Summary Project Fiche

1. Basic Information

1.1. Désirée number

1.2. Title: Rehabilitation of Nicosia - Phase 2

1.3. Sector: Bi-communal projects

1.4. Location: Cyprus / Nicosia

2. Objectives

2.1. Overall Objective

The objective of supporting bi-communal projects is to contribute to the development, increase and enhancement of an atmosphere of mutual confidence, trust and respect between the Greek Cypriot (GC) and Turkish Cypriot (TC) communities.

2.2. Project purposes

2.2.1 To bring together members of the Greek Cypriot and Turkish Cypriot communities, to work jointly in the preparation and implementation of bi-communal projects based on the bi-communally planned Nicosia Master Plan.

2.2.2 To support the rehabilitation of the Walled City of Nicosia and the conservation of its architectural and cultural heritage, according to the policies and provisions of the bi-communal Nicosia Master Plan.

2.2.3 To sensitize Nicosia residents to conservation issues and the importance of their shared heritage and to mobilize them towards these goals. Public information campaigns before implementation and during implementation to show the origin of the project is based in the Nicosia Master Plan.

2.2.4 To improve the living environment of the residents of Nicosia neighborhoods. It will include firstly the continuation and expansion of previously approved activities (around the Omeriye and near the Selimiye Mosque, formerly the Saint-Sophia cathedral) and secondly the revitalization of two other neighborhoods (Phaneromeni and Samanbahce).

---

1 NB Bi-communal projects are investment, technical assistance or research projects which respond to the following requirements:

- They are prepared by experts from both communities;
- they are jointly carried out, either totally or partially. Partial joint implementation means that, at the minimum, regular joint meetings and exchange of information have to take place for the preparation and review of project progress;
- they address common needs of both communities based on a global island-wide perspective;
- they provide mutual benefits to both communities;
3. **Description**

3.1 **Background and Justification**

- Since the events of 1974, inter-communal relationships have been missing for almost an entire generation of Cypriots. The absence of contacts is making both communities susceptible to misinformation and mistrust. Such a situation has been deteriorating the relationship between the two sides and undermining the objective of the United Nations to bring about a comprehensive peace settlement. Although it is obvious that bi-communal contacts cannot in themselves bring, a resolution to the conflict, they can contribute to the creation of a positive atmosphere of reconciliation and mutual trust, which could, in turn, facilitate direct negotiations between the leaders of the two communities. Moreover, the Security Council has urged in various resolutions that confidence-building and goodwill measures be pursued and that, more specifically, bi-communal person-to-person contacts be facilitated.

- Following the Helsinki Council decision an agreement was obtained to restart EU-funded bi-communal activities. As mentioned above, the UNDP (United Nations Development Programme) is accepted as a practical platform and has been involved since 1998 in the main bi-communal initiative, namely, the Nicosia Master Plan, since the events of 1974.

- The Nicosia Master plan was formulated by representatives of both communities with the support of UNDP and UNCHS (HABITAT).
  The NMP intended over a twenty year period to tackle the main urban issues: urban sprawl, traffic and accesses, zoning and historic preservation. The NMP identified a set of policies needed to control the city’s growth and reverse trends of decay in the Walled City. In a second phase, priority projects aiming at halting physical deterioration and socio-economic disintegration in the historic core were prepared. As the European Commission has in the past contributed financially to the implementation of the NMP, the proposed actions constitute the continuation of earlier support.

- The Nicosia Master Plan’s urban rehabilitation schemes in the Walled City had had very positive results. In the Greek Cypriot community, favorable conditions such as significant funding, better economic environment and strong political support have allowed for the programme’s sustainability to be within reach in Chrysaliniotissa. Achievements in the Turkish Cypriot community still need strong external support but the revised implementation strategy is starting to bear fruit.

- The Nicosia Master Plan objectives are still valid today since it contributes to removing the traces of the conflict and allows citizens from both sides to return to these otherwise neglected neighborhoods.
  Several projects within the Nicosia Master Plan have been implemented over the years since its inception in 1984:
  
  - The EU (CEE at that time) funded two parallel projects in both parts of Nicosia, namely the Pedestrianisation of Ledras and Onasagarou streets in the Greek Cypriot Community and the Improvement of the Kyrenia Avenue and Surrounds in the Turkish Cypriot Community. Both projects cost about €2.5 million.
From 1987 to the end of 1997, UNHCR, executing the USAID funded Bi-communal Humanitarian Programme, funded the parallel implementation of the rehabilitation of the two neighbourhoods in the Walled City, namely the Chrysaliniotissa and Arab Ahmet Rehabilitation Projects. Both projects were funded up to approximately US$10 million.

The UNDP Bi-communal Development Programme, which took over the UNHCR Programme in 1998, has been further funding the Chrysaliniotissa and Arab Ahmet area projects and other smaller but significant project up to approximately US$3.5 million.

The technical teams of the Nicosia Master Plan have met periodically first under the auspices of the UNDP Country office, then under the UNHCR programme, and recently under the UNDP Programme.

Nicosia constitutes a remarkable architectural ensemble, the existence of which is rare in its consistency. Symbolizing the intimacy between two great Mediterranean cultures, this city has suffered from years of neglect due to the prevailing political situation.

This proposed second phase in the revitalization of Nicosia builds on works carried out with EU assistance. It will firstly continue and expand, as appropriate, the rehabilitation of the two neighborhoods selected in phase 1 (the GC neighborhood of Omeriye and the TC one of Selimiye). Secondly, it will contribute with rehabilitation works in two other neighborhoods of the walled city (the GC neighborhood of Phaneromeni and the TC one of Samanbahce).

3.2 Linked activities

All rehabilitation activities are being carried out under the Nicosia Master Plan umbrella, which guarantees the coordination and complementarities of the support provided from other donors. There are various projects funded by various organisation under the umbrella of the Nicosia Master Plan:

- UNDP Bi-communal Development Programme;
  - Area schemes in Arab Ahmet and Chrysaliniotissa
  - Sanitary intervention in the Pedieous river

- Other funded projects;
  - Various small restoration and upgrading activities
  - Pedestrianisation of part of Selimiye area
  - Upgrading of the law courts’ buildings

3.3 Results

Objective 1: To bring together members of the Greek and Turkish Cypriot communities, to work jointly in the preparation and implementation of bi-communal projects.

Results:

- joint development and parallel implementation of rehabilitation activities
• exchange of experience between the Greek Cypriot and Turkish Cypriot members of the Nicosia Master Plan team
• meetings between the Greek Cypriot and Turkish Cypriot members

**Objective 2:** To support the rehabilitation of the Walled City of Nicosia and the conservation of its architectural and cultural heritage, according to the policies and provisions of the Nicosia Master Plan.

Results:

• rehabilitation activities in the walled city, in particular in four neighborhoods: Omeriye and Phaneromeni (Greek Cypriots) and Selimiye and Samanbahce (Turkish Cypriots). See under objective 4 a summary description of activities.

**Objective 3:** To sensitize Nicosia residents to conservation issues and the importance of their shared heritage and to mobilize them towards these goals.

Results:

• inhabitants of the old city will come to realise the value both aesthetic and economic value of their neighborhoods
• stimulation of privately funded restoration in accordance with the framework defined for the restoration of the protected heritage.

**Objective 4:** To improve the living environment of the residents of Nicosia neighborhoods. It will include firstly the continuation and expansion of previously approved activities (around the Omeriye and near the Selimiye Mosque, formerly the Saint-Sophia cathedral) and secondly the rehabilitation of two other neighborhoods (Phaneromeni and Samanbahce).

The following general project works will take place in the various project areas (Omeriye and Phaneromeni are GC neighborhoods and Selimiye and Samanbahce are TC ones):

- improvement of infrastructure, such as entrenchment of utilities (electricity and telephones)
- establishment of street furniture: such as lighting, tree planting and banks
- upgrading of walkways and pedestrianisation, as appropriate
- creation of open space, such as green areas, park and pedestrian areas as appropriate
- consolidation and upgrading of historic buildings

<table>
<thead>
<tr>
<th>Activities</th>
<th>Omeriye</th>
<th>Selimiye</th>
<th>Phaneromeni</th>
<th>Samanbahce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructures</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Street furniture</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Open space</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Historic buildings</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
Results:

- upgrading the living environment by various measures that would include (1) the provision of repaved and pedestrianised streets and (2) of community facilities
- upgrading of the areas in order to attract more visitors, activities and investments (private and public).

3.4 Activities

In order to meet the specific objectives and to produce the results indicated in 3.3 above, the project will implement the following activities:

To meet Objective 1:
- Technicians of the two communities will meet on a regular basis in order to follow-up the activities, exchange information and techniques.

To meet Objective 2:
- The improvement of the visual environment of the various areas will be achieved through a combination of activities. These activities will include, besides the improvement of the infrastructure and urban environment, the restoration of buildings and monuments and the improvement of the shopping and community facilities (as appropriate).
- The programme will organise the selection of the specific interventions (and their design) and will tender and supervise the works.

To meet Objective 3:
- Awareness campaigns could be organised throughout the old city of Nicosia.
- Technical seminars could be held in order to sensitize and explain the various aspects of restoration activities.
- Involvement of civil society organisations will be encouraged.

To meet Objective 4:
- Promotional campaigns could be organised to demonstrate the achievements of the above objective and thus create the awareness in the public about the improved environment of these neighborhoods.
- Local incentives could be provided to multiply the investments made under this grant, thus providing sustainability in the revitalization of Nicosia neighborhoods.

4. Institutional Framework

Nicosia Master Plan team is composed of technicians from the various departments under the leadership of the teams of the two communities involved in the project.
5. **Detailed Budget (€ million)**

<table>
<thead>
<tr>
<th>EU Support</th>
<th>Inv</th>
<th>LB</th>
<th>Total</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation of Nicosia</td>
<td>3,0</td>
<td>0,300</td>
<td><strong>3,300</strong></td>
<td></td>
<td></td>
<td><strong>3,300</strong></td>
</tr>
</tbody>
</table>

6. **Implementation Arrangements**

The implementing agency will be the United Nations Development Programme (UNDP). UNDP will establish the appropriate implementation structure for this project. The implementation arrangements will be specifically designed to take into account the particular political conditions in Cyprus. UNDP will perform the supervision and monitoring of the various activities mentioned above in order to ensure the proper execution of the project as a whole.

Specific supervision and monitoring features have been designed in order to take into account both the particular situation of the island.

UNDP will follow the tender procedure as described in the EU-UN Framework Agreement, as well as its other provisions.

7. **Implementation Schedule**

7.1. Project design: 3rd quarter 2001
7.2. Start of tendering: 3rd quarter 2001
7.3. Start of project activity: 4th quarter 2001
7.4. Project completion: 4th quarter 2002

8. **Equal Opportunity**

UNDP is an equal opportunity employer.

9. **Conditionality and sequencing**

Each component of the project adopts a logical approach to design and implementation.

Visibility of the Community financing being a crucial issue in such bi-communal activities, the project plan will include actions specifically dedicated to promoting this visibility, financed out of the project budget.
<table>
<thead>
<tr>
<th>Wider Objectives</th>
<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>The support of bi-communal projects and the contribution to the development of an atmosphere of mutual confidence and respect between the Greek and Turkish Cypriot communities under the bi-communal Nicosia Master Plan.</td>
<td>• increased interest in bi-communal co-operation by public entities in both communities • increased awareness by the general public in both communities of the Nicosia Master Plan and bi-communal co-operation</td>
<td>• reports produced by the NMP on awareness and publicity campaigns</td>
<td>• political environment conducive to the development of bi-communal activities • cooperation between Greek Cypriots and Turkish Cypriots in the implementation of such projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Immediate Objectives</th>
<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective 1: To bring the members of the Greek and Turkish Cypriot communities, to work jointly in the preparation and implementation of bi-communal projects.</td>
<td>• development of a complementary project work plan • exchange of information on the experiences gained during the development and the implementation of the various activities • joint review of the progress of the implementation of the various activities and adjust to the changing needs of the city and of the areas under rehabilitation</td>
<td>• report produced by the NMP on the various activities</td>
<td>• political environment conducive to the development of bi-communal activities • cooperation between Greek Cypriots and Turkish Cypriots in the implementation of such projects</td>
</tr>
<tr>
<td>Objective 2: To support the rehabilitation of the</td>
<td>• rehabilitation activities in the walled</td>
<td>• number of rehabilitation activities</td>
<td>• rehabilitation activities are subject to</td>
</tr>
</tbody>
</table>
### Walled City of Nicosia and the conservation of its architectural and cultural heritage, according to the policies and provisions of the bi-communal Nicosia Master Plan.

- city
  - private investment for either rehabilitation activities or business development
  - establishment of specific rehabilitation policies
  - to prepare the city for a post-settlement period

- within the walled city
  - number of private investment and their amount
  - report produced by the teams involved for the implementation of the project

- a conducive legislative and regulatory environment, as well as the evolution in the cost of borrowing

### Objective 3:
To sensitize Nicosia residents to conservation issues and the importance of their shared heritage and to mobilize them towards these goals.

- private investment funding conservation of architectural valued or historic buildings
- maintenance of existing buildings

- pamphlet and seminars concerning conservation issues
- publicity campaigns to describe the project and to instill interest in the project
- reports of the teams involved for the implementation of the project

- cooperation of the teams involved for the implementation of the project

### Objective 4:
To improve the living environment of the residents of Nicosia neighborhoods. It will include firstly the continuation and expansion of previously approved activities (around the Omeriye and near the Selimiye Mosque, formerly the Saint-Sophia cathedral) and secondly the rehabilitation of two other neighborhoods (Phaneromeni and Samanbahce)

- improvement of infrastructure
- maintaining existing historic buildings
- upgrading the surroundings
- establishment of street furniture
- creating open spaces

- measurable improvements, such as number of restored buildings, creation or improvement of public facilities, improvement of the shopping and/or community environment

- quantifying the indicators through field visits
- reports of the teams involved for the implementation of the project

- cooperation of the teams involved for the implementation of the project
<table>
<thead>
<tr>
<th>Outputs related to Objective 1:</th>
<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• parallel development and implementation of rehabilitation activities</td>
<td>• exchange of documents related to the planning and execution of the various activities</td>
<td>• report produced by the NMP on the various activities</td>
<td>• political environment conducive to the development of bi-communal activities</td>
</tr>
<tr>
<td>• exchange of experience between the Greek Cypriot and Turkish Cypriot members of the Nicosia Master Plan team</td>
<td>• exchange of reports, methodologies and documentation related to the specific experience gained during the development and implementation of the project. Could include conservation techniques, incentives programme, awareness campaigns, selection criteria, etc.</td>
<td></td>
<td>• cooperation between Greek Cypriots and Turkish Cypriots in the implementation of such projects</td>
</tr>
<tr>
<td>• meetings between the Greek Cypriot and Turkish Cypriot members</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outputs related to Objective 2: in Selimiye</th>
<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• facades of high architectural interest will be restored</td>
<td>• tangible results in the achievement of proposed activities</td>
<td>• number of restoration activities within the walled city</td>
<td>• rehabilitation activities are subject to a conducive legislative and regulatory environment, as well as the evolution in the cost of borrowing</td>
</tr>
<tr>
<td>• streets will be pedestrianised</td>
<td></td>
<td>• number of private investment and their amount</td>
<td></td>
</tr>
<tr>
<td>• the area around two very significant architectural monuments will be upgraded hence attracting more visitors, activities and investment</td>
<td></td>
<td>• report produced by the teams involved for the implementation of the project</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outputs related to Objective 2: in Omeriye</th>
<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• buildings and monuments will be restored (as appropriate)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• improvement of shopping and community facilities (as appropriate)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• an open space area will be created.

**Outputs related to Objective 3:**

| • inhabitants of the old city will come to realise the value both aesthetic and economic of their neighborhood | • increased interest of the local residents in the restoration and/or conservation of protected heritage that are privately owned | • pamphlet and seminars concerning conservation issues
• reports of the teams involved for the implementation of the project | • cooperation of the teams involved for the implementation of the project

**Outputs related to Objective 4:**

| • upgrading the living environment by the provision of repaved and pedestrianised streets and of community facility. | • increased activities in the selected neighborhoods, whether residential or commercial | • quantifying the indicators through field visits
• reports of the teams involved for the implementation of the project | • cooperation of the teams involved for the implementation of the project

• attracting investment from the business community
• attracting new young families with children
**SUMMARY DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT**

**Title:** Rehabilitation of Nicosia

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>J</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>C</td>
</tr>
</tbody>
</table>

- **C** = Contracting
- **I** = Implementation
- **X** = Closure

Title: Rehabilitation of Nicosia
CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE
OF EU FUNDING
Title: Rehabilitation of Nicosia

All figures in million Euro

<table>
<thead>
<tr>
<th></th>
<th>31/12/2001</th>
<th>31/03/2002</th>
<th>30/06/2002</th>
<th>30/09/2002</th>
<th>31/12/2002</th>
<th>31/03/2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTED</td>
<td>3,3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DISBURSED</td>
<td>0.2</td>
<td>1</td>
<td>1.8</td>
<td>2.6</td>
<td>3,3</td>
<td>3,3</td>
</tr>
</tbody>
</table>