased projects / EC financing allocations – in the case of De-Mining, phases IV-V were supported under the “Aid Regulation” and the previous phases by the EC over years 2004-2006¹¹. In each area, and also across the four specific objectives, the programming of assistance has been suitably prioritised and sequenced such as to ensure adequate linkage and, generally, also continuity of assistance across a series of annual programmes.

In regard to the **Committee on Missing Persons** the importance of the EC grant in terms of the continuity of the operations is evident – 2007-2012 the EC grant covered approx. 67% of operational funding; the annual operational costs for the work of the CMP are approx. € 2.5 million – and the allocation of EC grant, while with gaps, has been adequately prioritised and sequenced. In regard to **De-Mining** the EC grant has been suitably prioritised so as to primarily achieve the goal of clearing all minefields, suspect dangerous areas and booby-traps in the UN administrated buffer zone. Both the CMP and De-Mining were appropriately prioritised in 2009 in terms of additional funding via the 2006 Programme Reserve Facility.

In regard to the **Cultural Heritage** the issue was originally addressed under the “Aid Regulation” in the context of Objective 2 (“Promoting Social and Economic Development”); prior to that also via pilot projects under the 2003 Special Aid Package for northern Cyprus. In the context of the 2008 decision between the two communities to establish Working Groups and Technical Committees to support the process of talks, the issue of Cultural Heritage is now an integral element also in the context of Objective 3 (“Reconciliation etc.”). Accordingly financial allocations were provided in the 2011 and 2012 annual programmes (€ 2.00 million / year). Further prioritisation of the issue / sequencing of assistance will need to build on these allocations, e.g. in terms of effective absorption capacity, impacts etc. In regard to **Civil Society**, funding has been provided under the 2006, 2011 and 2012 programmes; equally, further prioritisation / sequencing needs to build on these allocations.

In regard to the objective **Educational/Training Initiatives**, this was supported under the “Aid Regulation” via the 2006 programme only, not via sequential allocations of EC grant.

To what extent programming takes adequate and relevant account of beneficiaries’ policies, strategies, and reform processes in relevant key areas?

The extent to which programming takes account of beneficiaries’ policies, strategies etc. was assessed via examination of the project fiches – notably the sections Background and Justification, Linked Activities, and Lessons Learned.

Projects linked to the **Committee on Missing Persons, De-Mining, and Cultural Heritage** provide adequate and relevant account of such policies, strategies etc.; for the CMP and for De-Mining the policies, strategies etc. have been developed, in consultation with Cypriot partners from both communities, in the framework of the United Nation’s activities in Cyprus, for Cultural Heritage it is developed via the Technical Committee on Cultural Heritage.

¹¹ De-mining pilot project/preparatory action, financed under Article 49 of the Financial Regulation: EC grant 2004 (Phase I) = M€ 2.50, in 2005 (Phase II) = M€ 1.50, in 2006 (Phase III) = M€ 1.00

In regard to **Civil Society**, reflecting that the beneficiaries' policies, strategies etc. are diverse, the programming process is based on the review of relevant literature assessing the overall situation of and needs of civil society in the northern part of Cyprus and bi-communally, plus via consultations held with representatives of CSOs. The on-going programming process linked to preparation of the 2013 annual programme is being undertaken based on a series of consultative dialogue meetings with CSOs, collectively addressing a series of thematic issues; the first such meeting was held in December 2012 with approx. 20 participants from CSOs. Via such a structured dialogue approach the programming process is indeed suitable.

In regard to **Educational/Training Initiatives**, the projects were prepared with limited account taken as to the beneficiaries' policies, strategies etc.; the projects provide no such information, focusing instead on how the initiatives have a pan-European perspective, e.g. in line with the Council of Europe's recommendation on "History Teaching in the 21st century". While potentially worthy initiatives, they were designed with only partial consideration of the local environment or of the extent of local demand among the target group of beneficiaries.

To what extent programming takes adequate and relevant account of assistance provided and reforms promoted by key donors where applicable?

The extent to which programming takes account of other key donors' activities was assessed via examination of the project fiches – Background and Justification, and Linked Activities.

Each of the projects provides clear reference to the assistance and reforms promoted by the other key donors. Generally this is sufficient in terms of identifying the other key donors and projects in the area; although not all key donors are identified in the context of the project fiches, e.g. the EEA / Norwegian Financial Mechanisms' support in the area of civil society. Additionally, it is clear that the data is sometimes simply 'copy/paste' from previous year's project fiches, rather than having been systematically updated during the programming process so as to reflect the latest situation, or so as to reflect the specific focus of the new projects, or so as to identify potential synergies between the donors' assistance actions.

To what extent programming and monitoring mechanisms include SMART (Specific, Measurable, Available, Relevant and Time-bound) indicators to measure progress towards achievement of objectives?

The indicators of achievement of the projects were assessed for the extent that the indicators at different level (Wider Objective, Immediate Objective, Results/Outputs) are 'SMART' for the purposes of monitoring and of evaluation. *[For indicators of achievement the 'SMART' criteria have the following meanings: Specific (clearly defined, and closely linked to what they are trying to measure); Measurable (variables which can be objectively assessed and numerically expressed); Available (already exist or can be collected at reasonable cost and effort); Relevant (related to the core problems and needs addressed by interventions); Time-bound (based on a timeframe by which planned benefits should be achieved)]*

The formulation of the projects' indicators of achievement linked to Objective 3 ("Fostering Reconciliation etc.") is generally adequate, although weaknesses exist. Apart from the fact that none of the indicators is 'Time-bound', the second criteria for which many indicators are judged poorly is that they are not sufficiently 'Specific' – e.g. they are loosely defined or not detailed of effects being measured. Additionally, while most of the indicators are technically

'Measurable' a significant number are not quantified in terms of targets and/or provide no baseline data so as to measure progress, e.g. "increased" levels of trust or of participation.

It is evident that the overall quality of the indicators at the Results/Outputs level is, generally, better than those at the levels of Immediate Objective or Wider Objective. It is also evident that the overall quality of the indicators in regard to projects in the area of **Civil Society** is weaker than for indicators linked to the other Objective 3 specific objectives/priority areas.

Which are the main gaps/weaknesses of the current programming framework?

How can programming of assistance be enhanced to more efficiently and effectively reach strategic objectives?

How can programming be enhanced to improve the impact and sustainability of financial assistance?

Overall, the programming of assistance linked to Objective 3 ("Fostering Reconciliation etc.") is generally good.

The main finding in terms of programming gaps/weaknesses relates to the deficiencies of the projects in respect to 'SMART' intervention objectives or 'SMART' indicators of achievement. While the objectives and indicators are generally adequate, further improvements in the development of project objectives and indicators will strengthen the programming framework and the programming exercise. Specifically, the quality of the objectives and indicators should be strengthened in terms of being 'Specific' and also 'Time-bound'. The indicators should also be improved in terms of being 'Measurable': via the inclusion of quantified targets and baseline data to support (a) progress monitoring – by the EC during the years provided for project implementation – and (b) evaluation (*ex-ante* through to *ex-post* or *impact*). The timeline for the chain of development effects/goals – objectives and indicators – should also be clearly demarcated: i.e. Results/Outputs = achieved by the project during implementation; Immediate Objective(s) = achieved on project completion or the immediate short-term after; Wider Objective(s) = the medium- (1-year) to longer-term (3-years) outlook post-completion.

Additionally, gaps/weaknesses in the programming framework are also evident in terms of the limited evidence of detailed project risk assessment/planning, both at the level of project implementation (efficiency/effectiveness) and post-project planning (impact/sustainability).

Objective 3: Programme Implementation Performance

Are the administrative and organisational structures in place ensuring efficient and effective implementation of financial assistance?

Programming Level

The administrative and organisational structures in place for managing the programming process linked to Objective 3 ("Fostering Reconciliation etc.") are, generally, suitable. The annual programming process (project design, preparation, selection) is generally good:

- Most actions are identified within a clear programming framework, developed in close consultation with key partners and beneficiaries;

- The prioritisation, sequencing and, as appropriate continuity, of the assistance across the specific objectives/priorities, over the series of programmes, has also been good;
- Suitable consideration is provided as to the policies, strategies etc. of the beneficiaries and of the other key donors – although for the latter this could be more systematic;
- The programming process is increasingly also informed via periodic evaluations of the specific objectives/priorities, e.g. the effectiveness of delivery mechanisms, impacts;
- However, weaknesses exist in terms of the definition of ‘SMART’ intervention objectives and indicators of achievement, plus in terms of risk assessment/planning – as outlined above linked to “Programme Intervention Logic”. These weaknesses detract from the overall effectiveness of the programming exercise’s implementation and place additional emphasis to the definition of goals during the project implementation phase.

Implementing Level

The administrative and organisational structures in place managing project implementation processes linked to Objective 3 (“Fostering Reconciliation etc.”) are, generally, suitable.

Projects linked to the **Committee on Missing Persons, De-Mining and Cultural Heritage** are implemented by the EC on the basis of “joint management” with an international organisation, in each area via contribution agreements with the UNDP. The UNDP acts as the implementing organisation for the projects in cooperation with, respectively, the Committee on Missing Persons, the United Nations Office for Project Services, and the bi-communal Technical Committee on Cultural Heritage. The commitment of EC grant is made following negotiation of the individual contribution agreement with the UNDP, based on a detailed description and budgeting of the action. This process has, generally, been efficiently managed between the EC and the UNDP, allowing for the quick deployment of the EC grant: in the areas of **Committee on Missing Persons** and **De-Mining** the contribution agreements were usually signed three-six months following the EC Decision on funding allocation. The commitment of EC grant in the area of **De-Mining** (€ 6.50 million under the “Aid Regulation”, € 5.00 million prior) was efficiently managed in terms of providing continuity across a series of contribution agreements (in total five phases, from October 2004 to April 2011), and in terms of its efficient and effective coordination with co-financing for actions provided by the Government of the Republic of Cyprus to the UNDP (€ 2.50 million over the period March 2009 to February 2010). In regard the **Committee on Missing Persons** (€ 9.50 million under the “Aid Regulation”, so far five phases, from March 2007), while gaps are evident in terms of the continuity of EC financing, notably in the first half of 2009, programme funds have been effectively re-deployed by the EC so as to minimise these gaps and thus provide a certain level of continuity for the CMP operations – e.g. funding in 2009 (for Phase II of the CMP) was provided from the 2006 Programme Reserve Facility (approved by EC Decision in April 2009) rather than via the 2009 annual programme (approved by EC Decision in October 2009); the April 2009 EC Decision also effectively re-deployed funds to allow continuation of the De-Mining actions. The commitment of EC grant under the 2012 programme (EC Decision of November 2012) is also being efficiently managed in regard the **Committee on Missing Persons** and **Cultural Heritage**: agreement on the former was signed in December 2012, the latter is assumed in the 2nd Quarter 2013.

In terms of the implementation of these “joint management” actions the UNDP (and its implementing partners) ensures the administration, coordination, and implementation of the project activities so as to deliver the goals of the action. For each action it establishes a clear internal project-management structure to provide technical guidance in terms of the efficient

and effective implementation of the action. The EC provides management support and oversees technical progress via the Project Steering Committee, plus ad hoc meetings with the UNDP and its implementing partners. The processing of contractual matters linked to implementation, e.g. contract addendum, utilisation of savings etc., is efficiently managed.

Projects linked to **Educational/Training Initiatives** (under the 2006 programme only) were also undertaken by the EC on the basis of “joint management” with an international organisation, namely the Council of Europe (and implementing partners). Both actions – New Trends in History Teaching, and the Academy of Political Studies – faced implementation constraints, largely emanating from the wider project environment. Negotiations between the EC and the Council of Europe on the detailed description/budgeting of the actions were completed by summer 2007. While the commitment of EC grant linked to the Academy of Political Studies was concluded in September 2007 – nine months following the EC Decision on the funding allocation – commitment of grant linked to New Trends in History Teaching was ultimately not successful. The contract was not counter-signed by the Council of Europe primarily due to the constraints in the wider project environment – the extent of local demand among the target group of beneficiaries, in both communities, to effectively deliver the results as designed was effected, at the time, by the evolution of the wider political environment. However, this also, in part, reflects the failure, during detailed design/negotiation of the action (in 2007), to suitably re-assess the implementation deliverability and risks to the assistance – while the basic project design was updated during the 2006 programming exercise it was originally conceived as a project in year 2004. Despite the stalled nature of negotiations on contract counter-signature, the EC only moved to formally cancel and de-commit the funding in December 2008; formalised in spring 2009. Implementation of the Academy of Political Studies action (€ 0.60 million under the “Aid Regulation”, € 0.10 million co-financing via the Council of Europe) also suffered in terms of its efficiency – while the contract was concluded in September 2007 implementation was delayed by the Council of Europe until after the Republic of Cyprus Presidential elections in early 2008; the first seminar under the action was only delivered in June 2008, in total only two seminars were delivered in year 2008; ultimately the three-year project was extended by an additional 8-months for implementation.

Projects linked to **Civil Society** have, primarily, been undertaken on the basis of a grant scheme / Call for Proposals for the selection of sub-projects/grant awards for implementation (€ 4.70 million under the 2006 programme, via three Calls for Proposal, € 1.00 million under the 2011 programme and € 1.50 million under the 2012 programme). The EC manages the grant scheme process, e.g. definition of the Guidelines (detailed specification of intervention objectives, minimal/maximal project size, or duration, co-financing requirements etc.), the receipt, and evaluation of project proposals, plus subsequent oversight and management support to sub-projects during implementation and completion. The EC’s management of the grant scheme was supported by external technical assistance for the assessment of the applications. In addition to the grant scheme the 2006 programme also provided for a technical assistance component (€ 1.50 million) – EU Civil Society Support Team (CSST) – to support reconciliation measures and the development of civil society in the Turkish Cypriot community through tailor-made assistance, training, and capacity building of civil society organizations (CSOs), e.g. potential applicants, or grant awardees under the grant scheme.

The commitment of EC grant linked to the CSST was efficient – the 3-year service contract was awarded 7 months after the publication of the procurement notice. This ensured that the CSST was operational in terms of the provision of support to CSOs linked to the three Call

for Proposals under the 2006 grant scheme. The EC progressively launched the Call for Proposals across the implementation period – announced in October 2007, June 2008, and January 2009 – with a total of 44 projects awarded grant under the 2006 programme (2 were cancelled on the request of beneficiary due to the lack of capacity to implement the contract). The third Call for Proposals was based on a one-step (Full Application) procedure; the previous Calls followed the standard two-step (Concept Note, Full Application) procedure. This produced clear efficiency gains in terms of the deployment of the EC grant – notification of contract award was provided 6 months after the deadline for receipt of proposals, while it took 13 months under the two-step procedure from the deadline for receipt of the initial proposal, Concept Note – and there is no evidence that this reduced the effectiveness of the project selection process to identify efficient and effective projects. Adoption of the one-step procedure was also praised by many CSOs – both at the time and in interviews linked to this evaluation – as a more efficient procedure from their perspective.

While the 2006 funding for Civil Society was efficiently implemented, deployment of the 2011 programme funding has been delayed and its initial efficiency is thus judged poorly: the EC Decision on the programme was adopted in June 2011, and a Civil Society Dialogue meeting held in late November 2011 during which it was indicated the next Call for Proposals was possibly to be launched at the beginning of 2012, but this has now been delayed until spring 2013. While it is efficient that the EC launch a single Call for Proposals combining funding under the 2011 and the 2012 programmes, this will represent a gap of 4 years since the previous Call for Proposals. While it is true that some projects under the 2006 programme were still being formally closed in late 2012, it is evident that the primary reason for the delayed deployment of the 2011 funds is the staff turn-over at the EC/EUPSO in 2012 linked to the civil society portfolio rather than driven by a lack of absorption capacity of local CSOs.

In terms of the implementation of the **Civil Society** projects by the CSOs awarded grant this has been mixed. A number of CSOs encountered implementation delays and requested extensions for project duration – partially due to their lack of familiarity with EC grant management requirements, in particular cost-eligibility rules, but also due to the sometimes limited or overly ambitious initial design of projects, e.g. timelines for delivery. Additionally, a number of CSOs interviewed linked to this evaluation noted that staff turn-over at the EC/EUPSO affected grant implementation, e.g. alternative approaches adopted by staff as to managing CSO requests for clarifications: by telephone or, strictly, only via e-mail.

To what extent are the monitoring mechanisms and structures appropriate and correctly functioning?

Programming Level

The monitoring mechanisms and structures in place supporting the programming process linked to Objective 3 (“Fostering Reconciliation etc.”) are suitable. Recognising that support has, primarily, been provided on the basis of a series of phased projects / EC financing, these have been appropriately built on the EC’s monitoring of previous actions and lessons learned and, increasingly, also via the evaluation of support to the specific, priority areas.

Implementing Level

The monitoring mechanisms and structures in place supporting the project implementation processes linked to Objective 3 (“Fostering Reconciliation etc.”) are, generally, suitable.

Project implementation monitoring-data is primarily obtained by the EC on the basis of the regular monitoring of actions undertaken by the Task Managers at the EUPSO, notably via a series of Project Steering Committees. In addition, contractors or implementing partners provide the EC with standard project interim progress and final reports. Task Managers at the EUPSO prepare a “Project Fiche Monthly Report” to summarise the status of projects, e.g. key actions undertaken, key issues, and prospects.

In regard to **Civil Society** the EC’s monitoring functions are also complimented by grant monitoring carried out by external experts for financial/operational monitoring.

In regard to the projects implemented by the EC on the basis of “joint management” with an international organisation – the **Committee on Missing Persons, De-Mining, Cultural Heritage, and Educational/Training Initiatives** – the role of the Project Steering Committee in terms of monitoring progress is particularly vital as progress reporting on longer-term contribution agreements/actions is, traditionally, provided by the organisation – in accordance with Article 2.6 of the “General Conditions” – only as an annual progress report.

The efficiency and the effectiveness of monitoring processes linked to the **Committee on Missing Persons** has been improved following the transfer, in spring 2012, of management responsibility for the actions from the UNDP Regional Bureau for Europe and the CIS (Bratislava Regional Centre) to the UNDP in Cyprus (the UNDP-PFF office). This has strengthened local management control: of the UNDP of the CMP, and the EC of the UNDP.

The main weakness in terms of the effectiveness of the monitoring function is the limited quality of the indicators of achievement in the original programming documentation, in particular target indicators against which to monitor progress during the implementation phase – as outlined above linked to “Programme Intervention Logic”. Partially this is addressed via the review and additional specification of indicators per action undertaken as part of the detailed design of actions and the decision on the commitment of the EC grant; this produces some clarity to the indicators in the original programming documentation, although many of these additional indicators still suffer in terms of not being ‘SMART’.

To what extent visibility, promotion and ex-post publicity activities increase effectiveness of the EU Aid Programme?

Programming Level

In terms of visibility etc. activities supporting effectiveness at the programming-level – the identification, formulation, negotiation, and adoption of the EC Decision on programme financing – such visibility etc. activities are primarily driven by the goal of transparency, and so as to develop awareness among the target group of beneficiaries (direct and in-direct).

Implementing Level

At the implementing-level visibility etc. activities are primarily undertaken by the project contractors or implementing partners. The EC’s guidance in respect to the management of such activities is provided in EuropeAid’s “The Communication and Visibility Manual”, with additional guidance also provided via the EU Info Point in Nicosia – financed under Objective 4 (“Bringing TCc closer to the EU”) – in “The EU Aid Programme Visibility Guide”.

In regard to the projects implemented by the EC on the basis of “joint management” with an international organisation – the **Committee on Missing Persons, De-Mining, Cultural Heritage, and Educational/Training Initiatives** – the role of communication is addressed as

part of the detailed description/budgeting of actions (Annex I of the contribution agreement). Traditionally this includes communication and visibility via a Webpage, social media, press releases, newsletters, brochures, publications etc. The EC primarily provides coordinated visibility etc. activities for these actions so as to complement the communication strategy of the implementing partner, e.g. press releases linked to key project events or milestones. The CMP Webpage is generally informative and suitably updated to report on progress in the process of recovery, identification, and return of the remains of missing persons. The Webpage provides basic acknowledgement of the EC grant to the actions in terms of being “sponsored by” the EU (the EU logo), plus lists the series of EC grants in the full list of grants received since resumption of the work of the CMP in late 2004. No further acknowledgement of the EC grant is provided, e.g. on press releases etc. This reflects that the CMP in Cyprus has been in existence since 1981 and, while the EC grant is the most significant in terms of financing the resumption of the work of the CMP, the activities are multi-donor funded (since 2004 approx. 41% of operational costs are from other donors). It is also reflective of the sensitive nature of the issue and of the work of the CMP; and the need for political neutrality. The UNDP-PFF manages a central Webpage covering the other areas across which it does / has operated, including Cultural Heritage, and De-Mining. It provides full acknowledgement of the EC grant to the actions in terms of “this programme is funded by the European Union”. As part of the communication and visibility the Webpage provides links to information on tender opportunities under the UNDP-PFF actions. The UNDP-PFF is also actively engaged in and extending its presence on social media, which are updated with greater frequency than the Webpage; which has a rather dated presentational style and is poorly focused in comparison to other UNDP provided content in Cyprus, e.g. the UNDP-ACT Webpage.

In regard to the **Civil Society** grant scheme, CSO applicants are not specifically required to address the role of communication and visibility in the context of the detailed description/budgeting of actions; the Full Application form does not specifically highlight the issue as one to be described, unless in the context of a specific project output, e.g. a brochure, or study. While not specifically detailed as a communication plan at the design stage, CSO grantees are obliged to ensure visibility in line with the contract “General Conditions”. CSO Webpages viewed linked to this evaluation traditionally provided full acknowledgement of the EC grant, as well, often, as links to a description of and/or the key outputs from the supported projects.

At minimum the visibility etc. activities increase the effectiveness of the EU Aid Programme in terms of communicating the actions and results of the UN/EC partnership, and of the EU’s support to civil society, to beneficiaries and stakeholders in the interest of transparency.

To what extent is the on-going Financial Assistance Programme for Turkish Cypriot community has/is contributing to achieving the strategic objectives/priorities of the programme?

Programming Level

Reflecting that the processes of confidence building and reconciliation linked to the strategic objective/priority “Fostering Reconciliation etc.” are medium- to long-term processes that will remain to be relevant also post-settlement, the programming process has suitably provided overall consistency in terms of the identification and concentration of programming focus. Within this focus the specific objectives have been suitably prioritised over time to reflect the changing environment of the strategic objective, and lessons learned from earlier phases. Thus the generally consistent programming of grant support for the **Committee on Missing**

Persons and for **Civil Society**, the initial prioritisation of **De-Mining** (with achievement of the Immediate Objective generally having been accomplished, the primary de-mining activities were completed in January 2011), the phasing-out of the focus on **Educational/Training Initiatives** (due to limited project performance), and the introduction of **Cultural Heritage** (to reflect progress achieved in this area via the Technical Committee, and thus the renewed relevance of the area to the reconciliation and negotiation processes).

Implementing Level

In terms of supporting the achievement of the strategic objective – Objective 3 (“Fostering Reconciliation etc.”) – the continued relevance of the projects and appropriateness of project implementation design, in terms of addressing real needs are, overall, judged to be good. Only the **Educational/Training Initiatives** are poorly rated, reflecting weaknesses in project design. The New Trends in History Teaching action was overly ambitious in terms of its scale, immediate deliverability and thus achievability, and was particularly affected by the external political environment – some of the goals have since been achieved by the Council of Europe (and its partners) via a series of smaller-sized actions, including via a sub-project grant under the Civil Society grant scheme. The Academy of Political Studies action provided insufficient attention to the action’s sustainability, e.g. potential local project promoters.

The efficiency of the projects in terms of the deployment of funds is, overall, judged to be good, although with some weaknesses – as detailed above under the evaluation question on administrative and organisational structures. In the case of actions in partnership with the UNDP – the **Committee on Missing Persons, De-Mining, and Cultural Heritage** – the negotiation of the detailed description/budgeting of actions has been efficient, leading to the early commitment of programme funds and, generally, also the efficient deployment of funds during implementation – these three priority areas account for 69% of funding allocated, 2006-2012, under Objective 3. In the area of **Civil Society** commitment of the 2006 programme funds was also efficiently managed – accounting for 21% of funding allocated, 2006-2012, under Objective 3. However, efficiency of the Civil Society 2011 project in terms of the deployment of funds is poor; launch of the grant scheme Call for Proposals is delayed to spring 2013. In the area of **Educational/Training Initiatives** – indicatively 5% of funding under Objective 3 – one action was eventually cancelled, delivery of the second significantly delayed, and thus the efficiency of actions rated poor in terms of the deployment of funds.

The efficiency of the projects in terms of the process of delivery and achievement of the project goals is, overall, judged to be good, although projects have faced delivery constraints.

In the case of actions implemented in partnership with the UNDP – the **Committee on Missing Persons, De-Mining, and Cultural Heritage** – the execution of activities, the delivery of Outputs, and the achievement of the project Results has, generally, been appropriate, timely, and efficient. In the case of **De-Mining** delivery of Phase IV was initially delayed and activities were suspended for five months – the Turkish Cypriot side had suggested the action be financed by the EC, as per Phases I-III, via a different budgetary means, not via the 2006 budget available for the “Aid Regulation” – which led to some cost over-runs in 2007. However, once started the action was efficiently delivered, lost time recuperated, and the ultimate savings achieved were utilised to extend actions by 1-month. In the case of the **CMP** a major consideration in terms of the efficient (and the effective) delivery of the actions – (a) the archaeological phase / exhumation of the remains of missing persons; (b) the anthropological phase / analysis of the remains; (c) the genetic phase / the DNA identification/verification process; and (d) the return of the remains phase – is the need

that the process is fully Cypriot-owned and Cypriot-led – with the UN acting as a mediator. Implementation of actions is based on consensus between the members of the CMP – one representative from the Greek Cypriot community, one from the Turkish Cypriot community, and a Third Member appointed by the UN Secretary-General – as to the operational direction of the process. While not affecting the efficiency of the archaeological or anthropological phases, efficient delivery at the genetic phase was disrupted for a period of months from autumn 2011 due to the lack of consensus on the contracting by the CMP of the laboratory service-provider to conduct forensic genetic analyses – the services of the original laboratory were not extended but the services of a new laboratory for formal genetic analyses were only operational as of summer 2012. In order to reduce delays the CMP hired an in-house geneticist to support the CMP Anthropological Laboratory to expedite the initial processes in the identification of remains. In the case of **Cultural Heritage**, a real risk in terms of efficiency is the level of cooperation with contractors to undertake the emergency repairs or renovation works, and the capacity of contractors' technically qualified staff to provide services. A temporary boycott by the local contractors' association, linked to the location of the court of arbitration in contracts, partially delayed procurement by the UNDP in late 2012.

Despite some efficiency delays in the area of **Civil Society** – a number of CSOs awarded grant support encountered implementation delays and requested extensions for project duration – the sub-projects have been successfully completed and the activities have generated the expected sub-project Outputs/Results, e.g. capacity building training for CSOs, new activities and methodologies developed to strengthen management capacities, social workers trained, mapping tools and process manuals developed and field workers trained in mapping and public survey techniques, outreach and awareness raising including festivals, leaflets and brochures/reports published, advocacy campaigns undertaken etc. CSOs interviewed linked to this evaluation noted that there was a 'learning-curve' in terms of increasing their familiarity with EC grant administration, activity-planning and reporting.

The effectiveness of the projects in terms of the achievement of anticipated goals and the contribution to achieving the strategic objective – Objective 3 ("Fostering Reconciliation etc.") – is, overall, judged to be good.

The **De-Mining** actions in the buffer-zone were successfully completed in January 2011 – with 47 minefields cleared under the EC contracts for Phases IV-V thus bringing the total to 81 minefields cleared since 2004 and in total 27,000 mines cleared, of which two-thirds were anti-personnel mines. The actions were effectively managed in regard to communication and cooperation with the National Guard and Turkish Forces military liaison officers, and the buffer-zone declared mine free in 2011 – with the exception of four minefields that the project was unable to clear / were beyond the control of the project.¹² The actions have thereby facilitated the opening of additional crossing-points across the buffer zone – financed under Objective 2 ("Promoting Social and Economic Development"). The actions have also facilitated the work of the CMP in terms of the checking and clearing areas, of mines and/or unexploded ordnance, where the CMP wished to conduct archaeological investigations.

¹²

There is disagreement over whether or not three National Guard minefields are in the buffer zone (BZ). The National Guard considers these minefields to be outside the BZ. In line with Ottawa Convention obligations, the National Guard has cleared them of anti-personnel mines, but anti-tank mines remain (these are not covered by the Convention). The fourth minefield remaining in the BZ is a Turkish Forces minefield, which has not been released for clearance.

The **Committee on Missing Persons** actions have, as of December 2012, successfully exhumed the remains of 903 individuals for analysis from 243 sites – a further 416 sites have been excavated although without the discovery of remains – from which 1765 samples have now been genetically analysed, with a further 526 samples recently sent to the laboratory for genetic analyses. To date the process has successfully completed the identification and the return of the remains of 337 individuals – of the c. 2000 officially reported missing persons. At the level of capacity building, the actions have effectively developed local capacity, competence, and operational procedures to guide the CMP bi-communal teams of scientists to undertake the exhumations and anthropological analysis, with staff trained in line with latest research techniques in the area of forensic investigation. Effectiveness of the actions is also strengthened with the services of the International Commission on Missing Persons Genetic Laboratory in Sarajevo – which is recognised for its expertise and good practice in the area of genetic analyses. In particular this will further enhance the capacity of the CMP to conduct analyses of samples with potentially degraded DNA; the previous laboratory lacked sufficient capacity for such challenging analyses, often producing several matches to DNA samples in the “Family Reference Samples Database” from such a single sample analysed. Actions are also effectively managed by the CMP in regard to its communication and cooperation with the families of missing persons, plus with witnesses. The CMP indicated its cooperation with military officers in the north is generally good in terms of access to sites for archaeological investigation, via agreed protocols, although access can be circumscribed.

The **Cultural Heritage** actions – made within the specific context of Objective 3 (“Fostering Reconciliation etc.”) – are presently in the earlier phase of rollout, and thus the effectiveness of the operations is still to be demonstrated. Based on the evidence of the delivery of actions via EC/UN partnership under Objective 2 (“Promoting Social and Economic Development”) – plus evidence of similar actions delivered by the UNDP via USAID financing, UNDP-ACT – it is assumed the actions shall be undertaken so as to effectively ensure achievement of the anticipated goals and contribute to achieving the strategic objective of “Reconciliation etc.”

Despite some efficiency delays linked to the **Civil Society** grants it is not evident this has negatively influenced on the final effectiveness of the sub-projects. All the CSOs interviewed linked to this evaluation were professionally managed and expressed a clear vision as to the purpose of the CSO and the role of the project. The benefits include both the development of the internal organisational capacities, staff skills and the range of tools to assist the CSOs in the delivery of their services/advocacy goals, plus also in terms of the direct benefits realised by the immediate target groups of beneficiaries. Grants awarded under the 2006 programme were spread across a range of areas such as the protection and promotion of women’s rights, promoting gender equality, human rights, social dialogue, consumer protection, the enhancement of social inclusion of people with disabilities, the development of citizens’ advocacy groups, the promotion of bi communal projects etc. The effectiveness of the project was also facilitated by the Civil Society Support Team, which provided diverse awareness-raising actions, training and advisory support to CSOs based on a participatory, thematic approach. While the project goal is a long-term objective, it is evident that the sub-projects have, overall, contributed to the promotion of confidence building and mutual understanding via reinforcing links between Turkish Cypriot and Greek Cypriot civil society, between Turkish Cypriot and EU civil society, and via strengthening the capacity of Turkish Cypriot CSOs.

In regard to the **Educational/Training Initiatives**, the effectiveness of the actions in terms of immediate project achievement and/or contribution to achievement of the strategic objective

of “Reconciliation etc.” is judged to be poor. Regarding the Academy of Political Studies, the selection of topics discussed during the total of 16 seminars was not adequately reflective of / driven from the extent of local demand, while Greek Cypriot direct beneficiaries of the action were hesitant, as a group, to attend project events held in Cyprus north of the “Green Line”. Additionally, the action did not effectively establish dialogue with potential local promoters – e.g. universities – in terms of supporting the longer-term impact or sustainability of the action. It is not evident that the action has effectively contributed to “Reconciliation etc.” in Cyprus.

Which are the prospects for immediate and long-term impact and sustainability of assistance? Are there any elements which are/could hamper the impact and/or sustainability of assistance?

Programming Level

Regarding impacts, the main concern linked to the programming of Objective 3 (“Fostering Reconciliation etc.”) assistance stems from the lack of sufficiency of ‘SMART’ objectives and related indicators at impact level. Partially this reflects the fact that the processes of confidence building and reconciliation are long-term processes that will remain to be relevant also post-settlement. However, it is also reflective that the Wider Objective(s) often lack a ‘Specific’ medium-term focus within the framework of the longer-term strategic goal of “Fostering Reconciliation etc.” The broad scope and definition of project objectives entails a risk for the measurement of actual impacts. However, while this represents a risk it does not necessarily indicate the unsuccessful achievement of future impact at the intermediate level.

Regarding sustainability, the conditions for this are initially assessed by the EC as part of the programming process in the context of the initial project design and selection mechanism. However, based on examination of the project fiches in the context of Objective 3 (“Fostering Reconciliation etc.”), it is not evident that the assessment of sustainability entails any detailed post-assistance planning. Almost all projects under Objective 3 highlight that the prospects for the sustainability of the actions is highly dependent on the wider political context. The CMP actions also note that financial sustainability depends mainly on further EU funding.

Implementing Level

The prospects for impact and for sustainability of the assistance are, generally, judged to be good; except the **Educational/Training Initiatives** which are poor.

The positive impact of the work of the **Committee on Missing Persons** in terms of promoting confidence building and reconciliation is stressed by partners from both Cypriot communities. The fact that the CMP process is fully Cypriot-owned and Cypriot-led supports the achievement of impact, both the prospects for the immediate and long-term impact, although also poses the greatest risk in terms of the need to sustain operational consensus. The immediate impact of the work of the CMP is evident not only in terms of the benefits provided to the families of missing persons, but also the opportunity for communal closure / commemoration. The prospects for longer-term societal impact of the CMP will be significantly influenced by the effectiveness of the linked communicational and educational activities, supporting the development of a constructive, respectful, and responsible dialogue on the issue of missing persons. In this regard the locally-based Association for Historical Dialogue and Research finalised a set of educational/training materials in 2011, in close collaboration with the CMP and other partners, on which the Association provides related teacher training on “Thinking Historically about Missing Persons: A Guide for Teachers”.

Institutionally the sustainability of the actions is good – the work of the CMP is guided by clear processes – whereas financial sustainability is presently assured by the continued provision of EC grant. However, it is recognised that the award of the EC grant cannot be open-ended, and cannot cover all operational costs that shall be associated with full closure of the work of the CMP in Cyprus. The award of the grant is targeted to promoting confidence building and reconciliation and, thereby, longer-term sustainability of the actions, in particular post settlement, is dependent on the provision of suitable funding by the Cypriot side.

The positive impact of the **De-Mining** actions in terms of promoting confidence building and reconciliation is evident in regard the immediate removal of security risks, and in regard the return of cleared land in the buffer-zone for legitimate users, e.g. agriculture, solar power, or socio-cultural purposes, and in regard the opening of additional crossing-points. In addition to promoting confidence building and reconciliation this can potentially also promote socio-economic development opportunities. However, the longer-term impact of the actions will be restricted in so far that civilian activities in the buffer-zone are still controlled – in order to facilitate the UNFICYP maintenance of the integrity and stability of the buffer-zone – and that while the buffer-zone has been declared mine free the areas adjacent the buffer-zone are only partially de-mined: access to these areas therefore remains restricted, and there is the potential risk that mines may be displaced into the buffer-zone, e.g. following flooding. Sustainability of the immediate project action is good: the UNFICYP, with the assistance of the UN Mine Action Service, has the operational capacity and resources to remove mines and/or unexploded ordnance that may be displaced into the buffer-zone since the project closure; as was the case in October 2012, following flooding. However, the longer-term sustainability of the actions and the achievement of impact in terms of promoting confidence building and reconciliation are dependent on the continuation of De-Mining actions in Cyprus. The actions conducted from 2004 to 2011 only covered the first two of a total of four stages necessary in order to achieve the removal of mines and/or unexploded ordnance; the latter two stages, i.e. south of and north of the buffer zone, are still to be undertaken. Thus the threat posed by mines and/or unexploded ordnance on Cyprus has been diminished but the issue still remains a real threat to normalisation, confidence building, and reconciliation.

The **Cultural Heritage** actions are presently at an early phase of implementation but the emergency repairs or renovation works at cultural sites are likely to be effectively completed. A significant issue linked to the immediate impact of the actions, in terms of promoting confidence building and reconciliation, will be the success of the communicational and educational activities targeted to the immediate and the wider group of beneficiaries. The Technical Committee on Cultural Heritage is aware of the importance of this, acknowledging that public information provided to date linked to the agreed priority list of 40 bi-communal sites has been limited. Additionally, the impact and the sustainability of the actions will also be determined by the success of the actions in terms of achieving participatory inputs from the local communities so as to develop a longer-term plan of action linked to the sites. Again, the Technical Committee is aware of the need to ensure that actions provide a focus to the communal requirements linked to repairs or renovation, rather than be driven purely by a focus on repairing physical sites, bricks, masonry, and other elements of cultural heritage.

The prospects for impact linked to the **Civil Society** actions are generally good, but mixed. In regard to the immediate impact of the actions, the supported CSOs have achieved some success in terms of increasing awareness of the issues they address and have also been strengthened at the management level via the introduction of new activities, methodologies,

and tools, plus the development of partnerships between bi-communal Cypriot CSOs, and Turkish Cypriot CSOs with European CSOs. This will support the CSOs in conducting their delivery of services/advocacy and thus the prospects for longer-term impact. However, functional involvement of civil society as a partner in the public policy arena in the Cypriot environment is under-developed in comparison with many EU Member States, and civil participation is limited. The prospects for sustainability of the actions are also mixed. While ownership of the goals by the CSOs is strong, many CSOs face constraints in terms of the continuity of funding for the delivery of activities and some have scaled-down their activities. The prospects for sustainability are better for CSOs with a strong support or membership base, or a clearly defined target group of customers for the provision of CSO services.

The prospects for impact of the **Educational/Training Initiatives** actions in terms of promoting confidence building and reconciliation are limited. While the Academy of Political Studies project was deemed to be valuable enough by some alumni to start – at the last seminar – an initiative to elaborate a project to continue the forum, this was not successful. As such the forum was a one-off initiative, via which 65 young Cypriot leaders participated. As the forum was not institutionalised the project objectives have not been sustainable.

Which are the key administrative/financial/thematic reforms that the beneficiary should undertake to improve the sustainability in key areas?

Implementing Level

With regard key reforms that the beneficiary/recipient of the EC grant should undertake to improve sustainability of the assistance under Objective 3 (“Fostering Reconciliation etc.”) – recognising that the processes of confidence building and reconciliation are of a medium- to longer-term nature that will continue to be relevant also post-settlement – a common issue for all actions is the need for the beneficiary and project partners to further enhance related visibility and educational measures linked to the actions and the goals supported.

In the case of actions implemented in partnership with the UNDP – the **Committee on Missing Persons, De-Mining, and Cultural Heritage** – educational measures are essential to achieving sustainable impact in terms of fostering reconciliation and confidence building. With regard the issue addressed by the **CMP** it is necessary to promote the development of a constructive, respectful, and responsible dialogue on the issue of missing persons in Cyprus, plus to ensure that greater awareness is built as to the progress of the work of the CMP. While dialogue on the issue is partially addressed via the ad hoc training provided by the Association for Historical Dialogue and Research the provision of such actions promoting dialogue need to be extended in terms of their scale. Over the medium- to longer-term such dialogue will need to reflect on the progress of the work in terms of the process leading to the identification and return of the remains of missing persons. While it is evident that the CMP is effectively undertaking the tasks associated with the process, it is also clear that the task of excavation and exhumation of remains is increasingly complex – now that the sites well-documented by witnesses have been excavated the task is increasingly focused on sites where evidence from witnesses is less detailed: the percentage of sites excavated in which remains have been discovered has fallen from 52% in 2006 to 25% in 2012. While recognising that the issue of missing persons in Cyprus can only be effectively ‘closed’ when the remains of all missing persons have been identified and returned, over the medium-term the dialogue must address the possibility that this may not be feasible apart from over a period of decades, and thereby must address when the main work of the CMP has been

achieved. The longer-term sustainability of the reconciliation actions and effective 'closure' of the issue is dependent on provision of suitable funding over the longer-term by the Cypriot side. With regard the issue of **De-Mining** it is necessary to promote dialogue, notably at the level of civil society, as to the further needs in respect to the completion of this process in Cyprus. With regard of **Cultural Heritage** it is necessary to promote effective dialogue at the level of the specific, individual actions so as to ensure the sustainable utilisation of / access to the sites after the completion of works, plus to ensure educational awareness-raising as to the relevance of the actions supported and of the wider, longer-term strategy in the area.

In regard of **Civil Society** the sustainability of the assistance would be enhanced if CSO grant applicants were required to detail a project communication plan covering the implementation and the ex-post visibility and educational measures linked to the actions.

Are there any potential actions, which would improve the efficiency and effectiveness of on-going assistance?

Are there any actions, which would improve prospects for impact and sustainability of on-going assistance?

Implementing Level

As outlined via the above Evaluation Question a common issue for all actions is the need for the beneficiary and project partners to further enhance related visibility and educational measures linked to the actions and the goals supported. This will enhance the effectiveness, impact, and sustainability of the assistance and the process of "Fostering Reconciliation etc."

In regard of **Civil Society** the efficiency and the effectiveness of the assistance under the 2011 and 2012 programmes would be improved via the further provision of coaching and training for CSOs linked to project design, EC grant management, and grant reporting requirements. While a number of the larger, longer established CSOs have successfully progressed along the 'learning curve' in terms of their familiarity and understanding of EC grant requirements, the capacity of most Turkish Cypriot CSOs in this regard is still relatively limited. The effectiveness and the impact of the assistance would also be improved via the further development of the CSO forum and participatory mechanisms established via the Civil Society Support Team to support implementation of the 2006 programme actions. These provided a valuable forum via which CSOs could exchange information on the progress of their projects, including experiences in terms of grant management, plus to discuss the wider issues facing the civil society sector via a structured approach.

In regard of the **Committee on Missing Persons** the efficiency, the effectiveness and the impact of the assistance is dependent on the continuation and further strengthening of cooperation with the military forces in the northern part of Cyprus in terms of access to sites for archaeological investigation. While the CMP indicates that cooperation is generally good, on the basis of agreed protocols, sometimes full accessibility can be circumscribed.

What are the advantages of the continuing "joint management" with UNDP of certain parts of the programme? Is the justification for choosing this instrument still valid?

Implementing Level

In terms of the assistance under Objective 3 (“Fostering Reconciliation etc.”) the actions linked to the **Committee on Missing Persons, De-Mining, and Cultural Heritage** have been implemented in partnership with the UNDP on the basis of “joint management”.

The justification for choosing the delivery instrument linked to the **CMP** and **De-Mining** remains valid reflecting that the actions are directly linked to the UN’s mandate in Cyprus, as well as the specific competence of the CMP in Cyprus and of the UN Office for Project Services and the UN Mine Action Service in respect of the delivery of the actions. In both areas the UN also provides essential mediation support, for which it is in a unique position. Actions have, generally, been efficiently and effectively implemented although with some weaknesses in reporting, e.g. data not always clearly demarcated by separate project phase.

With regard **Cultural Heritage** the issue was originally addressed by EC assistance via pilot projects under the 2003 Special Aid Package for northern Cyprus. At the time the justification for selecting the instrument of “joint management” with the UNDP was justified in terms that the UNDP was already well established in Cyprus and had thus developed a good understanding of the local working environment, and that it had undertaken similar actions on behalf of the USAID in Cyprus and had thereby developed good capacity in terms of its databases of technically qualified engineers, architects etc. to undertake or oversee key aspects of the project implementation cycle. Now that the EC (DG ELARG) has an operational programme support office in northern Cyprus, i.e. at the EUPSO, it is feasible that the management of implementation could be undertaken by Task Managers at the EUPSO, based on a series of different works and service contracts for project delivery.

However, while feasible, it is assessed that the advantages for the EC in terms of it undertaking direct management of the actions are limited. Presently one EC Task Manager oversees the Cultural Heritage portfolio, alongside other sectoral portfolios. Clearly direct management by the EC will necessitate a significant increased workload for the EC in terms of procurement tasks and implementation management oversight and control tasks. Thus, while the UN’s 7% management fee would no longer be charged it is clear that the EC’s own management costs would be increased. Furthermore, the delivery of support via EU-UN partnership in the area has, generally, been efficiently and effectively implemented by the UNDP and its partners; delivery risks are primarily managed and addressed by the UNDP. The limited advantage for the EC in terms of it undertaking direct management would be the greater control it would obtain in terms of visibility for the actions as EU-financed initiatives, as opposed to being an EU-financed initiative undertaken in partnership between the EU-UN. However, it is not evident that this specifically generates substantial benefits as compared with the increased risks for the EC in terms of managing a series of different contractors. As such the justification for choosing the delivery instrument for Cultural Heritage remains valid.

Objective 3:

Future Programme

How can the objectives of the current Aid Regulation be met in medium to long-term (up to 2020)? State the assumptions made, particularly with respect to the potential settlement scenario.

In terms of the achievement of the strategic objectives of the “Aid Regulation” it is recognised that the processes linked to Objective 3 “Fostering Reconciliation, Confidence Building

Measures, and Support to Civil Society” are of a longer-term nature, which will remain to be of relevance post-settlement of the Cyprus problem in terms of embedding the settlement.

The more immediate, medium-term goal of “Fostering Reconciliation etc.” is within the context of its facilitating the establishment of a conducive environment supporting the processes leading to the negotiation of a settlement – and thereby the achievement of the global objective of the “Aid Regulation”, namely to facilitate the reunification of Cyprus. Without a supportive public opinion actively in favour of achieving a settlement the negotiation process will struggle; ultimately, it is the people of the two communities that will decide whether any proposed plan be accepted or rejected. As such, the key assumption with respect to achieving a potential settlement is that civil society and the citizenry are suitably informed about and engaged in the process in terms of building reconciliation etc. between the communities and of the willingness for compromise on the ‘core issues’.

This will principally be determined in terms of the successful development of reconciliation etc. at three levels: overall between the Cypriot communities, at the level of organised civil society groups, and at the level of informal groups and individuals. Key priorities over the medium-term are: to further strengthen trust, respect, dialogue, and understanding between the Cypriot communities, and to further strengthen dialogue, cooperation, and contacts between the communities at the level of civil society (i.e. CSOs and People-to-People).

A significant factor that shall determine the extent of success of “Fostering Reconciliation etc.” at the level of **Civil Society** is the progress achieved in terms of further strengthening the capacity of civil society in the northern part of Cyprus to actively engage in the public policy arena and in the promotion of reconciliation etc. actions at the level of civil society, e.g. via developing bi-communal partnerships, via CSO networks and policy platforms, via the promotion of dialogue and understanding on the ‘core issues’, via educational and cultural initiatives, via advocacy, via participatory approaches supporting decision-making etc..

A significant factor that shall determine the extent of success of “Fostering Reconciliation etc.” in terms of the **Cultural Heritage** confidence building measures is progress achieved in terms of the actions demonstrating to the citizenry that the communities do intend to cooperate and engage in constructive, mutually beneficial activities, and that citizens stand to benefit from engaging together collaboratively with a view to building a sustainable future.

A significant factor that shall determine the extent of success of “Fostering Reconciliation etc.” at the national level is the progress achieved by the **Committee on Missing Persons**. This is recognised by the Cypriot communities as a significant issue in terms of bringing a form of ‘closure’ to the events of 1963-1964 and 1974. A key determinant of the success of the work of the CMP is the quality of its genetic analyses; in this regard it is assumed that the services of the International CMP Genetic Laboratory be maintained, while still encouraging the enhanced quality of potential analyses that can be conducted locally, in Cyprus. A further key determinant of the success of the work is the evidence supporting the identification of potential burial-sites. In this regard it is recognised that the CMP has already undertaken the substantial element of the collection of witness-evidence, and of the subsequent investigative and exhumation works linked to the most significant burial-sites identified on the basis of well documented witness-evidence. Increasingly the work of the CMP is now moving to less-specific witness-evidence on site-location, e.g. credible evidence that a group of persons were taken, during the events, but the location to where they were ‘transported’ is still not identifiable on the basis of existing witness-evidence. In this regard it is assumed that the process of reconciliation etc. must also address when the main work of the CMP has been

achieved and must gradually build the basis for recognition by the Cypriot communities of the feasibility that the remains of all of the missing persons may not be returned apart from over a period of decades. A further key determinant of the success of the work of the CMP is the ability of the CMP to secure full access to all potential sites supported by evidence. In this regard a key assumption is that the Turkish Forces continue to cooperate with the CMP linked to requests for access to sites and in the resolution of the issue of missing persons.

Prior to and post-settlement the areas remain of relevance over the future period; in regard the **CMP** and **Cultural Heritage** this should be in the context of an 'exit-strategy' for phasing-out the EC grant over the long-term (up to 2020) and the increased financial ownership of the actions by the Cypriot communities.

In the case of constrained budgets (similar to those for 2012 and 2013 – € 28 million/year), which are the areas recommended for concentration? How would the objectives of the Aid Regulation be met in such circumstances?

With regard the focus and concentration of future programme support linked to Objective 3 ("Fostering Reconciliation etc.") the core specific objectives to be addressed are already well established: **Civil Society**, the **Committee on Missing Persons**, and **Cultural Heritage**.

As outlined via the above Evaluation Question the importance of strengthening **Civil Society** to actively play its role in the development and reconciliation etc. processes will be a key determinant as to the success or failure of the negotiation process and of its public approval. Under the 2006 programme funds were allocated to ensure the continuity of support via a series of annual Call for Proposals (2007, 2008, and 2009): in total € 4.70 million was awarded in grant for CSO projects under Objective 3; a further € 0.76 million was awarded at the time in grant for People-to-People projects under Objective 4 ("Bringing the TCc closer to the EU"); on average the EC awarded € 1.82 million in grant per year for civil society (i.e. CSOs and informal group actors). It is positive that the next Call for Proposals linked to Civil Society is anticipated to be launched in spring/summer 2013 – combining the 2011 and the 2012 programme funding and thereby providing a potential grant of up to € 2.5 million. However, this will be the first Call in the area of **Civil Society**, under the Aid Programme, for a period of more than four years. In view of the key role that civil society will play in terms of facilitating the establishment of an environment conducive for the negotiation of a settlement, it is evident that the Aid Programme should be programmed so as to ensure adequate continuity of its concentration on the area and for the regularity of its Call for Proposals. The key focus for future EC support in the area of civil society is the further capacity building of civil society in the northern part of Cyprus, to raise the standards of operations and the capacity to establish partnerships/networks with similar groups in particular of a bi-communal nature, e.g. for monitoring the implementation and enforcement of legislation / the *acquis* (e.g. environmental, or consumer protection, gender equality, anti-discrimination etc.). In addition to grant support for projects this will also necessitate training etc. support for CSOs.

With regard the **Cultural Heritage** confidence building measures these are primarily linked to the promotion of reconciliation etc. at the level of the overall Cypriot communities, although they also provide broad opportunities for and clearly require the active participation of civil society in terms of the implementation and sustainability of the actions. The key requirement for future EC action in the area is to establish a clear concentration of the financial support

provided in terms of the repair and renovation of a representative, but focused number of cultural sites that may demonstrate clear benefits of the actions. The goal of the assistance is to foster reconciliation etc. via the restoration of cultural heritage; the latter is a means to the former. As practical, smaller-scale repair or renovation actions, e.g. of a limited financial value, could be addressed via a grant scheme managed by the UNDP, generating adequate co-financing by other donors and increased financial ownership by the Cypriot communities. With regard the **Committee on Missing Persons** the issue remains a key factor in terms of “Fostering Reconciliation etc.”, however, it is evident that the EC will need to establish a medium-term ‘exit-strategy’ and ensure the transfer and longer-term sustainability of the actions, in particular post settlement, to the Cypriot side. With regard the issue of **De-Mining**, still of high importance in terms of establishing a mine-free island, further action in the area is dependent on the full cooperation and request for support from the two communities.

Annex 4.4: Objective 4 – Bringing the Turkish Cypriot community closer to the European Union

With regard to the “Aid Regulation” / assistance programme’s strategic objective of “Bringing the Turkish Cypriot community closer to the European Union” this has been addressed via eight projects.

The assistance aims to contribute to the solution of the Cyprus problem by addressing the concerns of isolation expressed by the Turkish Cypriot community via facilitating opportunities for contacts and communication between the TCc and the EU, including between the Cypriot communities, so as to promote mutual understanding and awareness.

Table 8: Objective 4 Projects – “Bringing the TCc closer to the EU”

N°	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012) ¹	% Disbursed (31/12/2012)
1	Information on the European Union political and legal order	2006	1.50	87.54	78.32
2	Promotion of people-to-people contacts	2006	3.00	34.93	30.76
3	Community scholarship programme	2006	5.00	92.40	90.81
4	Scholarships for the TCc	2009	1.50	88.23	85.38
5	Scholarship Programme	2011	1.50	98.87	88.38
6	Technical Assistance Facility (Component I = Support to the Info Point)	2011	(Comp. I =) 0.30	100	0
7	Scholarship Programme for the TCc	2012	0.80	26.98	16.23
8	Bringing the TCc closer to the Union	2012	3.70	0	0

¹ Contracting deadline: for 2006 projects = 4Q/2009; for 2009 project = 31/08/2011; for 2011+2012 = on-going

Objective 4:

Programme Intervention Logic

To what extent are objectives at different level clear, measurable, and realistic?

With regard to achievement of the strategic objective “Bringing the Turkish Cypriot community closer to the European Union” three specific objectives / operational priorities for intervention have been targeted by the assistance programme, namely:

- Information on the European Union (Projects 1, 6 and 8)
- The Promotion of People-to-People Contacts (2)
- EU Scholarships for the Turkish Cypriot community (3, 4, 5, 7 and 8)

In terms of the strategic relevance of the three specific objectives/priorities each is logical regarding its clear linkage to the strategic objective – “Bringing TCc closer to the EU” – and, generally, also in regard to its addressing needs of operational relevance to the beneficiary. The priorities are reflective of traditional EU goals and actions in the area of EU citizenship.

The intervention objectives of the projects were assessed for the extent that the objectives at different level (Wider Objective, Immediate Objective, Results/Outputs) are clear, measurable, and realistic, i.e. are 'SMART'. *[For intervention objectives the criteria have the following meanings: Specific (appropriately positioned, scoped and focused within the objectives hierarchy); Measurable (quantified, or potentially quantifiable, through the use of appropriate indicators); Achievable (in the light of the position in the intervention logic and assumptions made at the preceding level); Relevant (to EU and beneficiary requirements); Time-bound (provide a timeframe by which planned benefits should be achieved)]*

The formulation of the intervention objectives is generally good, although none of the objectives is 'Time-bound'. While with some stylistic variance, the formulation of the objectives linked to **Information on the EU** and to **Scholarships** has, generally, provided a good level of consistency across the relevant projects. However, for some objectives there is confusion between the projects as to whether the objective is at the level of Immediate Objective or of Results/Outputs, which indicates that these could be improved in terms of being 'Specific' and clearly focused in terms of its positioning in the hierarchy of objectives / development effects. The formulation of the intervention objectives of the **People-to-People** project (the 2006 programme only) is relatively limited – one objective at the different intervention levels. This reflects that the detailed needs-analysis, formulation of the objectives, and grant scheme design was to be conducted as the first activity of the project.

To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient and effective projects to achieve the strategic objectives?

In terms of the strategic relevance of the three specific objectives/priorities targeted by the projects under Objective 4 ("Bringing TCc closer to the EU"), this is judged to be good. They reflect standard, long-term EU actions and programmes targeted to Europe's citizens – i.e. EU Information Centres, People-to-People Contacts / Youth in Action, and Scholarships for study (e.g. academic, vocational, or adult education) in another European country. While Turkish Cypriots are eligible to participate in such EU actions, the effective participation rate is extremely low. The assistance programme seeks to address this via tailor-made support.

In terms of the programming of assistance, the project selection process/mechanism (i.e. the process of project design, preparation, and selection) is thus primarily focused on the design/formulation of such standard EU actions to the specific context and needs of the TCc.

In regard to projects linked to the specific objective/priority **Scholarships**, programming is focused on the initial design/formulation of the grant scheme mechanism – e.g. intervention objectives/themes – with funds to be committed via a number of sub-project/grant actions by means of a Call for Proposals during project implementation. Design of the grant schemes (both during the programming and the implementation phases) is undertaken on the basis of close consultation with representatives of the TCc and with potential applicants, and the EC has suitably adapted the focus of the action over time so as to reflect the needs expressed from the side of the TCc – e.g. the introduction of professional and vocational study, the definition of the minimum period for shorter study courses, the inclusion of final-year high school students seeking to undertake first year under-graduate studies in Europe.

In regard to **People-to-People** contacts, the detailed needs-analysis and design of the grant scheme (during the implementation phase) was based on consultation with representatives of the TCc and with potential applicants, it targeted support for People-to-People contacts to

(a) individual and informal groups, (b) Civil Society Organisations (CSOs), and (c) capacity sharing networks (groups and platforms of CSOs). The broad formulation of the objectives and focus of the grant scheme was/is of relevance to the needs of the TCc. However, the formulation and focus of the grant scheme was weak in terms of the development, during the detailed design phase, of its clearer demarcation from and/or of its potential synergy with the Civil Society grant scheme being implemented under Objective 3 (“Fostering Reconciliation etc.”), with which it shared a common target audience in terms of potential beneficiaries.

In regard to **Information on the EU** the programming process / initial project design relates to the specification of services to be delivered and goals to be achieved via an EU Info Point based in northern Cyprus. The design of the projects is undertaken in close consultation between the relevant EC Services (i.e. DG ELARG, both Headquarters and the Task Force TCc based at the EUPSO, and DG COMM, both Headquarters and the Representation of the European Commission in Cyprus), plus with representatives of the TCc. Information regarding users’ demand and feedback is monitored by the EU Info Point and reported to the EC. The EC is also informed of TCc public opinion via regular Eurobarometer analysis/data.

Additionally, a key issue for the EC during programming is the need to assess the extent that further funding is justified in terms of the absorption capacity, lessons learned from previous funding, and in terms of the evolution of the standard EU actions and programmes in the area. The programming of assistance is also increasingly informed via periodic evaluations of the support. In the area of **Scholarships** an assessment of the first four years’ actions was conducted in 2012, while an evaluation of **People-to-People** is planned for early 2013 – as part of the evaluation of Civil Society, under Objective 3 (“Fostering Reconciliation etc.”).

A key weakness in terms of the project selection process/mechanism is the limited evidence of risk assessment/planning during the process of project design: only two of the projects (under the 2012 programme) include an analysis of risks at the different intervention levels.

To what extent programming provides adequate prioritisation and sequencing of assistance?

As outlined via the Evaluation Question above, the specific objectives/priorities linked to Objective 4 (“Bringing TCc closer to the EU”) are modelled on standard EU actions and programmes, tailor-made to the specific context and needs of the TCc. A principal goal of the programming process therefore is to provide, as appropriate, the continuity of support for the actions so to ensure the opportunities for TCc participation in the actions and programmes.

In regard to **Scholarships** and to **Information on the EU** the programming process has, generally, provided for the continuity of assistance across a series of annual programmes, with the programming process primarily based on the assessment of the extent of funding still available from previous programmes, the absorption capacity, and lessons learned from previous funding. The EC grant has been suitably prioritised to support continuity of the **Scholarships**, with programme funding allocated to cover each academic year since 2007-2008; although funding for academic year 2012-2013 was only assured in July 2012 following adoption of the EC Decision on funding allocation for the specific project. However, in regard to **Information on the EU**, while the programming process has provided funding under the 2006, 2011, and 2012 programmes, the prioritisation process has not been as effective in terms of the continuity of funding. The EU Info Point was established in 2009, and its public delivery of services and activities has been ongoing since June 2009 – funded

under the 2006 and 2011 programmes. However, there will be a gap in services of the EU Info Point in early 2013 of approximately three-to-four months – the contract for the current service-provider expires in early-February 2013, while the start-up, and inception phase of the contract for the next service-provider – under the 2012 programme – is at the earliest anticipated to commence only in May 2013. Continuity of the EU Info Point could have been achieved had the project been sufficiently prioritised for funding so as also to have been included in the context of the earlier, July 2012 EC Decision on funding for Scholarships, rather than in the context of the November 2012 EC Decision on the main programme.

In regard to **People-to-People** contacts this was supported as a priority under the 2006 programme only. This reflects the relatively disappointing take-up of the grant scheme at the time. Since 2011 the EC has made support available for ad hoc requests for events as may arise from the TCc under the TAIEX instrument (Objective 5, “Preparations for the *acquis*”).

To what extent programming takes adequate and relevant account of beneficiaries' policies, strategies, and reform processes in relevant key areas?

To what extent programming takes adequate and relevant account of assistance provided and reforms promoted by key donors where applicable?

The extent to which programming takes account of beneficiaries' policies, strategies etc. and to which it takes account of other key donors' activities was assessed via examination of the project fiches – the Background and Justification, Linked Activities, and Lessons Learned.

The programming documentation provides no information on the beneficiaries' policies, strategies etc. although this largely reflects the nature of the interventions under Objective 4 (“Bringing TCc closer to the EU”) – modelled on standard EU actions and programmes – areas in which there is no specific beneficiary policy, strategy etc. of relevance in terms of informing the programming process. To the extent that such beneficiary priorities do exist these are taken into consideration by the EC, notably during the detailed design of actions at the start of the implementation phase, e.g. in the Guidelines for the Calls for Proposals.

Similarly the programming documentation provides only limited information on other donors, reflecting that the EU is itself the principal player and financier in terms of linked activities.

To what extent programming and monitoring mechanisms include SMART (Specific, Measurable, Available, Relevant and Time-bound) indicators to measure progress towards achievement of objectives?

The indicators of achievement of the projects were assessed for the extent that the indicators at different level (Wider Objective, Immediate Objective, Results/Outputs) are ‘SMART’ for the purposes of monitoring and of evaluation. *[For indicators of achievement the ‘SMART’ criteria have the following meanings: Specific (clearly defined, and closely linked to what they are trying to measure); Measurable (variables which can be objectively assessed and numerically expressed); Available (already exist or can be collected at reasonable cost and effort); Relevant (related to the core problems and needs addressed by interventions); Time-bound (based on a timeframe by which planned benefits should be achieved)]*

The formulation of the projects' indicators of achievement linked to Objective 4 (“Bringing TCc closer to the EU”) is generally good, although weaknesses do exist. Most of the indicators are ‘Measurable’ and a significant number at the level of Results/Outputs have also been quantified in terms of targets, although not all of them. However, there are no

targets set at the higher intervention levels. Additionally, no baseline data is provided so as to measure progress, e.g. “improved” levels of knowledge. Finally, apart from the 2012 EU Info Point project at the level of Results/Outputs, the indicators are not ‘Time-bound’.

Which are the main gaps/weaknesses of the current programming framework?

How can programming of assistance be enhanced to more efficiently and effectively reach strategic objectives?

How can programming be enhanced to improve the impact and sustainability of financial assistance?

Overall, the programming of assistance linked to Objective 4 (“Bringing TCc closer to the EU”) is generally good.

The main finding in terms of programming gaps/weaknesses relates to partial deficiencies of the projects in respect to ‘SMART’ intervention objectives and ‘SMART’ indicators of achievement. While the objectives and indicators are generally good, the quality should be strengthened in terms of being ‘Time-bound’. Additionally, the indicators should be improved via the inclusion of quantified targets and baseline data to support the evaluation of the assistance’s potential long-term impact, and thereby also the overall programming process.

Additionally, gaps/weaknesses in the programming framework are also evident in terms of the limited evidence of detailed project risk assessment/planning, both at the level of project implementation (efficiency/effectiveness) and post-project planning (impact/sustainability).

Objective 4: Programme Implementation Performance

Are the administrative and organisational structures in place ensuring efficient and effective implementation of financial assistance?

Programming Level

The administrative and organisational structures in place for managing the programming process linked to Objective 4 (“Bringing TCc closer to the EU”) are, generally, suitable. The annual programming process (project design, preparation, selection) is generally good:

- The actions are identified within a clear programming framework, developed with appropriate consultation of key partners and the target group of potential beneficiaries;
- The prioritisation, sequencing and, as appropriate continuity, of the assistance across the specific objectives/priorities, across the programmes, has, generally, been good;
- The programming process is increasingly also informed via periodic evaluations of the specific objectives/priorities, e.g. the effectiveness of delivery mechanisms, impacts;
- However, some weaknesses exist in terms of the definition of ‘SMART’ intervention objectives and indicators of achievement, plus in terms of risk assessment/planning – as outlined above linked to “Programme Intervention Logic”. These weaknesses detract from the overall effectiveness of the programming exercise.

Implementing Level

The administrative and organisational structures in place managing project implementation processes linked to Objective 4 (“Bringing TCc closer to the EU”) are, generally, suitable.

In regard to **Scholarships** implementation is undertaken on the basis of a grant scheme / Call for Proposals for the selection of sub-projects/grant awards: € 4.35 million was awarded to scholars under the 2006 programme (academic years 2007-2008, 2008-2009, and 2009-2010), € 1.32 million awarded under the 2009 programme (academic year 2010-2011), € 1.34 million awarded under the 2011 programme (academic year 2011-2012), and € 0.24 million awarded under the 2012 programme (academic year 2012-2013). In total, 524 grants have been awarded for Scholarships under the grant scheme's six Calls for Proposal. The EC manages the grant scheme process, e.g. definition of the Guidelines, announcement of the Call, the receipt, assessment/evaluation of grant requests, plus subsequent oversight and, as necessary, further guidance to grantees on grant compliance and reporting during implementation and on completion. The EC's management of the grant scheme is supported via a technical assistance component linked to the assessment of applications undertaken by external experts (approx. € 0.52 million covering the six academic-years / Call for Proposals).

The commitment of EC grant via the grant scheme has, generally, been efficient. The first five Calls were based on the standard two-step procurement procedure: (a) Expression of Interest including a personal statement of goals – followed by the assessment of applications and the short-listing of the technically best candidates – and (b) subsequent Interviews with the short-listed applicants. The last Call, for year 2012-2013, was based on a simplified procedure: initial Registration and Application; formal Application on the day of Interview.

The efficiency of the procurement process – in terms of the time period from the deadline for submission of the Expression of Interest to the initial signature of grant contracts – averaged 5 months under the two-step procedure; the time period ranged from 4 months to 6 months: the Calls for 2009-2010 through to 2011-2012 have been closer to the 6 months range. The principal reason for the longer time period for the Calls for 2009-2010 through to 2011-2012 is the increased number of applicants for grant award: for year 2007-2008 there were 39 applicants; for year 2008-2009 = 197 applicants; year 2009-2010 = 521; year 2010-2011 = 296; and year 2011-2012 = 273. The longer assessment process also reflects the increased need that the EC ensure that key stages in the decision-making process are suitably and efficiently communicated to all of the applicants – e.g. notification to applicants that they are or are not short-listed provided in quick succession – following complaints about the lack of transparency in decision-making linked to the assessment of the Call for year 2009-2010.

In comparison to the first five Calls the similar period for the procurement process under the simplified procedure for academic-year 2012-2013 – i.e. from the deadline for Registration of application to the initial signature of grant contracts – was just 5 weeks. However, the shorter period was also clearly due to the far smaller number of applicants (52) than under previous Calls; utilisation of the simplified procedure in the context of Scholarships was being pilot-tested and therefore the total grant made available for Scholarships was reduced, while the announcement on launching a Call that academic-year was, also, only issued in July 2012. It is clear that the time period under simplified procedure will thus be longer than just 5 weeks as the number of applicants for the award of grant returns to more standard levels.

However, based on the initial assessment / feedback from the Task Manager and Assistant Task Manager at the EUPSO, it is not evident that the procedure reduced the effectiveness of the project selection process in terms of identifying talented students. Representatives from the TCc side also reported the perception that the simplified procedure was more transparent for applicants to understand, plus also responds to criticism of some applicants that the decision-making process was too lengthy. Additionally, the simplified procedure

potentially strengthens the effectiveness of the selection process in terms of requiring applicants to directly prepare their personal statement of goals on the day of the interview – in the period immediately prior to the interview, while their formal Application and supporting documents are checked for conformity by the assessors/evaluators; the two-step procedure provides opportunity for applicants to ‘out-source’ drafting of the personal statement of goals.

In each year the ultimate consideration in terms of efficient deployment of the EC grant is that commitment occurs sufficiently prior to the start of the academic-year / the start of study (grant implementation) by the scholars. Generally this has been successful, with contract signature/exchange usually commenced from mid-August. The process commenced in late-September for years 2011-2012 and 2012-2013; while this is awkwardly close to the start of studies for some of the scholars the successful applicants were informed on the positive grant decision up to 4 weeks prior. For both years the launch of the Call for Proposals was later than usual as formal publication of the procurement notice could not be made until the adoption of the EC Decision on programme funding. In both cases the EC efficiently managed the procurement procedure so as to make up for the delayed launch date: e.g. publication of the procurement notice for year 2012-2013 was issued the day following the adoption of the relevant EC Decision, while the time necessary for the preparation and the signature/exchange of grant contracts (based on the provision by applicants of requested final documentation) was also markedly quicker than under the Calls of previous years – commencing one-month after grant award notification rather than the previous 2+ months.

In regard the Call for Proposals for academic-year 2013-2014 the planning process is already well underway; with the announcement of the Call assumed in the 1st Quarter 2013.

The efficiency of the administrative and organisational structures in place managing the implementation and oversight of the **Scholarships** grant schemes is also subject to detailed assessment by the EC in terms of the corresponding transaction costs and value-for-money of the implementation modality, i.e. directly managed by the EC. In this regard the 2012 assessment/evaluation of the action presented five alternative models for consideration in the context of ‘out-sourcing’ the implementation service-delivery of the grant scheme. The pros and cons of each alternative was outlined, with an indicative cost-estimation for four of the five provided; the other alternative was management by an Agency of the EC so it is assumed that the costs will be within the normal thresholds used by the EC. The analysis indicates that cost-efficiency in terms of management directly by the EC is close to the average of the four cost-estimated alternatives: it is compared favourably with two of them.

Of the two alternatives against which the cost-estimate did not compare favourably one was for management of the grant scheme via technical assistance under framework contracts the other for management via the British Council. In the case of the former, while not clearly outlined by the assessment report, the risks for the EC in terms of ‘out-sourcing’ service-delivery are too significant: minimally two framework contracts would need to be concluded, each year, with clear risks thereby to the successful sequencing of service-delivery activities, the successful learning of lessons, and thus the longer-term efficiency or effectiveness of the provision of Scholarships grant. In regard the modality of management via the British Council the assessment notes the well-recognised experience of the British Council in the area of managing scholarships plus its specific experience within the environment of Cyprus. The risks for the EC in terms of ‘out-sourcing’ service-delivery are manageable, e.g. the need for clear visibility to distinguish and credit the EU Scholarship action from that of the actions financed via the UK bilateral grant or via the Commonwealth Scholarship programme. While

this modality may indicatively be more cost-efficient – the detailed issue and costs subject to consultations between the EC and the British Council – it is unfortunate that the assessment report did not also provide analysis as to the feasibility or the extent to which other EU Member States' cultural/educational agencies could provide comparable services.

In regard to **People-to-People** contacts implementation is also undertaken on the basis of a grant scheme / Call for Proposals for the selection of sub-projects/grant awards: € 0.76 million was awarded under the 2006 programme – 15 grants via two Calls for Proposals – yet a funding allocation up to € 2.80 million was anticipated for grant. The EC manages the grant scheme process, e.g. definition of the Guidelines (detailed specification of the intervention objectives, minimal/maximal project size, duration, co-financing requirements etc.), announcement of the Call, the receipt, and assessment/evaluation of proposals, subsequent oversight, and management support to sub-projects during implementation and completion. The EC's management of the grant scheme was supported via technical assistance actions – in total approx. € 0.30 million covering the two Calls for Proposals – linked to the detailed design of and awareness raising on the grant scheme, the coaching and training for potential applicants, the assessment of applications, and the financial/operational monitoring of grants.

While the management structures supporting implementation of the grant scheme were sufficient it is evident from the low level of participation under the scheme that the efficiency has been poor in terms of the corresponding transaction costs and value-for-money. A key limitation regarding the effective take-up of the grant scheme was the timing of the Call, which significantly over-lapped with that of the Civil Society grant scheme under Objective 3 ("Fostering Reconciliation etc."). As the main target group for both grant schemes is significantly similar, i.e. CSOs, many interested applicants were effectively required to prioritise which grant scheme to focus on, rather than to spread their potentially limited staff resources to the preparation of a number of applications simultaneously.

The second Call for Proposals was based on a one-step (Full Application) procedure; the previous Call followed the standard two-step (Concept Note, Full Application) procedure. This produced some efficiency gains in terms of the deployment of the EC grant, although not significant – notification of contract award was provided to applicants 7 months after the deadline for receipt of proposals, compared to 8 months to process the two-step procedure.

In terms of the implementation of the **People-to-People** projects by the individual and informal groups or by the CSOs this has been mixed. A number of grantees encountered implementation delays and requested extensions for implementation duration – partially due to their lack of familiarity with EC grant management requirements, e.g. cost-eligibility rules, but also due to the sometimes overly ambitious design of projects, e.g. timelines for delivery.

In regard to **Information on the EU** project implementation is provided via a technical assistance component for the delivery of EU information services and related activities via an EU Info Point based in northern Cyprus. The commitment of EC grant under the 2006 programme was substantially delayed – achieved in February 2009, with the public opening of the EU Info Point and start-up of information services in June 2009. This reflects the initial difficulties with the definition of the nature of the contract: because of the suspension of the *acquis* in the northern part of Cyprus it has not been possible to open an official Europe Direct information centre, and therefore the planned information services via an EU Info Point are provided instead via an external technical assistance team. The procurement process was launched and subsequently cancelled twice: the first cancellation due to the delay in reaching agreement between the EC Services (DG ELARG and DG COMM) as to the

detailed definition of the services; the second cancellation due to no qualitatively worthwhile tender being received. The services were eventually secured following negotiated procedure: € 1.30 million covering a 3-year period; extended by € 0.30 million for one additional year of services funded under the 2011 programme. The procurement notice for the next service-provider – up to € 1.50 million covering a 3-year period, funded under the 2012 programme – was published in November 2012 and the contract is anticipated to start in May 2013.

In terms of the implementation of the EU Info Point services, the EC provides management support and oversees technical progress via regular meetings (often monthly) of the Project Steering Committee, plus via ad hoc meetings with the contractor and other implementing partners. While the management structures are sufficient the efficient implementation of the actions has faced some constraints in terms of achieving consensus on the Steering Committee as to the implementation of project components. In this sense the management structures would be strengthened by a clearer demarcation of the regular meetings between a monthly, operational meeting, and a quarterly Steering Committee for strategic direction.

To what extent are the monitoring mechanisms and structures appropriate and correctly functioning?

Programming Level

The monitoring mechanisms and structures in place supporting the programming process linked to Objective 4 (“Bringing TCc closer to the EU”) are suitable. Recognising that support has, primarily, been provided on the basis of a series of phased projects / EC financing, these have been appropriately built on the EC’s monitoring of previous actions and lessons learned and, increasingly, also via the evaluation of support to the specific, priority areas.

Implementing Level

The monitoring mechanisms and structures in place supporting the project implementation processes linked to Objective 4 (“Bringing TCc closer to the EU”) are, generally, suitable.

Linked to the **Scholarships** and the **People-to-People** grant actions the project implementation monitoring-data is primarily obtained by the EC on the basis of the standard sub-project/grant interim progress and final reports provided by the grantees. Additionally, monitoring of the **People-to-People** grants was complimented by monitoring activities carried out by external experts for financial/operational monitoring. Linked to **Information on the EU** the project implementation monitoring-data is primarily obtained on the basis of the regular monitoring of actions undertaken by the EC Task Manager at the EUPSO, notably via the Project Steering Committee, plus on the basis of the monthly, operational progress reports and the six-monthly interim progress reports submitted by the service contractor.

In all areas, the Task Managers at the EUPSO prepare a “Project Fiche Monthly Report” to summarise the status of projects, e.g. key actions undertaken, key issues, and prospects.

Reflecting that the **Scholarships** programme provides approx. 100 grants per academic-year, the monitoring mechanisms in particular need to be robust in terms of monitoring the compliance of the scholars with the formal deadlines for submission of reports – or at least within a suitable timeframe of the formal date. The mechanisms are indeed sufficient and Task Managers at the EUPSO able to track progress of the full grantee reporting process. While, for a number of scholars, formal compliance with the deadlines for reporting can still lapse, the required information and supporting documentation is traditionally obtained.

To what extent visibility, promotion and ex-post publicity activities increase effectiveness of the EU Aid Programme?

Programming Level

In terms of visibility etc. activities supporting effectiveness at the programming-level – the identification, formulation, negotiation, and adoption of the EC Decision on programme financing – such visibility etc. activities are primarily driven by the goal of transparency, and so as to develop awareness among the target group of beneficiaries (direct and in-direct).

Implementing Level

Reflecting the nature of the projects linked to Objective 4 (“Bringing TCc closer to the EU”), visibility etc. activities at the implementing-level are essential to the effectiveness of the programme actions. In regard to the **Scholarships** and the **People-to-People** actions the main project implementation modality is a grant scheme mechanism for the award of sub-project/grant. As such visibility etc. activities are vital to ensuring effective take-up by the target group and thus commitment of the EC grant. In regard to **Information on the EU** visibility etc. activities provides general, raising of awareness among the target group of beneficiaries as to the very existence of the EU Info Point and of its information services; if potential consumers are not aware then the services of the EU Info Point cannot be effective.

Linked to the **Scholarships** grant scheme each year the EC has conducted an information campaign to reach the target group under the specific, annual Call for Proposals. The scope of the campaign has progressively expanded to include a range of communication tools, e.g. information seminars organised at the EUPSO and in the ‘universities’ in northern Cyprus, press, radio and television advertisements, a Website, brochures and posters, plus a ‘University Fair’ organised in Nicosia to which all of the EU Member States are invited to participate by setting-up a stand as a means to communicate information on study in and on the education opportunities offered in the EU Member State – approx. 10 EU Member States send a representation team to the Fair. Linked to some of the tasks the EC is supported by the EU Info Point in terms of the implementation of the communication campaign; previously via an external technical assistance component under the 2006 project. Overall the effectiveness of these visibility etc. activities is good, as evidenced by the generally suitable number of applicants for study: on average two-and-a-half to three times more applicants than the indicative number of grants on offer. The 2012 assessment/evaluation of the Scholarships programme analysed the effectiveness of the information campaign tools based on feedback from grantees, finding that these are suitable in terms of reaching the target group although that the effectiveness of the radio and television advertisements is limited.

Recognising that the **Scholarships** grant scheme is a regular component/feature of the EU Aid Programme for the TCc, the medium-term goal for such visibility etc. activities should be the development of a broader awareness, both among prospective future applicants and the broader community, of the opportunities offered by the scheme – and of the standard EU Programmes on which they are modelled – and of the benefits delivered, success stories etc.. In the context of Cyprus the benchmark for broad awareness of similar schemes is set by the Commonwealth Scholarship programme and the Fulbright Scholarship programme.

Linked to the **People-to-People** scheme the EC also conducted an information campaign to reach the target group under the specific Call for Proposals, supported in terms of its implementation by the technical assistance component under the project responsible for the

detailed design of the grant scheme. However, the level of information dissemination was poor, the response to the public information events in terms of participants was mixed, and the primary tool for promotion was therefore the project Website and social networking tools.

In regard to the **People-to-People** grant scheme the applicants are not specifically required to address the role of communication and visibility in the context of the detailed description/budgeting of actions; the Full Application form does not specifically highlight the issue as one to be described, unless in the context of a specific project output, e.g. a brochure, or study. While not specifically detailed as a communication plan at the design stage, the grantees are obliged to ensure visibility in line with the contract "General Conditions". CSO Webpages viewed linked to this evaluation traditionally provided full acknowledgement of the EC grant, as well, often, as links to a description of and/or the key outputs from the supported projects.

Linked to **Information on the EU** one of the core goals of basic visibility etc. activities is to raise awareness as to the existence of the principal EU information service-providers available in Cyprus, and the ease offered in terms of public accessibility and the specific services available. In this regard general awareness among the TCc as to the very existence of the EU Info Point in northern Cyprus has increased from 26% at the end of its first-year of public services to 34% at the end of its third-year¹³. While on a positive trajectory it is evident that significant basic visibility etc. activities still need to be implemented in order to build broad awareness of the profile of the EU Info Point, as a means thereby to strengthen the effectiveness of the services provided. This should be a priority for the next service-provider; in particular as there will also be a temporary gap in the services of the EU Info Point in spring 2013. As comparison to the figures for the EU Info Point in northern Cyprus, general awareness among the TCc as to the existence of the Representation of the European Commission in Cyprus has increased from 44% to 53% over the same two-year time period.

While not directly supported in terms of specific statistics or analysis, a basic observation linked to the overall visibility of the EU Info Point is its relatively obscure physical location.

To what extent is the on-going Financial Assistance Programme for Turkish Cypriot community has/is contributing to achieving the strategic objectives/priorities of the programme?

Programming Level

Reflecting that the goals of the strategic objective/priority – Objective 4 ("Bringing TCc closer to the EU") – are continuous, long-term goals of common relevance both prior to and also post-settlement, in the context of the standard opportunities and benefits available to all EU citizens, the programming process has suitably provided consistency in terms of the concentration of the programming focus: thus the generally consistent programming of grant support for the **Scholarships** and for the **Information on the EU** actions, and the limited focus on the **People-to-People** actions (due to the limited take-up of the initial project).

Implementing Level

In terms of supporting the achievement of the strategic objective – Objective 4 ("Bringing TCc closer to the EU") – the continued relevance of the projects and appropriateness of project implementation design, in terms of addressing real needs are, overall, judged to be good.

¹³ Figures provided via the "EU Perceptions Survey" conducted for the EU Info Point at regular intervals since January 2010, based on a sample group size of 600 people from the TCc.

While the **People-to-People** project is poorly rated in terms of the effective take-up of the grant scheme – due to the sudden surge of funding opportunities targeted to CSOs under the different Aid Programme grant schemes – the basic intervention goals of the scheme did/do respond to the needs of the TCc, although the goals would have benefitted from a greater level of coordination with the Civil Society grant scheme under Objective 3 (“Fostering Reconciliation etc.”), e.g. potential synergies or a clearer demarcation of the schemes.

The efficiency of the projects in terms of the deployment of funds is, overall, judged to be adequate; while generally good for the **Scholarships** – which accounts for approx. 64% of total EC funding allocated, 2006-2012, under Objective 4 (“Bringing TCc closer to the EU”) – it is weaker for the **Information on the EU** and **People-to-People** actions – as detailed above under the Evaluation Question on the administrative and organisational structures.

The efficiency of the projects in terms of the process of delivery and achievement of the project goals is, overall, judged to be adequate. In the area of **Scholarships** the efficiency is, generally, good: the grantees attend clearly defined courses of study of which the vast majority complete the study course and undertake final examination. The principal efficiency delay is the compliance of grantees with the formal reporting requirements, notably deadlines, necessary to account for the grant. In the area of **People-to-People** contacts the efficiency of the sub-projects in terms of the process of delivery has been mixed, with a number of grantees encountering implementation delays. CSOs interviewed linked to this evaluation noted that there was a ‘learning-curve’ in terms of increasing their familiarity with EC grant administration, activity-planning and reporting. Despite the delays the sub-projects have successfully delivered the expected Outputs/Results, e.g. capacity building for CSO networks and platforms, study visits linked to partnership development with European CSOs, training for youth, for the media, for teachers, outreach and awareness raising including via festivals, leaflets and brochures/reports, advocacy campaigns undertaken etc.

In the area of **Information on the EU** the efficiency of the delivery and achievement of the project goals has been mixed. Operational delivery by the EU Info Point of its clearly defined and agreed information events, and related actions/tasks has, generally, been efficiently undertaken and the project targets achieved, e.g. quantitative and qualitative surveys, publications, news bulletins, training/outreach activities etc. However, too often the process of reaching agreement between the project implementing partners/decision-makers – at the strategic level – as to the direction and detailed, operational definition of the activities has been troubled, e.g. the 16-month delay in agreement on launching an EU Info Point Website.

The effectiveness of the projects in terms of the achievement of the anticipated project goals and the contribution to achieving the strategic objective “Bringing TCc closer to the EU” is, overall, judged to be good. The **Scholarships** programme has awarded over 500 grants across six academic-years: 63% of the grants were for Graduate studies, 27% for Teachers, and 10% for Undergraduate studies. In addition to the academic and technical skills and qualifications acquired by the individual grantees, the study abroad has also helped to broaden grantees’ wider perspectives/perceptions of multi-cultural society and of European diversity. The scheme is also effective in terms of extending the educational opportunities available to the TCc. However, it is evident that the effectiveness of the scheme in terms of promoting participation at the level of undergraduate studies is weaker relative to the other themes. This is partially due to the reluctance of many local ‘universities’ to actively promote participation to their students, and thereby lose the fee income from undergraduates studying abroad. The Call for Proposals for academic-year 2013-2014 – to be launched in the 1st

Quarter 2013 – seeks to address the lower participation rate by the extension of the study opportunity to cover the first-year of undergraduate studies, i.e. by extending the target group of beneficiaries to include final-year High-School students. The Call for Proposals will also extend professional studies to include students in the area of vocational training study. It is assessed that these extensions to the educational opportunities offered will strengthen the longer-term effectiveness of the grant scheme and the contribution of the Scholarships in terms of achieving the strategic objective – Objective 4 (“Bringing TCc closer to the EU”).

Despite some efficiency delays linked to the **People-to-People** grants it is not evident this has negatively influenced on the final effectiveness of the sub-projects/grants. Most of the grantees interviewed linked to this evaluation were professionally managed and had a clear vision as to the purpose of the CSO or informal group and the role of the project. The benefits delivered include the development of stronger partnerships for collaboration between the project partners, e.g. Turkish Cypriot and European CSOs, to support their delivery of services/advocacy goals, plus in terms of the direct benefits realised by the immediate target group of beneficiaries. However, while the effectiveness of the sub-projects/grants is generally good, it is recognised that only 15 grants were awarded, representing only 27% of the planned funding under the grant scheme, and thereby that the overall effectiveness of the project in terms of the contribution to achieving the strategic objective of “Bringing the TCc closer to the EU” is limited. The extent to which the grant scheme has supported the achievement of the strategic objective will be assessed in the context of the specific evaluation of Civil Society support to be conducted in early-2013.

In regard to **Information on the EU** the effectiveness of the action and its contribution to achieving the strategic objective of “Bringing the TCc closer to the EU” is, generally, good. The EU Info Point has become an important source of information for the TCc regarding both EU and Aid Programme related questions and inquiries from the public, plus is also an important actor in terms of raising visibility of the EU and of European policy issues via informative events, e.g. conferences, seminars, public lectures, grant award ceremonies for the Aid Programme, as well as tailor-made training courses on procurement rules, project management and visibility, and the publication of brochures in the Turkish language. The target group of the EU Info Point consists primarily of Turkish Cypriots sub-divided into the categories of: youth, children, teachers, opinion leaders, political decision makers, rural community, business community, academia, elderly, media, and minorities. The information-needs of and the perceptions of the target groups of the EU and the EU’s activities concerning the Turkish Cypriots are monitored by the EU Info Point utilising both quantitative surveys and qualitative studies. Additionally, the EU Info Point manages approximately 50 inquiries per month (via e-mail, phone, or visits), with these primarily related to the Aid Programme itself and occasionally also information on associated EU policies, plus related to the information events managed by the EU Info Point. The Website pages received approximately 90,000 hits per month in 2012, from approximately 4250 visits per month; the trend in terms of hits and visits has progressively risen since it was launched in late 2010. The most popular downloads are the brochures on “How the EU Works” and “The EU Aid Programme”, plus also the EU Info Point’s “EU Aid Programme Visibility Guide”. However, general awareness among the TCc as to the very existence of the EU Info Point in northern Cyprus, while it has increased progressively, was still only 34% as of summer 2012; in this sense the effectiveness of the action in terms of “Bringing TCc closer to the EU” is partially limited. Additionally, the effectiveness of the project was affected by the lack of consensus between the project partners as to the strategic goals to be achieved over the medium-term.

Which are the prospects for immediate and long-term impact and sustainability of assistance? Are there any elements which are/could hamper the impact and/or sustainability of assistance?

Programming Level

Regarding impacts, the main concern linked to the programming of Objective 4 (“Bringing TCc closer to the EU”) assistance stems from the lack of sufficiency of ‘SMART’ indicators at the impact level. However, while this represents a risk it does not necessarily indicate the unsuccessful achievement of future programme impact at the intermediate or long-term level.

Regarding sustainability, the programming process recognises that the continuation of the support mechanisms under Objective 4 is dependent on the suitable provision of EU funding. They are modelled on standard EU actions and programmes targeted to Europe’s citizens.

Implementing Level

The prospects for impact and for sustainability of the assistance are, generally, judged to be good; except of **People-to-People** contacts for which the prospects for impact are moderate.

In terms of “Bringing the TCc closer to the EU” the assistance has successfully provided a clear immediate impact and the prospects for the longer-term impact are also good.

The **Scholarships** programme has completed approx. 500 grant awards by the end of academic-year 2011-2012. In addition to providing grantees with qualifications that shall benefit them over the immediate and longer-term the indirect impact on the grantees of the study abroad period is in terms of their perception of increased self-confidence and their ability to operate within a multi-cultural setting. In terms of the sustainability of the assistance and the achievement of longer-term impact, while clear statistics on the number of students that return to Cyprus in the immediate short-term of course completion do not exist – estimates range from 60-95% return in the near-term after completion – it is clear that most grantees do eventually return and thereby contribute their increased skills to the local economy and societal development, e.g. via the establishment of new enterprises, or via fresh job-opportunities, job-promotions or the application of freshly obtained skills in former jobs, or via applying the skills within the local ‘administration’ at its varied levels of ‘governance’. In this regard the overall impact of the Scholarships programme is weakened by the insufficient level of analysis undertaken by the TCc side as to the potential prioritisation of fields for study to be concentrated on over the medium-term so as to support meet the forecast needs and/or gaps of the labour-market. The initial Calls for Proposals included a list of sectors under each theme, but these were long lists of sometimes broadly defined subject areas rather than a concise list of specific, medium-term qualification gaps. The sustainability of the Scholarships actions is good: the EC recognises that prior to the negotiation by the Cypriot communities of a settlement of the Cyprus problem, or recognition of the ‘universities’ in the northern part of Cyprus, the programme fills a gap in terms of the low effective participation by the TCc in the linked EU Programmes; post settlement the various reasons that limit effective participation by the TCc will no longer apply and the actions will be fully incorporated in the EU Programmes, e.g. Erasmus, Leonardo da Vinci.

The prospects for impact in the area of **Information on the EU** are generally good. Via the combination of visibility and communication efforts targeted to them – by the EU Info Point, the EC and by other means, e.g. television, newspapers, and radio – the general awareness of the TCc linked to the EU and to the Aid Programme is gradually increasing, although from

a low baseline level. Opinion surveys of the TCc commissioned by the EU Info Point suggest a gradual increase between the start of 2010 and mid-2012 in terms of the respondents' 'basic' to 'average' level of general knowledge on the EU, as well as a clear increase in terms of the respondents' 'average' level of general knowledge on the Aid Programme. However, the percentage of respondents reporting their general knowledge on the EU or on the Aid Programme as 'good' to 'very good' has only marginally increased: approx. 10% in mid-2012. Eurobarometer surveys commissioned by the EC also indicate increased levels in terms of Turkish Cypriot respondents tending to agree with the statement 'I understand how the EU works': increasing from 37% tending to agree in June 2009 to 54% in November 2012; while the number tending to disagree with the statement has fallen over the same time it still registered 28% of responses in November 2012. The sustainability of the Information on the EU actions is good: the EC recognises that prior to the negotiation by the Cypriot communities of a settlement of the Cyprus problem the EU Info Point fills a gap in terms of the establishment of an official Europe Direct information centre in northern Cyprus; post settlement the information actions and the information centre will be fully incorporated within the information activities of the Representation of the European Commission in Cyprus.

Reflecting that the effective take-up of the grant scheme was limited, the prospects for impact linked to the **People-to-People** project, in terms of "Bringing the TCc closer to the EU", are moderate. In regard to the immediate impact of the actions that were implemented under the project, the supported CSOs have achieved some success in terms of increasing awareness of the issues they address, and have also been strengthened at the management level via the introduction of new activities, methodologies, and tools, plus the development of partnerships between CSOs, and of Turkish Cypriot CSOs with European CSOs. This will support the CSOs in conducting their delivery of services/advocacy and thus the prospects for longer-term impact. The prospects for sustainability of the actions are mixed. While ownership of the goals by the CSOs is strong, many CSOs face constraints in terms of the continuity of funding for the delivery of activities and some have scaled-down their activities. The prospects for sustainability are better for CSOs with a strong support or membership base, or a clearly defined target group of customers for the provision of CSO services.

Which are the key administrative/financial/thematic reforms that the beneficiary should undertake to improve the sustainability in key areas?

Implementing Level

With regard key reforms that the beneficiary should undertake to improve sustainability of the assistance under Objective 4 these primarily relate to the **Scholarships** programme. The sustainability of the benefits produced in terms of "Bringing the TCc closer to the EU" could be strengthened in terms of ownership of the programme on the TCc-side. Notably the TCc-side should be encouraged to undertake a detailed analysis of skills-gaps that need to be addressed over the medium-term, so as to support some level of prioritisation of the programme and its delivery of suitable impact. The EC has encouraged the TCc-side in this regard but as yet a single overview has not been presented by representatives of the TCc: the education 'ministry' does undertake analysis of needs linked to teachers and education professionals, while needs in the public sector are partially identified by the 'European Union Coordination Centre' (EUCC) as a result of the provision of TAIEX support to the TCc, however, other 'institutions' have yet to provide analysis of wider skills gaps/needs. As the Scholarships programme is now being further extended in terms of training opportunities

available to the TCc, e.g. in the area of vocational training study, the need for the TCc-side to establish a medium-term strategy so as to provide some guidance as to the effective focus of the programme is further evident. Additionally, the TCc-side should be encouraged to ensure adequate complimentary visibility, promotional and ex-post publicity activities linked to the programme so as to ensure sufficient participation and demand over the medium-term via promoting the development of a broader awareness among the TCc of the benefits of the EU Scholarships programme and its linkages to more standard EU Programmes in the area.

It is recognised that the **People-to-People** grants are completed and thereby the main measure for grantees in terms of promoting sustainability of the assistance is to provide suitable ex-post visibility and, as relevant follow-up delivery of the services/advocacy.

Are there any potential actions, which would improve the efficiency and effectiveness of on-going assistance?

Are there any actions, which would improve prospects for impact and sustainability of on-going assistance?

Implementing Level

In regard of the **Scholarships** programme the efficiency and effectiveness of the assistance in terms of the selection process and the deployment of grant was greatly enhanced via the piloting of the simplified procedure linked to the Call for Proposals for academic-year 2012-2013. The Guidelines and process for managing the Call for year 2013-2014 were being prepared by the EC as of the 'cut-off date' for this evaluation and are anticipated to be finalised in early-2013. The draft Guidelines indicate the continued use of the simplified procedure, although a final decision on this was still to be formally adopted by the EC. It is assessed that the procedure should be maintained in view of the efficiency and effectiveness gains that are provided. With the anticipated launch of the next Call during the 1st Quarter 2013, the procedure would also facilitate timely signature of grant contracts in the summer. The effectiveness of the Scholarship programme would also be enhanced in terms of greater participation by the EU Member States at the "University Fair" organised by the EC to promote greater awareness of potential applicants as to the educational offer available. While it is recognised that not all EU Member States are in a position to send a representation team to attend the Fair, the provision of relevant literature and information from non-participating EU Member States as to their potential offer should be encouraged. In this context the effectiveness of the EU Member States' efforts to identify potentially relevant training offer would be strengthened via the provision by the TCc-side of clearer guidance as to the medium-term skills gaps/needs – as detailed in the above Evaluation Question such guidance will enhance the overall effectiveness, impact, and sustainability of the programme.

In regard of **Information on the EU** the efficiency and effectiveness of the assistance to be provided for the second phase of the EU Info Point – the present contract expires in February 2013 and the next service contractor is anticipated to start in May 2013 – would be improved via the development of a clear strategic plan and detailed (annual) implementation action plan to guide the activities of the EU Info Point service-provider over the medium-term; the services are anticipated to be implemented over a three-year period. The strategic plan would establish clear objectives and targets to be achieved over the period in terms of information provision and awareness-raising linked to the key target groups for the EU Info Point, e.g. youth, business community, academia, opinion leaders etc. The strategic and

implementation action plans would be approved by the Project Steering Committee (PSC). Preparation of the plans would need to ensure coordination with the communication and information goals and activities planned by the Representation of the EC in Cyprus. The efficiency and effectiveness of the assistance would also be improved via the establishment by the EC of detailed operational management procedures to guide the contractor in terms of the necessary stages for its consultation with and the control by the EC of the production of project draft Outputs, e.g. publications. Operational procedures were progressively developed under the first phase of the EU Info Point it would be useful for these to be codified for the next service-provider. The efficiency and effectiveness of the assistance would also be improved via clearer demarcation by the EC of its management structures linked to the project: regular meetings held with the contractor at an operational level, but the frequency of meetings of the PSC reduced, e.g. quarterly rather than monthly, so as to better reflect that its role is to provide overall strategic guidance for the project. The effectiveness and the impact of the assistance would also be improved via better visibility etc. activities linked to promoting general awareness among the TCc as to the existence of the EU Info Point and its information services and activities. In particular this will be of urgent importance when the next service-provider starts-up the service delivery in mid-2013, after a gap of approximately three-to-four months in the operation of an EU Info Point.

What are the advantages of the continuing "joint management" with UNDP of certain parts of the programme? Is the justification for choosing this instrument still valid?

Implementing Level

In terms of the assistance under Objective 4 ("Bringing TCc closer to the EU") actions have not been implemented on the basis of "joint management" with the UNDP. Reflecting that the assistance is modelled on standard, long-term EU actions and programmes targeted to Europe's citizens it is not evident that "joint management" with the UNDP is suitable.

Objective 4:

Future Programme

How can the objectives of the current Aid Regulation be met in medium to long-term (up to 2020)? State the assumptions made, particularly with respect to the potential settlement scenario.

In terms of the achievement of the strategic objectives of the "Aid Regulation" the assistance linked to Objective 4 ("Bringing TCc closer to the EU") facilitates opportunities for contacts and communication between the TCc and the EU. This reflects that while Turkish Cypriots are eligible to participate in standard EU actions and Programmes, e.g. Erasmus, Leonardo da Vinci, or EU Information Centres, the effective participation rate is extremely low, and thereby concerns of isolation expressed by the TCc. The focus of the Aid Programme on **Information on the EU** and on **Scholarships** is correct. The former promotes increased understanding of how the EU functions, the objectives, policies, and strategies of the Union and an awareness of EU citizenship. The latter provides study opportunities for the TCc in the EU and thereby also responds to one of the main positive impressions that the TCc has as to the benefits of the EU: "the freedom to travel, study, and work anywhere in the EU"¹⁴.

¹⁴ Standard Eurobarometer N° 78 (First Results): the response provided by 40% of the TCc surveyed in reaction to the question "What does the EU mean to you personally?"

Whereas **People-to-People** contacts are also of relevance in terms of “Bringing the TCc closer to the EU” it is evident that this is best addressed either within the context of support to Civil Society provided under Objective 3 (“Fostering Reconciliation etc.”), potentially with the inclusion of a specific theme/strand of the grant scheme to include informal groups/partnerships of a bi-communal nature, or under Objective 5 (“Preparing the TCc for the *acquis*”) in terms of support to the TCc modelled on that provided by the standard TAIEX instrument under the ‘Civil Society Facility’ for CSOs to build EU-contacts/partnerships.

The Aid Programme has already successfully delivered an increase in the opportunities available to the TCc to participate in and engage in the EU and to better understand the EU and Europe and thereby to better access some of the standard opportunities for engagement available to all EU citizens. Over the medium- to long-term the assistance will progressively strengthen the TCc’s broader understanding of and awareness of the EU and Europe, and the level of direct contacts and communication between the TCc and the EU and Europe.

In this regard the key assumption made is that sufficient funding continues to be allocated to Objective 4 (“Bringing TCc closer to the EU”) over the future period prior to a settlement. Post settlement the various reasons that limit effective participation by the TCc will no longer apply and the Objective 4 actions will be fully incorporated in the EU Programmes/actions.

In the case of constrained budgets (similar to those for 2012 and 2013 – € 28 million/year), which are the areas recommended for concentration? How would the objectives of the Aid Regulation be met in such circumstances?

With regard the focus and concentration of future programme support linked to Objective 4 (“Bringing TCc closer to the EU”) the core specific objectives to be addressed are already well established: the **Scholarships** programme and **Information on the EU**.

In both areas the Aid Programme should be programmed so as to ensure the continuity of its concentration on the areas; a gap in the provision of either will negatively impact in terms of the progressive achievement of the strategic objective; in this sense aid predictability should be assured. In this regard it is noted that on average the EC has awarded € 1.30–1.40 million in grant per year for Scholarships and € 0.40–0.50 million in grant for the EU Info Point.

As the scale of the **Scholarships** programme is now being further extended to include additional target groups, e.g. vocational training study, first-year undergraduate study, it will be necessary to assess, based on demand and the quality of applications received, if additional funding under the Aid Programme in the area is justified over the medium-term. Conducting such an assessment of medium-term needs and potential absorption capacity for Scholarships would be greatly facilitated by the provision by the TCc-side of a detailed analysis of skills-gaps and needs to be addressed over the medium-term period.

Annex 4.5: Objective 5 – Preparing the Turkish Cypriot community to introduce and implement the *acquis communautaire*

With regard to the “Aid Regulation” / assistance programme’s strategic objective of “Preparing the Turkish Cypriot community to introduce and implement the *acquis communautaire*” this has been addressed via six projects.

The assistance aims to contribute to the solution of the Cyprus problem by facilitating the Turkish Cypriot community’s preparations for the future application and enforcement of the *acquis communautaire* – in anticipation of the lifting of its suspension in the northern part of Cyprus following negotiation by the Cypriot communities of a comprehensive settlement.

Table 9: Objective 5 Projects – “Preparing the TCc for the *acquis*”

N°	Project Title	EC Decision (year)	EC-funding (€ mil.)	% Contracted (31/12/2012) ¹	% Disbursed (31/12/2012)
1	Programme of assistance provided by the TAIEX instrument for the TCc	2006	4.50	100	100
2	TA to support legal transposition as well as implementation of the <i>acquis</i> through the TAIEX instrument	2006	6.50	141.54	138.45
3	Capacity building in environment sector	2006	2.46	46.37	45.43
4	Unallocated Technical Assistance and Programme Reserve Facility ²	2006	1.24	46.09	41.87
5	TA to prepare for future implementation of the <i>acquis</i> via the TAIEX instrument	2011	6.15	113.98	29.40
6	TA to prepare for future implementation of the <i>acquis</i> via the TAIEX instrument	2012	3.30	0	0

¹ Contracting deadline: for 2006 projects = 4Q/2009; for 2011+2012 projects = on-going

² € 3.50 million from the Programme Reserve Facility was allocated to Objective 3; the remaining funds were allocated for TA activities, via framework contract not the TAIEX, supporting harmonisation with the *acquis communautaire*

Objective 5:

Programme Intervention Logic

To what extent are objectives at different level clear, measurable, and realistic?

With regard to achievement of the strategic objective “Preparing the Turkish Cypriot community to introduce and implement the *acquis communautaire*” two specific objectives / operational priorities for intervention have been targeted by the assistance programme:

- Preparation of Legal Texts / Reinforcement of Implementation Capacity, and
- Facilitation of “Green Line” Trade¹⁵.

¹⁵ Based on Council Regulation (EC) No. 866/2004, the “Green Line Regulation”, as amended, and Commission Regulation (EC) No. 1480/2004, the “Implementing Regulation”, as amended.

In terms of the strategic relevance of the specific objectives/priorities both are logical in terms of a clear linkage to the strategic objective – “Preparing the TCc for the *acquis*” – and also in regard to their addressing needs of operational relevance to the beneficiary. The first priority focuses on preparing the legal framework and the corresponding implementing capacity of the TCc for the future application and enforcement of the *acquis* after a settlement, and the second priority on the successful operation of the “Green Line Regulation” via the provision of targeted support facilitating trade in approved goods by the TCc across the “Green Line”.

The intervention objectives of the projects were assessed for the extent that the objectives at different level (Wider Objective, Immediate Objective, Results/Outputs) are clear, measurable, and realistic, i.e. are ‘SMART’. *[For intervention objectives the criteria have the following meanings: Specific (appropriately positioned, scoped and focused within the objectives hierarchy); Measurable (quantified, or potentially quantifiable, through the use of appropriate indicators); Achievable (in the light of the position in the intervention logic and assumptions made at the preceding level); Relevant (to EU and beneficiary requirements); Time-bound (provide a timeframe by which planned benefits should be achieved)]*

The formulation of the intervention objectives for the provision of support through the **TAIEX instrument** has, generally, provided consistency across the relevant projects. As formulated in the project documentation the objectives are, technically, clear, and potentially measurable too. However, the formulation of the project intervention objectives is only partially adequate. This reflects that while there is a level of clarity in terms of the stated objectives, there is also a complete lack of differentiation made between the goals to be achieved over the project life-time in terms of development effects to be achieved at the level of Immediate Objective and at the level of Results/Outputs – the intervention objectives are similarly stated at both levels¹⁶. This clearly implies that the project objectives are not sufficiently ‘Specific’ – in this regard it is noted that Results/Outputs should be achieved during project implementation, the Immediate Objective on project completion or in the immediate short-term after completion.

In regard of the specific project **Capacity building programme in the environment sector for the TCc** the formulation of the intervention objectives is ‘SMART’ with exception of being ‘Time-bound’. The formulation of the intervention objectives is indeed notable for its level of precision; in particular the clearly established set of Results/Outputs that provide a thorough reflection on the detailed stages in the progression of project implementation/delivery.

To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient and effective projects to achieve the strategic objectives?

In terms of the strategic relevance of the specific objectives/priorities targeted by the projects under Objective 5 (“Preparing the TCc for the *acquis*”), this is judged to be good. The goal of the assistance is to promote the capacity of the TCc linked to the future application and enforcement of the *acquis* post-settlement of the Cyprus problem, and to facilitate trade across the “Green Line” in accordance with the existing *acquis* for such a ‘line’ regime.

The principal delivery mechanism for the provision of assistance to the TCc for future application of the *acquis* is the **TAIEX instrument**. It is one of the standard instruments

¹⁶ Only one project – TA to support legal transposition as well as implementation of the *acquis* through the TAIEX instrument, under the 2006 programme – provides a clear differentiation between these different levels of the anticipated development goals/effects to be achieved.

available to the EC (DG ELARG) in the context of delivering actions linked to the *acquis*; it was initially established by the EC in 1996 following publication of the EC's White Paper on the "Preparation of the Associated Countries of Central and Eastern Europe for Integration into the Internal Market of the Union"; the mandate of the TAIEX was later extended, notably via the adoption by the EU/EC of "Agenda 2000", so as to cover the full *acquis communautaire*.

The TAIEX instrument is conceived as a demand-driven, 'one-stop shop' for the provision of short-term technical assistance and advice in the field of the approximation, application, and enforcement of the *acquis*, primarily delivered by EU Member State national experts. The instrument has been utilised by the EC to cover the provision of support to the TCc since 2004¹⁷. In the case of support provided under the Aid Programme for the TCc the role of the instrument is focused to the objectives included in article 2 of Council Regulation (EC) No. 389/2006 establishing the instrument of financial support for the TCc.

In terms of the programming of assistance, the project selection process/mechanism (i.e. the process of project design, preparation, and selection) is thus primarily focused on the design/formulation of the basic, demand-driven mechanism/facility to the specific context of the TCc – the detailed process of design, preparation, and the selection of the most relevant, efficient, and effective actions to be supported via the mechanism/facility is made at the project implementation phase, as is the standard practice under the TAIEX instrument.

In this respect a key issue for the EC in regard to the programming of assistance is the need to assess the extent that further funding is justified in terms of the absorption capacity, lessons learned from previous funding, and the indicative plan of priority actions for funding as presented by the beneficiary; since 2009 the indicative plan of priorities has been formally presented by representatives of the TCc in the "Programme for the Future Adoption of the *acquis*" (PFAA), and annual Project Action Plans are then developed in consultation between the TCc, the EU Member State experts provided via the TAIEX, and the EC (DG ELARG).

An evaluation of the TAIEX instrument for the TCc is planned to be commissioned in 2013.

With regard the programming of other support actions linked to Objective 5 ("Preparing the TCc for the *acquis*") but not delivered in the framework of the TAIEX instrument – i.e. the specific project **Capacity building programme in the environment sector for the TCc** and the actions under the **Unallocated TA and Programme Reserve Facility** – the project identification and selection process/mechanism has also appropriately functioned. Given the importance of protecting the environment in the northern part of Cyprus the programming of a separate project under the 2006 programme aimed at capacity building in the sector, including via the provision of equipment investment in the area of air quality monitoring, was justified in the context of the specific progress at the time in terms of the formal approval in early 2006 by representatives of the TCc of an "Environmental Policy Statement" and the preparation of initial draft "Sector Approximation Strategies" covering eleven sectors included in the environmental *acquis*. The project was therefore targeted to develop specific capacity in the sector based on the clear level of commitment presented by the TCc-side. The project selection process linked to utilisation of the remaining funds under the Programme Reserve Facility identified four, urgent technical assistance projects linked to the preparations for

¹⁷ Prior to the "Aid Regulation" the initial TAIEX phase was funded under the 2003 Special Aid Package for northern Cyprus and the 2005 Programme of Assistance from TAIEX for the TCc.

harmonisation with and future application of the *acquis*: in the fields of anti-money laundering, agriculture and rural development, environmental protection, and statistics.

To what extent programming provides adequate prioritisation and sequencing of assistance?

As outlined above, the principal delivery mechanism for the provision of the assistance to the TCc under Objective 5 (“Preparing the TCc for the *acquis*”) is the **TAIEX instrument**. The standard TAIEX instrument offered by the EC (DG ELARG) is based on its provision to beneficiaries of demand-driven, short-term technical assistance and advice linked to the *acquis*, e.g. via specific, ‘one-off’ training seminars/workshops and/or via peer-to-peer expert advice and analysis, or via support for “screening” missions, or via study visits for representatives from the beneficiaries, etc. The short-term perspective for the delivery of TAIEX actions reflects the nature of the instrument – it is designed for the provision of specific, targeted assistance and advice. Within such a short-term perspective for undertaking specific events/actions the management and planning of any issues of the prioritisation and sequencing of the assistance, in the case of linkage between ‘one-off’ events, are essential. It is evident that the management of the issues of prioritisation and sequencing is of significant relevance in terms of the success of the assistance offered to the TCc, as the reform needs and delivery processes linked to preparations by the TCc for the introduction and implementation of the *acquis* can only be addressed over the medium-term.

Traditionally, in the context of medium or longer-term actions for preparation for future application of the *acquis* the EC (DG ELARG) would consider utilising other, standard instruments available in the context of capacity building linked to the *acquis* – e.g. Twinning Light, traditionally completed via short-term missions by a limited number of experts over a period of 6 months, maximally 8 months, or via Twinning, with a Resident Twinning Adviser and expert team for minimally 12 months duration. However, these are not relevant in the context of the provision of support for the TCc, reflecting that these are based on a clear partnership between government institutions.

In order to address the issues of managing prioritisation and sequencing within the context of programming linked to the TAIEX instrument for the TCc, the EC initially encouraged the beneficiary to define medium-term strategies in areas the beneficiary regarded as priority areas for *acquis* support actions, which since 2009 has been formally structured within the PFAA. Subsequently the EC strengthened the programming of assistance via introduction of medium-term Project Action Plans, linked to the priorities identified in the PFAA, which are developed in close consultation between the TCc, the EU Member State experts provided via the TAIEX, and the EC (DG ELARG). These plans detail the specific TAIEX actions planned over the medium-term, the necessary prioritisation and sequencing of the specific TAIEX actions, the associated inputs from all project partners, and the associated monitoring arrangements. Traditionally the Project Action Plans have been updated on an annual basis. The process thereby suitably ensures adequate prioritisation and sequencing of assistance.

To what extent programming takes adequate and relevant account of beneficiaries’ policies, strategies, and reform processes in relevant key areas?

The extent to which programming takes account of beneficiaries’ policies, strategies etc., was assessed via examination of the project fiches – notably the sections Background and Justification, Linked Activities, and Lessons Learned. The projects provide adequate and

relevant account of such policies, strategies etc. The **Capacity building programme in the environment sector for the TCc** provides clear references to the policy and the operational settings for the project, e.g. linked to the 2006 “Environmental Policy Statement” etc.

The **TAIEX** projects under the 2011 and 2012 programmes provide clear reference to the PFAA initially defined by the beneficiary for the period 2009-2011, more recently for the period 2012-2014. The PFAA provides a series of sector reform strategies covering the priority Chapters for *acquis* harmonisation as identified by the TCc; the 2009-2011 PFAA initially identified twelve priority Chapters for reform, later expanded to additional Chapters; assistance is currently provided through the TAIEX in seventeen *acquis* Chapters, with consultations between the TCc and the EC on the potential inclusion of two further Chapters.

To what extent programming takes adequate and relevant account of assistance provided and reforms promoted by key donors where applicable?

The extent to which programming takes account of other key donors’ activities was assessed via examination of the project fiches – Background and Justification, and Linked Activities.

The programming documentation provides only limited information on other donors, reflecting that the EU is itself the principal player and financier in terms of *acquis* linked activities. The projects identify actions supported by the British High Commission in the area of public administration reform, plus refer to the need for regular contacts with other donors on the ground such as the USAID and UNDP-ACT teams so as to avoid the duplication of efforts. It is clear that the data is sometimes simply ‘copy/paste’ from previous year’s project fiches, rather than having been systematically updated during the programming process so as to reflect the latest situation, or as to identify potential synergies between the donors’ actions.

To what extent programming and monitoring mechanisms include SMART (Specific, Measurable, Available, Relevant and Time-bound) indicators to measure progress towards achievement of objectives?

The indicators of achievement of the projects were assessed for the extent that the indicators at different level (Wider Objective, Immediate Objective, Results/Outputs) are ‘SMART’ for the purposes of monitoring and of evaluation. *[For indicators of achievement the ‘SMART’ criteria have the following meanings: Specific (clearly defined, and closely linked to what they are trying to measure); Measurable (variables which can be objectively assessed and numerically expressed); Available (already exist or can be collected at reasonable cost and effort); Relevant (related to the core problems and needs addressed by interventions); Time-bound (based on a timeframe by which planned benefits should be achieved)]*

The formulation of the projects’ indicators of achievement linked to Objective 5 (“Preparing the TCc for the *acquis*”) is only partially adequate. The three projects under the 2006 programme establish no indicators of achievement, at any level of the hierarchy of intervention objectives. As such the projects do not indicate the basis against which the programmers of the assistance consider that progress towards achievement of the objectives could be assessed, and no targets set against which the progress should be measured.

The **TAIEX** projects under the 2011 and 2012 programmes do provide indicators, for the three different intervention levels, adopting the same set of core indicators for both projects, including clear demarcation of indicators relevant to the specific objectives – **Preparation of Legal Texts / Reinforcement of Implementation Capacity**, and **Facilitation of “Green**

Line” Trade – at the levels of Immediate Objective and Results/Outputs. The formulation of the indicators of achievement is generally adequate, although weaknesses do exist. Most of the indicators are ‘Measurable’ although none are supported in terms of the quantification of targets. Equally, none of the indicators is ‘Time-bound’. The indicators linked to the **Facilitation of “Green Line” Trade** are not appropriately positioned within the hierarchy of intervention: the appropriate indicator of Immediate Objective is stated as an indicator of Results/Outputs, whereas the indicator stated for Immediate Objective is a minor re-wording of the third indicator provided, correctly, at the level of Results/Outputs. The indicators could also be strengthened in terms of the inclusion of more ‘Specific’ indicators reflective of the processes undertaken linked to the certification and control of goods for subsequent trade.

Regarding **Preparation of Legal Texts / Reinforcement of Implementation Capacity** the indicators are appropriately positioned within the hierarchy of objectives. However, they could be strengthened in terms of the inclusion of more ‘Specific’ indicators reflective of the processes undertaken in terms of delivering successful development support. The generic goal of the actions is to support the analysis of and update of legislation and/or implementing regulations, or management systems, or standard operating procedures, tools/services etc. In this context a clearer distinction should be established at the levels of Immediate Objective and of Results/Outputs in terms of successive stages of progression from the initial analysis of needs to the actual achievement of reforms:

- Stage 1: analysis/review of the existing policy/regulation/administrative procedure/tools and/or proposal of new/revised policy/regulations/administrative procedures/tools etc.;
- Stage 2: public debate and/or consultation with stakeholders on the analysis/proposal;
- Stage 3: formal proposal, post-consultation, for new/revised policy/regulation etc. presented to the relevant body(s) for formal consideration and decision on its adoption;
- Stage 4: official approval of new/revised policy/regulation etc. by the relevant body(s);
- Stage 5: implementation of new/revised policy/regulation etc. by the relevant body(s).

Stages 1 to 3 are clearly indicators of achievement at the level of Results/Outputs, stages 4 to 5 traditionally at the level of Immediate Objective; in exceptional cases stage 5 may be achieved at the level of Wider Objective, e.g. in the medium-term after project completion.

Which are the main gaps/weaknesses of the current programming framework?

How can programming of assistance be enhanced to more efficiently and effectively reach strategic objectives?

How can programming be enhanced to improve the impact and sustainability of financial assistance?

Overall, the programming of assistance linked to Objective 5 (“Preparing the TCc for the *acquis*”) is generally good.

The main finding in terms of programming gaps/weaknesses relates to deficiencies of the projects in respect to ‘SMART’ intervention objectives and ‘SMART’ indicators of achievement. The formulation of the project intervention objectives for the **TAIEX instrument** provides no differentiation between the goals to be achieved at the levels of Immediate Objective and of Results/Outputs: the intervention objectives are similarly stated at both levels and are therefore not ‘Specific’ as to when the anticipated development effect should be achieved – during implementation of the action or on completion. Additionally, the

indicators should be improved via the inclusion of more 'Specific' indicators linked to the delivery processes undertaken, and via the provision of quantified and 'Time-bound' targets to support (a) progress monitoring – by the EC during the years provided for project implementation – and (b) the evaluation (*ex-ante* through to *ex-post* or *impact*) of the actions.

Objective 5: Programme Implementation Performance

Are the administrative and organisational structures in place ensuring efficient and effective implementation of financial assistance?

Programming Level

The administrative and organisational structures in place for managing the programming process linked to Objective 5 ("Preparing the TCc for the *acquis*") are, generally, suitable. The annual programming process (project design, preparation, selection) is generally good:

- The actions are identified within a clear programming framework, developed in close consultation with key partners and the target group of beneficiaries;
- The prioritisation, sequencing and, as appropriate continuity, of the assistance across the specific sub-project actions, over the series of programmes, has also been good;
- Suitable consideration is provided as to the policies, strategies etc. of the beneficiaries;
- The programming process is also informed via periodic evaluations of the assistance;
- However, some weaknesses exist in terms of the definition of 'SMART' intervention objectives and indicators of achievement, which detracts from the overall effectiveness of the programming exercise – as outlined above on "Programme Intervention Logic".

Implementing Level

The administrative and organisational structures in place managing project implementation processes linked to Objective 5 ("Preparing the TCc for the *acquis*") are, generally, suitable.

The **TAIEX instrument** is implemented by the EC on the basis of well-established procedures governing the commitment of grant, the administrative management, and delivery of TAIEX support. In summary, the commitment of EC grant is made at two levels: first the EC undertakes the procurement of services by a technical assistance service-provider/manager for the logistical administration and financial management functions associated with the delivery of events under the instrument, and second the subsequent commitment of grant to individual, specific TAIEX events is authorised by the EC (DG ELARG), for technical implementation/delivery by the specific team of TAIEX experts identified for the event, with the organisational back-up and support of the logistics service-provider/manager.

Reflecting the unique framework in which the instrument operates in terms of the provision of support to the TCc the management of the 'standard' TAIEX instrument has been suitably adapted by the EC, e.g. via the introduction of the medium-term Project Action Plans, and of specific Calls for Experts to undertake the delivery of a series of linked TAIEX events. These tools strengthen the effectiveness of the support provided in terms of its planning, in terms of the consistency of the technical delivery of the assistance, and in terms of securing adequate ownership from the TCc. Additionally, since 2012, management of the instrument by the EC has been placed directly within the Taskforce for the TCc within DG ELARG – the standard TAIEX instrument is managed by the DG ELARG Institution Building Unit. This should facilitate the closer coordination of the delivery of actions under Objective 5 ("Preparing the

TCc for the *acquis*”) with the delivery of related actions under the other strategic objectives set by the “Aid Regulation” for the programme, e.g. Objective 1 (“Infrastructure”) projects in the area of environmental management, or Objective 2 (“Social and Economic Development) projects in the area of rural development etc., and thereby should promote the achievement of greater synergy between the actions and the overall effectiveness of the assistance.

Under the 2006 programme the total commitment of grant for the TAIEX instrument for the TCc was € 13.70 million; a further allocation of € 9.45 million has been provided under the 2011 and 2012 programmes – of which € 5.80 million has already been committed to a suitable service-provider/manager; the deadline for commitment of funds is mid-2014 for the 2011 programme, late-2015 for the 2012 programme, and no specific risks to the successful commitment of funds are foreseen. The commitment of EC grant via the instrument has, generally, been efficiently managed at both levels of the decision on grant commitment. The delivery-mechanism is clearly effective in terms of its capacity to manage demand from the TCc and to facilitate the provision of support, as evident from the annual increases in the level of take-up: the mechanism delivered approx. 1500 events for the TCc between 2007 and 2011, rising from 122 events in 2007, to 237 in 2009, to 528 in 2011.

However, there are minor efficiency constraints in the delivery of the actions due to the nature of the instrument being individual events-based rather than the commitment of grant to the medium-term plan of detailed actions. The planning, authorisation etc. of individual events requires time to be formally processed, which necessitates a gap, traditionally of one or two months, in terms of the delivery of sequenced events. Based on feedback received from TAIEX experts linked to this evaluation, it is evident that on some occasions this has affected the efficient delivery of events in so far that some events could have been, and would potentially have been more appropriately implemented if within a shorter time period. While an occasional obstacle to the efficient delivery of events, it is not evident that this has negatively influenced the overall effectiveness of the TAIEX actions over the medium-term.

With regard the implementation of other support actions linked to Objective 5 (“Preparing the TCc for the *acquis*”) but not delivered in the framework of the TAIEX instrument – i.e. the 2006 programme’s project **Capacity building programme in the environment sector for the TCc** and the four actions under the **Unallocated TA and Programme Reserve Facility** – the administrative and organisational structures in place were suitable. The EC provided management support and oversaw technical progress of the contracts via regular meetings of a Project Steering Committee, plus ad hoc meetings with contractors and other partners.

Implementation of the Environment project was only partially achieved, with the commitment of funds and delivery of the final two of the five sub-objectives postponed due to the lack of sufficient administrative and organisational capacity on the side of the beneficiary to effectively utilise the support and to absorb the Results/Outputs under those components.

To what extent are the monitoring mechanisms and structures appropriate and correctly functioning?

Programming Level

The monitoring mechanisms and structures in place supporting the programming process linked to Objective 5 (“Preparing the TCc for the *acquis*”) are suitable. Recognising that support has, primarily, been provided within the context of sectoral medium-term preparation

for future application of the *acquis* Project Action Plans, these have been appropriately built on the EC's monitoring of the previous actions and lessons learned.

Implementing Level

The monitoring mechanisms and structures in place supporting the project implementation processes linked to Objective 5 ("Preparing the TCc for the *acquis*") are, generally, suitable.

Linked to actions under the **TAIEX instrument** the EC (DG ELARG, Taskforce for the TCc) undertakes monitoring at the level of the individual events and at the level of progress in accordance with the individual medium-term Project Action Plans (PAP). The latter are prepared based on the detailed specification of individual events/activities, anticipated outputs and timelines, etc., to be undertaken by the TAIEX experts and by the beneficiary linked to every sub-objective within the PAP. They thereby provide a clear framework against which project progress can be monitored by all project partners. The EC obtains implementation monitoring-data primarily on the basis of the documentation linked to the individual events, e.g. the Mission Reports prepared by the individual TAIEX experts, the quarterly project Progress Report prepared by the Team Leader. The processes of project monitoring and decision-making are additionally supported by a formal Project Steering [Monitoring] Committee linked to each PAP, traditionally meeting twice a year. The meetings bring together the key project partners to review and oversee progress, to discuss issues of concern, to assess risks, and to review and update the PAP for the next period etc. Based on feedback received linked to this evaluation – from the EC, the TAIEX experts, and representatives of the TCc beneficiary – the mechanisms at the project level are effective in terms of facilitating the smooth coordination of and the technical focus of the assistance.

At the level of the strategic objective "Preparing the TCc for the *acquis*" the monitoring function is supported by the PFAA Monitoring Mechanism, bringing together senior decision-makers overseeing the provision of support for the overall legal approximation and reform process, traditionally meeting twice a year; it is scheduled to follow the series of PAP Steering Committees, so as to address strategic issues linked to projects' delivery, related issues of a horizontal nature, and to promote decision-making processes at the senior level. Based on feedback from representatives of the TCc beneficiary the effectiveness of the mechanism could be strengthened; notably it was indicated that the meetings lack sufficient substance in terms of a clear focus on the review of key implementation milestones, problems/risks, and specific questions to be addressed. It was indicated that this can create difficulties in terms of motivating senior-level participation. Based on the review of the associated minutes of the meetings it is evident that meetings have too significant a focus on summarising each project action rather than a discussion of core issues for decision-making.

The monitoring mechanisms and structures linked to the TAIEX support are, generally, appropriate and correctly functioning. The mechanisms efficiently and effectively provide the EC with detailed data linked to the specific progress being made and obstacles that exist across the different Chapters in terms of preparing the TCc to introduce and implement the *acquis*. However, the function of the PFAA Monitoring Mechanism could be strengthened.

Based on the above monitoring actions, the EC (DG ELARG, Taskforce for the TCc) also prepares a "Project Fiche Monthly Report" to summarise the status of the overall TAIEX instrument projects, e.g. key actions undertaken, key issues, and prospects.

With regard the monitoring of other support actions linked to Objective 5 ("Preparing the TCc for the *acquis*") but not delivered in the framework of the TAIEX instrument – i.e. the specific

project **Capacity building programme in the environment sector for the TCc** and the four actions under the **Unallocated TA and Programme Reserve Facility** – implementation monitoring-data was primarily obtained on the basis of the regular monitoring of actions undertaken by the EC Task Manager at the EUPSO, notably via the Project Steering Committee, plus on the basis of the operational progress reports submitted by contractors.

To what extent visibility, promotion and ex-post publicity activities increase effectiveness of the EU Aid Programme?

Programming Level

In terms of visibility etc. activities supporting effectiveness at the programming-level – the identification, formulation, negotiation, and adoption of the EC Decision on programme financing – such visibility etc. activities are primarily driven by the goal of transparency, and so as to develop awareness among the target group of beneficiaries (direct and in-direct).

Implementing Level

Linked to the **TAIEX instrument** visibility etc. activities are primarily ensured at the level of the individual events, e.g. the TAIEX experts provide acknowledgement of the EC grant, the EU logo is utilised etc. in regard to training presentations, on assessment reports/studies etc. The EC itself is largely constrained in terms of the visibility etc. activities that it can feasibly undertake, reflecting that the *acquis* is presently suspended in the northern part of Cyprus. At minimum the visibility etc. activities increase the effectiveness of the EU Aid Programme in terms of communicating the nature of the actions to the direct beneficiaries and stakeholders.

Anyhow, recognising that the success of the actions is dependent on the clear commitment of the beneficiary to the effective delivery, utilisation, and absorption of the projects' achievements, key aspects of the delivery of communication and visibility etc. activities at the implementing level must rest with the beneficiary. The reforms can only be successfully prepared if there is sufficient understanding at the technical, administrative, senior-management, political decision-making, and stakeholder levels. It is clearly the responsibility of the beneficiary to ensure sufficient communication to and understanding, both within the 'institutions' under-going change / implementing reforms and among the relevant stakeholders, as to the specific *acquis* reform objectives, processes, and benefits.

At the horizontal level responsibility on the side of the TCc for such communication and visibility etc. activities rests with the 'European Union Coordination Centre' (EUCC). In regard to the implementation of the PFAA it prepares Progress Reports for the 'Prime Minister's Office' and it also seeks to ensure that information on and issues for decision-making linked to *acquis* harmonisation and the adoption of related secondary regulations are maintained as a regular agenda point to be addressed by the 'Council of Ministers'. Based on feedback received linked to this evaluation it is assessed the communication efforts at the horizontal level are considered adequate, but that they need to be further strengthened at the sectoral implementation level, e.g. in terms of the effective communication to stakeholders of the reforms and the corresponding anticipated societal and economic benefits, or in terms of the effective communication within 'institutions' to maintain linkage between the reforms' technical preparation processes and the corresponding decision-making processes on the adoption and institutionalisation of reforms and on resource allocation (staffing and finances).

To what extent is the on-going Financial Assistance Programme for Turkish Cypriot

community has/is contributing to achieving the strategic objectives/priorities of the programme?

Programming Level

The goal of the strategic objective/priority – Objective 5 (“Preparing the TCc for the *acquis*”) – is to contribute to the efforts of the TCc in its *acquis* alignment preparations in anticipation of the lifting of the suspension of the *acquis* in the northern part of Cyprus following negotiation by the Cypriot communities of a comprehensive settlement on reunification. After reunification the *acquis* will apply across the whole island and the Turkish Cypriots will have a full role to play in implementing it, whether as part of the federal administration or in the Turkish Cypriot constituent state within the bi-communal, bi-zonal federation. In principle the full *acquis* will be implemented following reunification; subject to any potential, specific transitional arrangements negotiated by the Republic of Cyprus with the EU. In principle the *acquis* alignment preparations by the TCc therefore need to be in place by the time of the reunification of Cyprus. Accordingly the programming process has appropriately prioritised the strategic objective in terms of the consistent programming of grant support to be provided via the **TAIEX instrument**. The detailed prioritisation and design of the support provided for the TCc is suitably programmed and concentrated via the medium-term Project Action Plans.

Implementing Level

In terms of supporting the achievement of the strategic objective – Objective 5 (“Preparing the TCc for the *acquis*”) – the continued relevance of the projects and appropriateness of project implementation design in terms of addressing real needs is judged to be good.

The efficiency of the projects in terms of the deployment of funds is, overall, judged to be good – as detailed under the Evaluation Question above on administrative and organisational structures. The efficiency of the projects in terms of the process of delivery and the achievement of the projects’ goals is, overall, judged to be adequate.

The delivery of individual **TAIEX** events/activities linked to the specific objective **Preparation of Legal Texts / Reinforcement of Implementation Capacity** is primarily undertaken on the basis of the clearly defined PAPs; traditionally covering a period for project delivery spread over 8 to 9 months, updated annually. These are useful planning and management tools to guide the delivery and sequencing of actions. At the present stage in the provision of *acquis* related support to the TCc approximately 25-30 medium-term preparation for future application of the *acquis* projects are undertaken via the TAIEX for the TCc per year.

A significant weakness in terms of the efficiency of the delivery of the assistance is the mixed compliance of projects with the established PAP timelines. Partially this is due to the sometimes overly ambitious initial design of the projects, e.g. the scale of the project to be delivered within the actual timeframe for implementation. But delays are also due to the lack of sufficient planning made as to the time necessary for the processing of reforms and for decision-making by the TCc throughout the different levels of the decision-making process-chain. Efficiency constraints exist due to limitations in terms of staff participation in the processing of reforms, partially due to staff work-load, e.g. competent staff covering a number of *acquis* related actions, but also partially due to the insufficient number of technical experts carrying out harmonisation activities at the sectoral ‘institution’ level. Another common efficiency issue relates to the speed of processing the translation of key documents provided for under the TAIEX – e.g. experts’ analytical reports, or their assessments of TCc

draft proposals for legal or policy options – that subsequently need to be further worked through by the TCc-side. Sometimes delays have occurred, reflecting that the workload/demand for translation can be variable; but this clearly adds to the complications in terms of the delivery and scheduling of events. It can sometimes also affect the quality of the translations which leads to further delays/constraints. Thus while the projects have delivered many of the assumed Results/Outputs set within the PAPs these are often achieved after partial delays and with some activities rolled-over into the PAP for the subsequent year.

The delivery of individual **TAIEX** events/activities linked to the specific objective **Facilitation of “Green Line” Trade** is primarily delivered through the mobilisation of phytosanitary and veterinary experts to oversee and assess the related production and processing processes, to undertake food safety and health inspections, and the issuing of certification for produce linked to its trade across the “Green Line” – primarily trade in potatoes, citrus fruit, and fresh fish. Assistance has also been provided on the procedures for the issuing of certificates of origin by the Turkish Cypriot Chamber of Commerce and in the area of awareness-raising/training for general producers/traders, e.g. on product-labelling requirements. The process for the delivery of such activities is well established – support has been provided since trade access became possible in August 2004 as per the *acquis* on “Green Line” trade¹⁸.

The effectiveness of the projects in terms of the achievement of the anticipated goals and the contribution to achieving the strategic objective – Objective 5 (“Preparing the TCc for the *acquis*”) – is, overall, judged to be good although the performance is mixed.

With regard the **Facilitation of “Green Line” Trade** the assistance has effectively supported TCc producers of agricultural goods in terms of their capacity to trade across the “Green Line”. Phytosanitary and veterinary experts have performed a number of survey activities in the northern part of Cyprus leading to the authorisation of individual producers of goods to trade – based on their development and operation of the necessary quality control and health standards for compliance of their goods in terms of trade access across the “Green Line” – and the TAIEX experts have also ensured regular follow-up checks and testing of goods at key points in the production process leading to the final issuing of certification for trade.

Progressively the range of agricultural goods for which TAIEX missions have been undertaken linked to the assessment of and the development of the conditions for potential inclusion on the list of approved goods for trade has expanded, e.g. leading to authorisation for trade in honey and for trade of second crop potatoes. The main focus of the assessment missions is now of the potential for inclusion of dairy products on the list. The assistance has thereby effectively supported the extension of trade opportunities for the TCc within the framework set by the *acquis* for trade across the “Green Line”. Approximately 97% of trade volume across the “Green Line” is intra-island trade; mainly vegetables and fruit, stone articles and building materials, and wooden goods. Approximately 30-40% of trade per year has been in agricultural products and is thereby directly facilitated by TAIEX assistance. Between 2007 and 2011 the value of trade by TCc producers across the “Green Line” in potatoes was € 3.48 million; between 2008 and 2011 trade in fresh fish valued € 2.76 million.

However, while the total value of all goods traded by the TCc across the “Green Line” has increased from around € 2 million in 2006, and is now, generally, valued at around € 5 million per year, the overall scale of “Green Line” trade still remains limited. Partially this reflects

¹⁸ Based on Council Regulation (EC) No. 866/2004, the “Green Line Regulation”, as amended, and Commission Regulation (EC) No. 1480/2004, the “Implementing Regulation”, as amended.

problems that Turkish Cypriot traders report in terms of the marketing/branding of products. However it clearly also reflects that some trade is conducted not crossing the “Green Line”.

Despite some efficiency delays linked to the **Preparation of Legal Texts / Reinforcement of Implementation Capacity** the assistance is effectively supporting the progressive development and enactment of reform proposals linked to *acquis* approximation. The TAIEX actions have supported the TCc-side undertake the detailed analysis of reform needs and options, and has facilitated consultations with stakeholders linked to the drafting of legislation and/or the development of implementation and enforcement measures for future application of the *acquis* linked to seventeen Chapters of the *acquis*¹⁹. Generally the assistance and advice has been effectively delivered by the teams of TAIEX experts, meeting the expectations of the TCc-side, although in some cases the effectiveness of individual events, e.g. training, has not met the expectations of the TCc-side in terms of its delivery or sufficient level of technical focus. A common constraint experienced under a number of the PAPs in terms of the effectiveness of the assistance relates to the capacity of the TCc-side to effectively absorb the assistance in terms of the drafting of legal texts, largely due to the lack of technical staff with adequate legal drafting skills at the sectoral ‘institution’ level. Another common constraint relates to the difficulties in terms of the institutionalisation of reforms, e.g. due to delayed decision-making on the approval for establishment of new units, or on the recruitment of staff, or on funding allocation to support implementation. Another common constraint relates to the difficulties in developing effective partnership with and involvement of stakeholders in the reform process; this may hinder the effective take-up of the reforms by final users at the implementation level. Additionally, the process of review and decision-making on the approval of primary legislation by the ‘parliament’ can often take minimally 6 to 9 months to be completed. The adoption and approval of subsequent secondary legislation, by the ‘Council of Ministers’, often takes a further few months to be completed following approval of the primary legislation. Additionally, delays in the approval of legislation hamper the timely delivery of related staff training.

Thus while the projects have delivered many of the assumed Results/Outputs set within the PAPs, and have also effectively supported strengthen awareness within ‘institutions’ as to the context of the EU *acquis* and the reform agenda, the effectiveness of the assistance in terms of achieving the institutionalisation and implementation of the reforms is mixed.

The effectiveness of the **Capacity building programme in the environment sector for the TCc** is only moderate. This reflects constraints on the side of the beneficiary to effectively utilise the support, with two of the five components cancelled. While the project has successfully developed air quality monitoring and quality assurance systems and developed monitoring plans based on standard operational procedures for daily quality control and assurance, and has also provided the supply of related technical equipment to extend the system, the project has experienced difficulties in terms of the allocation of sufficient staff to the air quality ‘unit’ and in terms of the level of participation by staff of the series of partner ‘units’ at training events. The effectiveness of the project has also been significantly affected by the change of location of partner ‘units’ which has disrupted IT inter-connectivity and

¹⁹ Active areas of assistance: Free Movement of Capital, Public Procurement, Company Law, Competition Policy, Financial Control, Financial Services, Agriculture and Rural Development, Food Safety, Veterinary and Phytosanitary Policy, Road Transport, Statistics, Social Policy and Employment, Environment, Consumer and Health Protection, Free Movement of Goods, Mutual Recognition of Professional Qualifications, Intellectual Property Rights.

thereby constrained the effectiveness of data-sharing between 'units'; the establishment of IT data-sharing systems is only anticipated to be in place by the end of 2012 or early 2013.

The effectiveness of the actions under the 2006 programme's **Unallocated TA and Programme Reserve Facility** is good, notably the project in the field of anti-money laundering. The project responds to concerns of the OECD-based Financial Action Task Force about the vulnerability to money laundering and terrorism financing in the northern part of Cyprus. The actions linked to agriculture and rural development, environmental protection, and statistics provided useful needs-analysis linked to the reform process for introduction of the *acquis* and have been suitably utilised within the context of subsequent PAPs.

Which are the prospects for immediate and long-term impact and sustainability of assistance? Are there any elements which are/could hamper the impact and/or sustainability of assistance?

Programming Level

Assistance under Objective 5 ("Preparing the TCc for the *acquis*") facilitates preparations by the TCc for the future application and enforcement of the *acquis*. The programming process is guided by the prioritisation and overall coordination of the *acquis* preparations and transposition process by the TCc provided through the PFAA. The prospects for impact of the assistance are good. However, the programming process – design of the PAPs – does not specifically assess the conditions for sustainability of the assistance; this is a weakness.

Implementing Level

The prospects for impact of the assistance are mixed but, overall, are judged to be positive. This partially reflects that the institutionalisation and implementation of the reforms has been mixed, often with some efficiency and effectiveness constraints, and therefore the prospects for immediate impact are moderate. However, the prospects for long-term impact of the assistance are, generally, good. The mixed prospects in terms of impact of the assistance are also reflective that the prospects for sustainability of the assistance are mixed.

Linked to the **Preparation of Legal Texts / Reinforcement of Implementation Capacity** a key factor influencing impact of the assistance is the absorption capacity of the beneficiaries in order to successfully institutionalise and to implement the roll-out of reforms and to ensure follow-up processes linked to the evolving *acquis* agenda and the future application and enforcement of the *acquis* by the TCc following the lifting of its suspension in the northern part of Cyprus post-settlement. For the absorption of the project benefits to be successful it is vital that the *acquis*-driven reform projects be directly linked into 'institutional' corporate structures, management plans, and budgets. Senior-level commitment within the beneficiary is essential to ensure the successful mobilisation of support throughout the reform process, both at the 'institutional' level and in terms of the overall TCc decision-making processes. Presently the budgeting of actions by the TCc-side supporting the undertaking of reforms and the follow-up remains a constraint. However as the reforms are operationally deployed – and the capacity of the TCc to effectively apply and enforce the *acquis* in the future can be tested – wider societal impacts/benefits in terms of the enhanced delivery of the related public services will progressively be achieved. However, the full, wider impact of the assistance will only be demonstrated when the *acquis* is fully applicable within a re-unified Cyprus.

While the sustainability of the assistance can, equally, only be fully demonstrated when the *acquis* is fully applicable, the immediate prospects are mixed. This reflects that the public

expenditure and financial management systems operated by the TCc are still being strengthened, notably in terms of the development of a medium-term financial framework and a performance measurement system. Thus the longer-term planning process is only partially in place and future resource allocation to 'institutions' for staffing and operational costs uncertain. The lack of longer-term planning is already affecting the creation of new 'units', which presents a risk in terms of the sustainability of the achievements as delays in the implementation of the prepared reforms may result in the proposals becoming dated. The mixed prospects for sustainability also reflect that in the absence of a negotiated settlement of the Cyprus problem the implementation and testing of a number of the reform measures by the TCc may be considered as economically challenging in terms of cost impacts.

With regard the **Facilitation of "Green Line" Trade** the impact of the assistance is moderate. The TAIEX support provided to participating producers and traders on the implementation of production processes that are suitable for the requirements of the *acquis*, and the support on the issuing of certificates of origin, product-labelling requirements etc. for the Turkish Cypriot Chamber of Commerce and other project partners, producers and traders, will have continued impact and benefit in terms of potential future trade generated. The assistance has also supported the improved awareness of TCc counterparts as to the requirements and operational methodology linked to conducting EU-compliant inspections.

However, while the range of agricultural goods approved for trade across the "Green Line" has progressively expanded, the range of goods remains limited. The total value of all goods traded has increased from around € 2 million in 2006, and is now, generally, worth around € 5 million per year; approximately 30-40% of annual trade is in agricultural goods.

Additionally, obstacles to the effective flow of trade across the "Green Line" continue to exist, although these are largely beyond the direct control of the TAIEX, e.g. Turkish Cypriot traders report difficulties in having their products stocked in shops and in advertising their products and services in the government-controlled areas of the Republic of Cyprus, potentially due to a reported reluctance of some Greek Cypriots to purchase produce clearly branded as Turkish Cypriot²⁰. Additionally, it is evident that only a small percentage of trade by the TCc across the "Green Line" is for intra-EU transactions or for third country export. As such it is evident that the assistance has not effectively addressed how this aspect of trade that is conducted by TCc traders is undertaken, i.e. traded but via other channels, which is thus trade that is clearly not in compliance with the requirements of the *acquis*.

With regard the **Capacity building programme in the environment sector for the TCc** the impact of the assistance is moderate. While air quality monitoring is undertaken in selected reference stations in key locations across northern Cyprus, the capacity to ensure effective sharing of and subsequent analysis of air quality data is still being institutionalised. As such while the impact is good in terms of improving air quality monitoring, the impact is presently limited in terms of providing suitable inputs for further environmental policy planning and modelling. The sustainability and maintenance of the monitoring stations and related services is now assured by the TCc-side via the 'out-sourcing' of services. While the issues linked to the lack of longer-term budgetary planning have been highlighted above, it is evident that the TCc is aware of its clear obligation to ensure the continuity of funding for the monitoring stations and the effective achievement of impact; the issues remain 'open' for EC monitoring.

²⁰ As noted in the EC's Annual Reports on the implementation of the "Green Line Regulation".

Which are the key administrative/financial/thematic reforms that the beneficiary should undertake to improve the sustainability in key areas?

Implementing Level

With regard key reforms that the beneficiary should undertake to improve the sustainability of the assistance under Objective 5 these primarily relate to the actions supporting the **Preparation of Legal Texts / Reinforcement of Implementation Capacity**. The key determinant of the efficiency, effectiveness, impact, and the ultimate sustainability of the benefits produced in terms of “Preparing the TCc for the *acquis*” is the level of ownership on the TCc-side of the reform processes. This should be strengthened both at the central-TCc ‘institutional’ level in terms of the budgetary-planning process and at the sectoral ‘institutional’ level in terms of senior-level engagement to guide the reforms through the processes of analysis, consultation, preparation, adoption, and implementation roll-out.

In regard the budgetary-planning process the TCc-side should be encouraged to continue on and to prioritise its present reform path in the areas of public expenditure management and financial control; undertaken with support provided by the TAIEX instrument. Notable weaknesses in terms of the achievement of the reforms in the areas include insufficient staffing to implement reforms and delays in the approval of core legislative reforms. These constraints need to be addressed by the TCc-side in order to ensure successful progression from an annual budgeting process to a medium-term financial framework and outlook. The overall delivery of the reforms linked to the Preparation of Legal Texts / Reinforcement of Implementation Capacity would be significantly improved with such a medium-term outlook.

In regard ownership at the sectoral ‘institutional’ level the TCc-side should be encouraged in terms of further strengthening the senior-management level’s engagement with, oversight of, and leadership of the reform processes supported by the TAIEX instrument. This is vital in terms of ensuring the prioritisation of the reforms and decision-making linked to the management of change, including decisions on the adequacy of staffing and other resources provided at the ‘institutional’ level to support the development of and the implementation of reforms, as well as in ensuring the effectiveness of consultation processes with stakeholders. It is also vital in ensuring that the TAIEX support is demand-driven, not TAIEX expert-driven.

In regard the adequacy of staffing provision by the TCc to support the enactment of reforms it is recognised that the TCc-side has strengthened its provision of legal-capacity/lawyers, although further effort is needed to strengthen this capacity at the technical specialist level and in terms of specific legal skills linked to drafting legislation or regulations derived from the *acquis*. Additionally, the TCc-side is also reviewing its options linked to the establishment of a ‘Translation Centre’ to facilitate the delivery of support in this area.

At both the central-TCc and at the sectoral ‘institutional’ level the delivery of and sustainability of the reforms would also be improved via strengthened communication efforts by the TCc-side as to the processes that the TCc-side seeks to undertake in terms of reform and the corresponding public service delivery and societal and economic benefits arising.

In regard the specific project **Capacity building programme in the environment sector for the TCc** the full achievement of impact and the sustainability of the benefits generated by the project is dependent on the successful establishment of on-line data-sharing linked to air-quality monitoring and control and the operation of subsequent data-analysis functions in order to ensure the provision of sufficient input to the policy-making processes.

Are there any potential actions, which would improve the efficiency and effectiveness of on-going assistance?

Are there any actions, which would improve prospects for impact and sustainability of on-going assistance?

Implementing Level

As detailed via the above Evaluation Question the key actions linked to improving the efficiency, effectiveness, impact, and sustainability of the assistance “Preparing the TCc for the *acquis*” relate to the level of ownership of the reform processes demonstrated by the TCc-side. In this context it would be practical to strengthen utilisation of the TAIEX support to facilitate demand-driven requests, based on the provision of demonstrated commitment, that are received from the TCc-side linked to certain horizontal aspects of *acquis* transposition and public administration reform that have arisen linked to the **Preparation of Legal Texts / Reinforcement of Implementation Capacity**, e.g. the need to develop enhanced legal skills and a common approach in terms of understanding as to the processes leading to the drafting of legislation, or in terms of enhancing legal skills of technical specialists, or in terms of potential support actions that may arise linked to a local ‘Translation Centre’.

It would also be practical to investigate the extent to which the TAIEX instrument could be utilised by the TCc-side so as to provide support, as a horizontal issue, in terms of further building the capacity of senior-management of ‘institutions’ to facilitate partnership building and change management, and in terms of further building the capacity of the TCc-side in terms of the strategic-planning and decision-making processes supporting the identification of medium-term priorities for the PFAA and/or the annual Project Action Plans (PAPs). With regard the PAPs these would be improved as management tools and as a means of securing ownership if they also directly address issues of sustainability at the planning/design phase.

In regard the effectiveness of the PFAA Monitoring Mechanism, and by extension the immediate impact of the assistance, this would be improved via the introduction a clearer focus of the Monitoring Mechanism in terms of performing its role to review overall *acquis* preparations, so as to facilitate the provision of strategic guidance and to address horizontal aspects, and as the basis for the linked decision-making processes on the side of the TCc. Presently the Monitoring Mechanism is too focused on operational delivery details.

In regard the **Facilitation of “Green Line” Trade** the effectiveness and immediate impact of the assistance would be improved via a strengthened focus of the assistance on the provision of training and advisory support to Turkish Cypriot producers and traders in terms of the processing of trade across the “Green Line”, including for intra-EU transactions or third country export, plus in terms of the branding-issues they may face regarding their goods. Within the framework of the present, limited regime for “Green Line” trade it is practical to focus the utilisation of the TAIEX support to the Facilitation of “Green Line” Trade on the basis of demand-driven requests received from the TCc in terms of the prioritisation of potential goods for assessment linked to inclusion on the list of approved goods for trade.

In regard the **Capacity building programme in the environment sector for the TCc** the EC should continue to monitor the effective institutionalisation of the project by the TCc and the sustainable utilisation of the technical equipment supply. Following the establishment of functional data-sharing and analytical capacity linked to air quality monitoring by the TCc the relevant ‘unit’ should be requested to provide the EC with a clear strategy and resource plan

linked to the continuation of the operations and the effective utilisation of data and analysis in terms of linked decision-making and public awareness-raising goals over the medium-term.

What are the advantages of the continuing "joint management" with UNDP of certain parts of the programme? Is the justification for choosing this instrument still valid?

Implementing Level

In terms of the assistance under Objective 5 ("Preparing the TCc for the *acquis*") actions have not been implemented on the basis of "joint management" with the UNDP. Reflecting that the assistance supports *acquis* preparations it is not evident the UNDP is relevant.

Objective 5:

Future Programme

How can the objectives of the current Aid Regulation be met in medium to long-term (up to 2020)? State the assumptions made, particularly with respect to the potential settlement scenario.

In terms of the strategic objectives of the "Aid Regulation" the achievement of the goals linked to Objective 5 ("Preparing the TCc for the *acquis*") are primarily dependent on the ownership of the reforms and the decision-making processes of the TCc-side linked to the development of a legal framework / 'institutional' capacity suitable for the future application and enforcement of the *acquis* following the entry into force of a comprehensive settlement. After reunification the TCc will play a full role in implementing the *acquis* at the level of the Turkish Cypriot constituent state in the bi-communal, bi-zonal federation, or in shared competence with the federal administration, or as employees in the federal administration.

In this regard a key assumption is that good progress is achieved over the medium-term (up to 2015/2016) in respect the negotiations between the Cypriot communities; in the context of Objective 5 notably progress in the negotiations linked to the 'core issues' of Governance and Power Sharing, and EU-matters. The progress that may be achieved will significantly shape the organisation of the future, reunified state and the competences of the different levels of the state. This in turn will shape the long-term focus (up to 2020) of the TAIEX assistance in terms of actions supporting *acquis* preparations at the level of the future Turkish Cypriot constituent state, as well as the identification of areas where any potential, specific transitional arrangements may need to be negotiated and/or Twinning support be provided in the event of an agreed settlement in the more immediate period.

In the case of constrained budgets (similar to those for 2012 and 2013 – € 28 million/year), which are the areas recommended for concentration? How would the objectives of the Aid Regulation be met in such circumstances?

In regard the focus and concentration of future programme support linked to Objective 5 the specific objectives – **Preparation of Legal Texts / Reinforcement of Implementation Capacity** and the **Facilitation of "Green Line" Trade** – and the delivery mechanism – the **TAIEX** instrument – are already well established. With regard the **Facilitation of "Green Line" Trade** the effectiveness and immediate impact of the assistance would be improved via a strengthened focus on the provision of training and advisory support to Turkish Cypriot producers and traders in terms of the branding-issues they may face regarding their goods.

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On average the EC has approved grant of € 3.00–3.50 million per year under the **TAIEX** instrument. The continuity and regularity of EC grant will be necessary over the future period.

Annex 5: List of Documentation

Author / Issuer	Title	Date/Year
Aid Programme – Horizontal Documentation		
Council of the European Union	Council Regulation (EC) No 389/2006, establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community <i>[“Aid Regulation”]</i>	2006
	Council Regulation (EC) No 866/2004, on a regime under Article 2 of Protocol 10 to the Act of Accession <i>[“Green Line Regulation”]</i>	2004
European Commission	Commission Regulation (EC) No 1480/2004, laying down specific rules concerning goods arriving from the areas not under the effective control of the Government of Cyprus in the areas in which the Government exercises effective control	2004
	Annual Report on the implementation of Community assistance under Council Regulation (EC) No 389/2006 <i>[covering years 2006-2011]</i>	2007-2012
	Annual report on the implementation of Council Regulation (EC) 866/2004 <i>[“Green Line Regulation”; covering years 2004-2011]</i>	2005-2012
	EC Decisions, Financing Proposals and Project Fiches linked to the 2006 and the 2009-2012 programmes under the “Aid Regulation”	2006, 2009-2012
	Task Force Turkish Cypriot community – Monthly Progress Reports <i>[covering the period 04/2007 to 09/2012]</i>	2007–2012
	Commission proposal for a Council Regulation laying down the multiannual financial framework for the years 2014-2020	2012
European Court of Auditors	Special Report No 6/2012 — European Union assistance to the Turkish Cypriot community	2012
European Commission / TCc-side	Implementation Review Mechanism minutes <i>[ten meetings; covering the period 09/2007 to 02/2012]</i>	2007-2012
	Aid Committee meeting minutes and action points <i>[ten meetings; covering the period 03/2011 to 10/2012]</i>	2011-2012
Independent Monitoring Expert – TA Contractor	Support to Financial Monitoring of Grants in the Fields of Civil Society, Economic and Rural Development, Education and People-to-People Contacts – Interim Report Number 2	06/2011
Independent Evaluation	Ad-hoc Evaluation of the Financial Assistance Programme for the Turkish Cypriot Community	11/2009
Objective 1: Developing and Restructuring of Infrastructure		
Environment		
European Commission	Terms of Reference: Supervision of Works Contracts on Water and Wastewater Infrastructure	2008
WWTP Construction – Works Contractor	Weekly Progress Reports on the construction of the WWTP for the Town of Morphou / Güzelyurt and for the City of Famagusta – Numbers 29-31	11/2011
	Monthly Progress Report on the construction of the WWTP Mia Milia / Haspolat – Number 30	09/2012

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Author / Issuer	Title	Date/Year
UNDP	Monthly Progress Reports on the construction of the WWTP Mia Milia / Haspolat – Numbers 17–27, Number 31	11/2011 – 10/2012
	Project Board Meeting Records on the progress to the construction of the WWTP Mia Milia / Haspolat	07/2012, 09/2012
	Strategy Meeting Report on the progress to the construction of the WWTP Mia Milia / Haspolat	07/2012
Works Supervision – TA Contractor	Monthly Progress Reports on the construction of the WWTPs in Morphou / Guzelyurt and Famagusta	11/2011 – 09/2012
PMU – TA Contractor	Mia Milia / Haspolat WWTP – Treated Effluent Pipelines: State of Play	03/2012
	Report: Water and Wastewater in the northern part of Cyprus, Review of the Current Situation and Future Planning	02/2012
EC / TCc-side	Minutes of the Meeting on Morphou Irrigation	02/2012
Options Review – TA Contractor	Report: Decommissioning of the Waste Stabilisation Ponds, Mia Milia / Haspolat	11/2012
European Commission	Terms of Reference: Capacity Building / Restructuring and Awareness Raising of Water/Wastewater and Waste Management Sector Organizations	2008
Capacity Building – TA Contractor	Progress Reports (Water Component) – Numbers 5 and 7	2011-2012
	Progress Reports (Waste Sector Component) – Numbers 4-6	2011-2012
	Workshop Reports	10/2012
	Solid Waste Baseline Survey, Final Report	2010
	Management Plan for Hazardous and Medical Waste	2010
	Occupational Health and Safety Report (draft)	05/2012
	Strategy for Specific Waste Streams Report (final draft)	10/2012
	Impact Assessment Survey Report of the solid waste awareness raising and communication campaign	10/2012
Several draft regulations for adoption by the TCc-side (waste management landfill, hazardous waste management, waste water management, drinking water quality, nitrates pollution, bathing water)	2011-2012	
TA Contractor	Evaluation of Current Waste Management Situation and Future Investment Needs – “Supervision of works contracts on waste management infrastructure in the northern part of Cyprus”	2012
European Commission	Terms of Reference: Technical assistance for Management and Protection of potential Natura 2000 sites in the northern part of Cyprus	2008
	Documentation of the court issue between the EC and the local contractor (Tosunoglu Insaat Sti. Ltd.) related to the Natura 2000 sites	2012
Natura 2000 – TA Contractor	Guidelines for the preparation of Management Plans for SEPAs	2008
	Management Plan for Karpaz SEPA	2009
	Final Report	2011
Consultant	A Process Audit of the Development Control and Development Planning Functions of the TCc Town Planning Department	2007
Consultant	Spatial Planning and Development Consent Procedures for the Turkish Cypriot Community. Compliance with European Union Standards	2007

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Author / Issuer	Title	Date/Year
Energy Sector		
Consultant	Feasibility Study, Energy/ electricity Sector in the northern part of Cyprus	2004
TA Contractor	Evaluations and Assessments Report – Number 5	2011
TA Contractor	Demand side management / Public awareness campaign – Inception Report, Final Report	2008 2009
TA Contractor	Energy policy development – Inception Report Monthly Reports – Numbers 2 to 12	2010 2011
TA Contractor	Project Management and Capacity Building – Inception Report Interim Reports Final Report	2010 2011 2012
TA Contractor	Project Management Support – Site Inspection and Monitoring of Provisional Acceptance Testing Report	2010
TA Contractor	Operation and Maintenance Requirements – Inception Report Interim Report	2009 2010
TA Contractor	Support in Technical Monitoring – Final Report	2011
Traffic Safety		
TA Contractor	Programme Management for Traffic Safety Improvement Programme Inception Report Interim Reports – Number 6 & 7	2008 2009-2011
TA Contractor	Reform of Organisational Structure Project – Draft Completion Report	2008
TA Contractor	Implementation of a System for Periodical Technical Vehicle Inspection – Inception Report, Final Report	2010 2011
TA Contractor	Data Collection for the Traffic Safety Improvement Programme (Accident Information System and Enforcement Training) – Final Report	2011
TA Contractor	Programme Management for Traffic Safety Improvement Programme – Impact Assessment Report	2011
Telecommunications		
Consultant	Assessment of the Telecommunication Sector in the northern part of Cyprus – Feasibility Study	2006
TA Contractor	Telecom Infrastructure (Concept testing and preparation of tender documents) – Final Report	2009
TA Contractor	Telecom Infrastructure – Support in final system configuration Verification Report	2010 2011
TA Contractor	Upgrading of Telecommunications Network Infrastructure of Turkish Cypriot community – Solution Document	2011
Training, Capacity Building / Project Management – TA Contractor	Inception Report Six Monthly Reports Final Report	2009 2009-2011 2012
Consultant	Support in Technical Monitoring and Testing – Final Report	2012

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Author / Issuer	Title	Date/Year
Objective 2: Promoting Social and Economic Development		
Rural Development		
European Commission	Ex-post monitoring visits - Pilot Rural Development Grant Scheme	2011
	Implementation of projects under grant schemes – lessons learnt	2011
	Guidelines for Grant Applicants – Improving Dairy Hygiene on Sheep and Goat Farms	2008
	Guidelines for Grant Applicants – Improving Agricultural Production	2009
	Guidelines for Grant Applicants – Supporting Rural Enterprise	2009
Rural Development Support – TA Contractor	Inception Report	2008
	Interim Reports	2008-2012
	Bi-monthly Reports – Numbers 1-11	2008-2012
	Mid-Term Evaluation Rural Development Plan and Future Needs Assessment	2010
	Draft Final Report	2012
	Provisional Rural Development Plan	2009
Crop Husbandry – TA Contractor	Inception Report	2009
	Bi-monthly Reports – Numbers 1-14	2009-2012
	Annual Report	2009-2012
	Final Report	2012
Animal Husbandry – TA Contractor	Inception Report	2008
	Interim Reports	2008-2012
	Bi-monthly Reports	2009-2012
	Four-monthly Reports	2011-2012
	Steering Committee minutes	2009-2012
	Draft Final Report	2012
PMU – TA Contractor	Bi-monthly Reports – Numbers 1-13	2008-2012
	Interim Reports – Numbers 1-8	2008-2012
Local and Urban Infrastructure		
UNDP	Steering Committee minutes – Numbers 1-11	2006-2011
	Technical Report	2007-2010
Human Resource Development		
European Commission	Grant Scheme “Life-Long Learning and Active Labour Market Measures” Tender Dossier including Guidelines etc. – three Calls for Proposals	2009-2011
	Interim and Final Monitoring Reports of projects under the Grant Scheme	2011
	Stakeholder Workshop Presentations: VET, LLL, Active Labour Market Measures: Findings and Conclusions of participatory Needs Assessment	05/2012
Independent Monitoring Expert – TA Contractor	Monitoring Reports linked to the grant projects under the “Life-Long Learning and Active Labour Market Measures” Grant Scheme	2009-2011
TA Contractor	Scoping Study on Life-Long Learning and Active Labour Market Measures	07/2009

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Author / Issuer	Title	Date/Year
Independent Evaluation	Evaluation of the Life-Long Learning and Active Labour Market Measures	08/2010
VETLAM Team – TA contractor	Inception Report Monthly Reports – Number 1 to Number 22 Progress Reports – Number 1 to Number 5 Final Report Project Outputs and Analytical Reports	2009 2009-2011 2009-2011 2012 2009-2011
EC / VETLAM	Project Steering Committee meeting minutes – Number 1 to Number 5	2009-2011
European Commission	Grant Scheme “Grants to Schools” Tender Dossier including Guidelines for Applicants etc. – five Calls for Proposals	2008-2012
	Interim and Final Monitoring Reports of projects under the Grant Scheme	2011
	Note on the “Schools’ initiative for innovation and change” Grant Scheme	2011
Independent Monitoring Expert – TA Contractor	Monitoring Reports linked to the grant projects under the “Grants to Schools” Grant Scheme	2009-2011
ROPSE Team – TA contractor	Inception Report Monthly Reports – Number 1 to Number 27 Progress Reports – Number 1 to Number 6 Final Report Project Outputs and Analytical Reports	2009 2008-2011 2009-2011 2011 2008-2011
EC / ROPSE	Project Steering Committee meeting minutes – Number 1 to Number 6	2009-2011
Private Sector Development		
The World Bank	Sustainability and Sources of Economic Growth in the northern Part of Cyprus; Volume II: Technical Papers; Poverty Reduction and Economic Management Unit Europe and Central Asia Region	2006
UNDP	UNDP-PFF Grant Scheme “Private Sector Development” Tender Dossier including Guidelines for Applicants etc. – five Calls for Proposals	2006-2010
	Private Sector Development within the TCc: 2006-2011 – Final Report	2011
	Turkish Cypriot Private Sector Development – Eight Years of Success (2003-2011)	2011
European Commission	Grant Scheme “Improve SMEs’ Competitiveness” Tender Dossier including Guidelines for Applicants etc. – one Call for Proposals	2008
	Grant Scheme “Improve SMEs’ Competitiveness and ICT Sector” Tender Dossier including Guidelines for Applicants etc. – one Call for Proposals	2009
	Grant Scheme “SME development Modernising Products and Services” Tender Dossier incl. Guidelines Applicants etc. – one Call for Proposals	2012
	Closing Notes (56 Notes) linked to the SME I and II Grant Schemes	2009
	Interim and Final Monitoring Reports of projects under the Grant Scheme	2012
Independent Monitoring Expert – TA Contractor	Monitoring Reports linked to the grant projects under the SME Grant Schemes	2012

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Author / Issuer	Title	Date/Year
Independent Evaluation	Final Outcome Evaluation of Assistance to Turkish Cypriot Small and Medium Enterprises	10/2011
SECOND Team – TA contractor	Progress Reports – Number 1 to Number 4 Project Outputs and Analytical Reports Sustainable Economic Development in TCc – Private Sector Development Strategy 2011-2015	2011-2012 2010-2012 2011
EC / SECOND	Project Steering Committee meeting minutes – Number 1 to Number 4	2010-2012
Objective 3: Fostering Reconciliation, Confidence Building Measures and Support to Civil Society		
United Nations (Security Council)	Report of the Secretary-General on the United Nations operation in Cyprus / Report of the Secretary-General on his mission of good offices in Cyprus <i>[covering the period 04/2004 to 12/2012]</i>	2004-2013
	Resolution 2026 (2011) and Resolution 2058 (2012) on the extension of the UNFICYP mandate	2011-2012
Committee on Missing Persons (CMP) in Cyprus		
CMP	Fact Sheets	2007-2012
UNDP / CMP	Phase I – Progress Report	2008
	Phase II – Action Plan <i>[Annex I to the 'Contribution Agreement']</i>	2009
	Phase II – Final Report	2011
	Phase III – Action Plan <i>[Annex I to the 'Contribution Agreement']</i>	2011
	Phase III – Progress Report	2012
	Phase IV – Action Plan <i>[Annex I to the 'Contribution Agreement']</i>	2012
EC / UNDP / CMP	Phase IV – Project Steering Committee minutes	10/2012
Association for Historical Dialogue and Research	Educational/training materials linked to “Thinking Historically about Missing Persons: A Guide for Teachers”	2011
De-Mining		
UNDP / UNOPS / UNFICYP	Phase IV – Action Plan <i>[Annex I to the 'Contribution Agreement']</i>	2006
	Phase IV – Contract Addendum File <i>[Addendums 1 and 2]</i>	2008-2009
	Phase IV – Final Report	2009
	Phase V – Action Plan <i>[Annex I to the 'Contribution Agreement']</i>	2009
	Phase V – Contract Addendum File <i>[Addendum 1]</i>	2010-2011
	Phase V – Final Report	2011
Independent Evaluations	Landmine and Ordnance Clearance Project – Impact Assessment	04/2008
	Evaluation of Landmine and Ordnance Clearance in Cyprus, Phase V	10/2011
Cultural Heritage		
UNDP	Study of cultural heritage in the northern part of Cyprus	2010
UNDP / Technical Committee on Cultural Heritage	Phase I – Action Plan <i>[Annex I to the 'Contribution Agreement']</i>	2011
	Brochure on the Technical Committee on Cultural Heritage in Cyprus	2012

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Author / Issuer	Title	Date/Year
Council of Europe Education Initiatives		
Council of Europe	Promoting the Council of Europe "Academy of Political Studies" concept in Cyprus – Final Report	2011
European Commission	Support to new trends in history teaching for reconciliation and stability in Cyprus – Cancellation and De-commitment of a Contract File	2008-2009
Council of Europe	Educational/training materials linked to "A Look at Our Past"	2011
Civil Society		
European Commission	Grant Scheme "Cypriot civil society in action" Tender Dossier including Guidelines for Applicants etc. – three Calls for Proposals	2007-2009
	Cypriot Civil Society Dialogue meeting minutes	11/2011
Civil Society Support Team (CSST) – TA contractor	Inception Report	2008
	Progress Reports – Number 1 and Number 3	2009, 2010
	Final Report	2011
	Brochure on the "Cypriot civil society in action" Awarded Projects	2010
EC / CSST	Project Steering Committee meeting minutes	2008-2011
Beneficiary CSOs	Project Outputs and Analytical Reports	various
Objective 4: Bringing the Turkish Cypriot community closer to the European Union		
Information on the European Union / EU Info Point		
EU Info Point – TA contractor	Inception Report	2009
	Monthly Reports	2009-2012
	Progress Report – Number 6	2012
	Project Outputs and Analytical Reports	2010, 2012
	EU Perceptions Survey – Number 1 and Number 5	2009-2012
	Brochures and Fact Sheets linked to the Aid Programme for the TCc	
EC / EU Info Point	Project Steering Committee meeting minutes	2009
European Commission	Standard Eurobarometer surveys of Public Opinion in the EU / and related Executive Summary reports on Cyprus regarding the TCc	2008-2012
Scholarships Programme for the TCc		
European Commission	Grant Scheme "Scholarships Programme" Tender Dossier including Guidelines for Applicants etc. – six Calls for Proposals	2007-2012
	File Note assessment reports by the Task Manager linked to the Calls	2007-2009
Independent Evaluations	Assessment of the Scholarships for the Turkish Cypriot Community Programme	08/2012
People-to-People Contacts		
European Commission	Grant Scheme "Promotion of Youth exchanges & Other people-to-people contacts" Tender Dossier incl. Guidelines etc. – two Calls for Proposals	2007-2008
TA Contractor	Design, information, and evaluation activities to enhance people to people contacts – Ex-Post evaluation of the 1 st Call and the Final Report	2008, 2009

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Author / Issuer	Title	Date/Year
TA Contractor	Coaching of the Promotion of youth exchanges and other People-to-People Contacts Grant Scheme Applicants – Final Report	2009
Beneficiary CSOs	Project Outputs and Analytical Reports	various
Objective 5: Preparing the Turkish Cypriot community to introduce and implement the <i>acquis</i>		
European Commission	Annual TAIEX Activity Report <i>[covering years 2004-2011]</i>	2005-2012
'EU Coordination Centre' (TCC)	Programme for the Adoption of the <i>acquis</i> (PFAA)	2009
European Commission / TCC-side	PFAA Monitoring Mechanism meeting minutes <i>[five meetings; covering the period 02/2010 to 01/2012]</i>	2010-2012
	Project Steering Group meeting minutes <i>[covering a range of sectors]</i>	2010-2012
European Commission	Terms of References for Call for Experts <i>[covering a range of sectors]</i>	2010-2012
TAIEX Experts / TCC-side	Project Action Plans <i>[covering a range of sectors]</i>	2010-2012

Annex 6: List of Interviewees

Name	Institution	Position	Date(s)
Aid Programme – Horizontal Actors / Partners			
Ms Michaela Di Bucci Mr Christopher Ingelbrecht Mr Andrea Baggioli Mr Massimo Mina	EC – Task Force Turkish Cypriot Community	Head of Unit Programme Manager Monitoring & Evaluation Officer Acting Head of EUPSO Section A	19/10/2012
Ms Alessandra Viezzer Mr Andrea Baggioli	EC – Task Force Turkish Cypriot Community	Head of Programme Team Head of EUPSO Section B Monitoring & Evaluation Officer	12/11/2012
EC Task Managers at the EUPSO	EC – Task Force Turkish Cypriot Community	Task Managers	12/11/2012
Mr Andreas S. Kakouris Mr Nicos Argyrides	Ministry of Foreign Affairs of the Republic of Cyprus	Director – Cyprus Question & Turkey Division Nicosia Officer	16/11/2012
Mr Erhan Ercin Ms Izge Arisal Mr Orhan Atasoy Ms Burcu Barin	“European Union Coordination Centre”	Coordinator Officer Officer Officer	19/11/2012
Mr Radu Gavrilă	EC – Task Force Turkish Cypriot Community	Procurement Officer	20/11/2012
Mr Christopher Ingelbrecht	EC – Task Force Turkish Cypriot Community	Programme Manager	12/12/2012
Ms Michaela Di Bucci	EC – Task Force Turkish Cypriot Community	Head of Unit	13/12/2012
Mr Ahmet Havatcu	“Ministry of Finance”	Under-secretary Chair of Aid Committee	13/12/2012
EC Task Managers at the EUPSO and at HQ	EC – Task Force Turkish Cypriot Community	Task Managers	17/12/2012
Mr Andreas S. Kakouris Ms Rona Mila	Ministry of Foreign Affairs of the Republic of Cyprus	Director – Cyprus Question & Turkey Division Nicosia Officer	18/12/2012
Mr Erhan Ercin	“European Union Coordination Centre”	Coordinator	18/12/2012
Ms Alessandra Viezzer	EC – Task Force Turkish Cypriot Community	Head of Programme Team Head of EUPSO Section B	19/12/2012

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Name	Institution	Position	Date(s)
Objective 1: Developing and Restructuring of Infrastructure			
Environment			
Ms Muriel Lambert de Rouvroit	EC – Task Force Turkish Cypriot Community	Task Manager	13/11/2012, 19/11/2012, 14/12/2012
Mr Johan Van de Velde	EC – Task Force Turkish Cypriot Community	Task Manager	13/11/2012, 14/11/2012, 11/12/2012, 14/12/2012
Mr Massimo Mina	EC – Task Force Turkish Cypriot Community	Acting Head of EUPSO Section A	14/11/2012
Mr Borislav Borisov	UNDP (UNDP–PFF)	Senior Site Engineer – Mia Milia / Haspolat WWTP	14/11/2012
Mr Stephen McCluskey	EC – Task Force Turkish Cypriot Community	Task Manager	15/11/2012, 19/11/2012, 14/12/2012
Mr Ole Houmoller	Contractor – Water / Wastewater Capacity Building	Team Leader	16/11/2012
Mr Charalambos Palntzis	Sewerage Board of Nicosia	Director	19/11/2012, 14/12/2012
Mr Orhan Atasoy	“European Union Coordination Centre”	Officer	20/11/2012, 14/12/2012
Mr Charlie Scrimgeour	Contractor – EU PMU	Acting Team Leader	20/11/2012
Mr Özcinar Mr Hakan Ozkut Mr Merih Beydola	Beneficiary locality (Morphou/Guzelyurt Municipality)	Mayor Head – Technical Services Union of Municipalities	22/11/2012
Mr Odran Hayes	EC – Task Force Turkish Cypriot Community	Task Manager	22/11/2012, 11/12/2012
Mr Oktay Kayalp Mr Erkut Sahali Mr Naci Taseli Mr Doguc Veysioglu	Beneficiary locality (Famagusta Municipality)	Mayor Deputy Mayor Head – Water Works Engineer – Water Works	23/11/2012
Mr Norman Sheridan Mr Leif Iversen	Contractor – Water / Wastewater Capacity Building	Legal Expert Senior Advisor – Water	27/11/2012
EC Task Managers & TCc representatives	Environment sector programming Dialogue meeting		11/12/2012
Mr Hasibe Kusetagullari	“Ministry of Tourism, Environment and Culture”	Coordinator – Natura 2000	12/12/2012
Mr Hasan Güralp	Turkish Cypriot Municipality of Nicosia	Head – Water Supply	12/12/2012

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Name	Institution	Position	Date(s)
Ms Yesim Andiroglu	"Ministry of Health"	Director – "State Laboratory"	12/12/2012
Mr Mustafa Alkaravli	"Ministry of Interior"	Director – "Geology and Mining Department"	13/12/2012
Mr Ibrahim Alkan	"Ministry of Tourism, Environment and Culture"	Coordinator – Waste	13/12/2012
Mr Hubertus Schütte	Contractor – Milia / Haspolat WWTP construction	Team Leader	13/12/2012
Ms Ciddem Akdagan	"Ministry of Agriculture and Natural Resources"	General Manager – Water	14/12/2012
Energy Sector			
Mr Etienne Faubert	EC – Task Force Turkish Cypriot Community	Task Manager	13/11/2012, 18/12/2012
Ms Burcu Barin	"European Union Coordination Centre"	Officer	19/11/2012, 29/11/2012
Mr Gurcan Erdogan Ms Bahar Denner	Kib-Tek	Deputy Manager Project Manager	06/12/2012
Traffic Safety			
Mr Etienne Faubert	EC – Task Force Turkish Cypriot Community	Task Manager	12/11/2012, 18/12/2012
Ms Burcu Barin	"European Union Coordination Centre"	Officer	19/11/2012, 29/11/2012
Mr Evren Cavdir	"European Union Coordination Centre"	Officer	11/12/2012
Mr Hasan Arkol	"Ministry of Public Works and Transport"	Director – Civil Aviation and Roads	19/12/2012
Dr Mehmet Zeki Avci	Road Traffic Accident Prevention Association	Chairman	19/12/2012
Telecommunications			
Mr Etienne Faubert	EC – Task Force Turkish Cypriot Community	Task Manager	12/11/2012, 13/11/2012, 18/12/2012
Ms Burcu Barin	"European Union Coordination Centre"	Officer	19/11/2012, 29/11/2012
Mr Ali Ayral	Telecommunications Office	Project Manager	30/11/2012
Mr Steen Hansen	ASTEC	Expert	30/11/2012
Mr Ersan Saner Dr Suat Yeldener	"Ministry of Public Works and Transport"	Under-secretary Under-secretary	12/12/2012
Objective 2: Promoting Social and Economic Development			
Rural Development			

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Name	Institution	Position	Date(s)
Ms Marion Lalisce Mr Stefano Cilli	EC – Task Force Turkish Cypriot Community	Task Manager Task Manager	12/11/2012, 19/11/2012
Ms Burcu Barin	“European Union Coordination Centre”	Officer	19/11/2012, 28/11/2012
Mr Latife Turganer	“European Union Coordination Centre”	Officer	19/11/2012
Mr Christian Harel	Contractor – Crop Husbandry	Team Leader	29/11/2012
Ms Deniz Solyali Mr Erkut Ulugam Ms Ipek Kizilduman Ms Ayse Galiskan Ms Niyazi Nizam Ms Samiye Borat	“Ministry of Agriculture and Natural Resources”	Head – Rural Development Expert – Animal Husbandry Expert – Animal Husbandry Officer – General Office Expert – Rural Development Expert – Crop Husbandry	03/12/2012
Mr Victor Clarke	Contractor – Animal Husbandry	Acting Team Leader	04/12/2012, 15/12/2012
Mr Sebastian Balcerak	TAIEX Expert (Agriculture)	Team Leader	08/12/2012
Mr Emerali Deveci	“Ministry of Agriculture and Natural Resources”	Director of “Ministry”	10/12/2012
Mr Caglar Aydin	Contractor – Programme Management Unit	Acting Team Leader	11/12/2012
Mr Huseyin Ataben	“Veterinary Department”	Director	12/12/2012, 18/12/2012
Mr Seyit Yorgoncioglu	ORYAT – Organic Farming and Life Association	Member	14/12/2012
Mr Stefano Cocchi	TAIEX Expert (Agriculture)	Expert – Rural Development	18/12/2012
Local and Urban Infrastructure			
Ms Marion Lalisce	EC – Task Force Turkish Cypriot Community	Task Manager	12/11/2012, 19/12/2012
Mr Orhan Atasoy	“European Union Coordination Centre”	Officer	19/11/2012
Ms Tiziana Zennaro Mr Ali Tüzel	UNDP (UNDP–PFF)	Programme Manager Operations Manager	03/12/2012
Mr. Antonis Haji Roussos	Beneficiary locality (Kormakitis Village)	Parliamentary Representative Maronite Community of Cyprus	17/12/2012
Mr Fuat Namsoy Mr Hasan Keles Mr Tolga Alav	Beneficiary locality (Lapta Municipality)	Mayor Deputy Mayor Clerk	17/12/2012
Human Resource Development			
Ms Ingrid Beauve	EC – Task Force Turkish Cypriot	Task Manager	14/11/2012,

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Name	Institution	Position	Date(s)
Ms Caroline Enegren	Community	Assistant Task Manager	04/12/2012
Ms Deniz Berkol	Chamber of Industry	Project Coordinator – LLL	20/11/2012
Ms Gulsen Hocanin	“Ministry of Education, Youth and Sports”	Project Coordinator – VET	21/11/2012
Mr Metin Gultekin	“Ministry of Education, Youth and Sports”	Director	22/11/2012
Mr Kemal Baykalli	Chamber of Commerce	Assistant General Secretary	22/11/2012
Mr Cemal Kilic	Eastern Mediterranean “University” (Famagusta)	Career Counsellor	23/11/2012
Ms Sebnem Pekdogan Ms Iley Fedai Taskin	“Ministry of Education, Youth and Sports”	Inspector of Schools Inspector of Schools	26/11/2012
Mr Yusuf Onderol	“Ministry of Social Security and Labour”	General Director – “Labour Department”	27/11/2012
Mr Mehmet Tasker Mr Ozan Coli	Secondary Education Teachers’ Union	General Secretary Secretary of Education	27/11/2012
Mr Ali Yonel Mr Murat Aktug Mr Mustafa Hurses Ms Berna Yilmazoglu	“Ministry of Education, Youth and Sports”	Under-secretary Director of Inspection & Evaluation Project Coordinator – Schools Inspector of English Language Training	28/11/2012
Mr Cenk Gurcag	Teachers’ Union	Member of the Executive Committee	28/11/2012
Mr Hurrem Tulga Mr Taner Akcan Mr Ersun Aytac	Chamber of Shopkeepers and Artisans	President Coordinator Teacher	29/11/2012
Mr Ozdemir Sanlidag Ms Pinar Soykara Mr Rustem Kal	Vocational School (Morfo)	Headmaster Teacher Teacher	29/11/2012
Ms Emete Unguder	Jobshop	Expert	30/11/2012
Mr Evren Cavdir Ms Damla Onurhan Sila	“European Union Coordination Centre”	Officer Officer	03/12/2012
Mr Steen Tandrup	Contractor – VETLAM	Team Leader	19/12/2012 *
Mr Gunfer Erkmen Mr Dudley Blane	Contractor – ROPSE	Deputy Team Leader Team Leader	15/01/2013 * Refused Phone Interview *
Private Sector Development			
Ms Ekaterina Bakalova	EC – Task Force Turkish Cypriot Community	Task Manager	15/11/2012, 03/12/2012

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Name	Institution	Position	Date(s)
Ms Sara Sangoi	EC – Task Force Turkish Cypriot Community	Task Manager	15/11/2012, 26/11/2012
Ms Ebru Kaptan Sertoglu	“Ministry for Economy and Energy”	Coordinator – SME Development Center	20/11/2012
Ms Leyla Mahrum	Chamber of Industry	Business Development Officer	20/11/2012
Mr Deniz Demircioglu	Beneficiary SME (Nicosia)	Director	20/11/2012
Mr Faik Ozgermi Mr Ryk Kaminski Mr Gurhan Hatipoglu	Contractor – SECOND Project Technical Assistance Team	Team Leader Key Expert – SMEs Key Expert – ICT	21/11/2012
Ms Balkiz Kandulu	Chamber of Commerce	Project Support Assistant	22/11/2012
Mr Ozan Dagli	Beneficiary SME (Famagusta)	Director	23/11/2012
Mr Bora Tuccaroglu	Chamber of Computer Engineers	President	27/11/2012
Dr Yenal Surec	“Competition Board”	President	28/11/2012
Mr Hurrem Tulga	Chamber of Shopkeepers and Artisans	President	29/11/2012
Ms Tiziana Zennaro Mr Ali Tüzel	UNDP (UNDP–PFF)	Programme Manager Operations Manager	03/12/2012
Mr Evren Cavdir Ms Damla Onurhan Sila	“European Union Coordination Centre”	Officer Officer	03/12/2012
Mr Yilmaz Kaygisiz	Beneficiary SME (Nicosia)	Director	04/12/2012
Mr Ceyhun Tunali	Young Businessmen Association (Kyrenia)	Member of the Board	30/11/2012 *
Mr Nihat Yilmaz	ICT Association	Member of the Board	04/12/2012 *
Objective 3: Fostering Reconciliation, Confidence Building Measures and Support to Civil Society			
Committee on Missing Persons (CMP) in Cyprus			
Ms Sara Sangoi	EC – Task Force Turkish Cypriot Community	Task Manager	15/11/2012
Mr Timothy Alchin	UN Peacekeeping Force in Cyprus	Political Affairs Officer	29/11/2012
Mr Oleg Egorov	Committee on Missing Persons in Cyprus	Special Assistant to the Third Member	12/12/2012
Ms Tiziana Zennaro Mr Ali Tüzel	UNDP (UNDP–PFF)	Programme Manager Operations Manager	03/12/2012, 13/12/2012
De-Mining			
Ms Sara Sangoi	EC – Task Force Turkish Cypriot Community	Task Manager	15/11/2012
Mr Timothy Alchin Mr Richard Vines	UN Peacekeeping Force in Cyprus	Political Affairs Officer Military Affairs Officer	29/11/2012
Ms Tiziana Zennaro	UNDP (UNDP–PFF)	Programme Manager	03/12/2012,

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Name	Institution	Position	Date(s)
Mr Ali Tüzel		Operations Manager	13/12/2012
Cultural Heritage			
Ms. Ingrid Beauve	EC – Task Force Turkish Cypriot Community	Task Manager	15/11/2012
Ms. Tiziana Zennaro Mr. Ali Tüzel	UNDP (UNDP–PFF)	Programme Manager Operations Manager	03/12/2012, 13/12/2012
Mr Izzet Volkan Mr Fevzi Ozersay	Union of Chambers of Cyprus Turkish Engineers and Architects	Secretary General Architect	14/12/2012
Mr Ali Tuncay Mr Glafkos Constantinides	Technical Committee on Cultural Heritage in Cyprus	Member Adviser	17/12/2012
Council of Europe Education Initiatives			
Mr Huseyin Silman Ms Damla Onurhan Sila	“European Union Coordination Centre”	Officer Officer	04/12/2012
Mr Kyriakos Pachoulides Ms Shirin Jetha	Association for Historical Dialogue and Research	Director Project Manager	11/12/2012
Ms Nazif Fuat Mr Salih Can Doratli	Beneficiaries of the Academy of Political Studies action	Individual beneficiaries	12/12/2012 * & e-mail
Civil Society			
Ms Charlotte Goyon	EC – Task Force Turkish Cypriot Community	Task Manager	13/11/2012, 10/12/2012
Mr Christopher Louise Mr Nicolas Jarraud Ms Pembe Mentesh	UNDP (UNDP–ACT)	Programme Manager Programme Manager Programme Manager	28/11/2012
EC Task Managers & c. 20 CSOs representatives	Cypriot Civil Society Dialogue meeting		11/12/2012
Dr Bulent Kanol	Beneficiary CSO (Nicosia)	Chairman	11/12/2012
Mr Kyriakos Pachoulides Ms Shirin Jetha	Beneficiary CSO (Nicosia)	Director Project Manager	11/12/2012
Ms Canan Oztoprak	Beneficiary CSO (Nicosia)	General Manager	13/12/2012
Mr Huseyin Silman	“European Union Coordination Centre”	Officer	13/12/2012
Mr Izzet Volkan Mr Fevzi Ozersay	Beneficiary CSO (Nicosia)	Secretary General Architect	14/12/2012
Objective 4: Bringing the Turkish Cypriot community closer to the European Union			
Information on the European Union / EU Info Point			
Ms Ekaterina Bakalova	EC – Task Force Turkish Cypriot Community	Task Manager	15/11/2012, 27/11/2012
Dr Kezban Akansoy	EC – Representation in Cyprus	Press Officer – Political Reporter	22/11/2012

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Name	Institution	Position	Date(s)
Mr Kudret Akay Mr Can Köstepen	Contractor – EU Info Point	Team Leader Information & Event Officer	27/11/2012, 11/12/2012
Mr Huseyin Silman	“European Union Coordination Centre”	Officer	13/12/2012
Scholarships Programme for the TCc			
Ms Vivien Rigler Ms Aslı Köprülü Ergüven	EC – Task Force Turkish Cypriot Community	Task Manager Assistant Task Manager	12/11/2012, 20/12/2012, 14/12/2012
Ms Nevres Baddal	“Ministry of Education, Youth and Sports”	Deputy Director – Common Services for Education	19/11/2012, 19/12/2012
Mr Cemal Kilic	Eastern Mediterranean “University” (Famagusta)	Career Counsellor	23/11/2012
Mr Huseyin Silman Ms Damla Onurhan Sila	“European Union Coordination Centre”	Officer Officer	04/12/2012
Mr Metin Ersoy	Eastern Mediterranean “University” (Famagusta)	Faculty Member – Media & Communication Studies	12/12/2012
People-to-People Contacts			
Ms Charlotte Goyon	EC – Task Force Turkish Cypriot Community	Task Manager	13/11/2012, 10/12/2012
Dr Bulent Kanol	Beneficiary CSO (Nicosia)	Chairman	11/12/2012
Mr Metin Ersoy	Beneficiary CSO (Nicosia)	Project Coordinator	12/12/2012
Mr Huseyin Silman	“European Union Coordination Centre”	Officer	13/12/2012
Mr Gürkan Uluchan	Beneficiary CSO (Nicosia)	Legal Adviser	14/12/2012
Objective 5: Preparing the Turkish Cypriot community to introduce and implement the <i>acquis</i>			
Ms Izge Arisal	“European Union Coordination Centre”	Officer	29/11/2012
Ms Cigdem Aksu	Chamber of Commerce	Expert – Green Line Trade Development	30/11/2012
Mr Alain Van Hamme	EC – Task Force Turkish Cypriot Community	Head of TAIEX Team (<i>within the Task Force</i>)	05/12/2012, 07/12/2012
Mr Sebastian Balcerak	TAIEX Expert (Agriculture)	Team Leader	08/12/2012
EC Task Managers & EUCC Task Managers	TAIEX programming Dialogue meeting (held at the EUCC)		10/12/2012
Mr Seyit Yorgoncioglu	“Veterinary Department”	TAIEX Coordinator	14/12/2012
Mr Stefano Cocchi	TAIEX Expert (Agriculture)	Expert – Rural Development	18/12/2012
Mr Erhan Ercin	“European Union Coordination Centre”	Coordinator	20/12/2012
Ms Cristina Turci	EC – Task Force Turkish Cypriot	TAIEX Project Manager	e-mail

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Name	Institution	Position	Date(s)
	Community		

* = telephone interview