2002
SUMMARY PROJECT FICHE

1. BASIC INFORMATION

1.1 Désirée Number:

1.2 Title: Business Support Project

1.3 Sector: Bi-communal projects

1.4 Location: Cyprus / Nicosia

2. OBJECTIVES

2.1 Overall Objective(s):

The objective of supporting bi-communal projects is to contribute to the economic and social development of Cyprus as a whole, and to foster an atmosphere of relationship building where dialogue and trust are developed between the Greek Cypriots and Turkish Cypriots communities.

2.2 Project Purpose:

The Business Support Project will promote the strengthening of small and medium sized enterprises by providing a variety of services to them. This shall be implemented in conjunction with the Greek Chamber of Commerce and the Turkish Chamber of Commerce.

3. DESCRIPTION

3.1 Background and justification:

For over three decades, the situation in Cyprus has been unsettled. This has led to mutual distrust and misunderstanding between the Greek Cypriots and the Turkish Cypriots. There has been minimal communication and contact between them. This vacuum of a proper functioning relationship has bred uncertainty and a very politicised environment. Bi-communal contacts are necessary in order to build an environment where communication and then trust can be fostered and developed.

After the Helsinki Decision in 1999, an agreement was made to restart EU-funded bi-communal activities. It was conditional on the neutrality of the implementing agency. Thus far, the United Nations Development Programme has been accepted by both sides as a neutral agency and has been involved otherwise since 1998 in bi-communal activities.

The economic situation differs dramatically in the Greek Cypriot community from the Turkish Cypriot community.
The Greek Cypriot economy focuses heavily on tourism with all of its related services, financial services and manufacturing. There is a shortage of labour, which has led to a situation where labour is imported. The Turkish Cypriots face an economic situation where the de-evaluation of the Turkish Lira has led to a severe drop in their purchasing power. Their economy is closed and options for development under these circumstances are limited.

Companies in both Greek Cypriot communities and Turkish Cypriot communities face similar problems in the development of their businesses. All need more information about markets and how to access them. Businesses need consulting advice on how to develop their businesses and their services. Specialised courses on marketing, human resources, negotiating skills, are topics that are of interest to Greek Cypriot and the Turkish Cypriot entrepreneurs.

3.2 Linked activities:

The European Union has financed related projects. They include the Euro Info Correspondence Center, the Business Co-operation Center, and the Business Co-operation Network. Specific synergies with the Euro Info Center will be discussed at a later stage.

3.3 Results:

1. A number of Greek Cypriot and Turkish Cypriot entrepreneurs will have been trained by specialised consultants on market research techniques (information gathering, strategy drafting, strategy implementation...).

2. Following a series of targeted training courses, a number of entrepreneurs of both communities will have been trained on business development topics selected according to the skills and needs of participants (this includes the drafting of business plans).

3. A number of small-scale business development projects (identified during the previous phases) sponsored (grants).

4. A number of regular meetings concerning exchange of best practices and information between Greek Cypriot and Turkish Cypriot entrepreneurs and chambers of commerce will have taken place. Existence of a bi-communal directory of SMEs per fields of activities.

3.4 Activities:

- Activities related to Result 1:
  - Consultants will assist entrepreneurs or managers on how to gather information about markets;
  - Consultants will assist entrepreneurs or managers on how to develop and implement strategies for finding new markets.
Activities related to Result 2:

- To make a training need assessment to identify the most adequate topics for the business seminars in both communities;
- Production of promotion materials;
- Business development training courses

Activities related to Result 3:

- On the basis of the training and consultancy activities, explore further the size and conditions for the grants which will be most appropriate based on the local situation;
- Prepare guidelines for the utilisation of the business development scheme;
- Train the relevant partners on their roles and responsibilities;
- Implement the business development scheme;
- Review the utilisation of funds on a regular basis.

Activities related to Result 4:

- Organise mechanisms for the exchange of experience between the Greek Cypriots and the Turkish Cypriots;
- Plan and implement the regular meetings between the two communities;
- Develop strategies for follow-up of the project in the Greek Cypriot and Turkish Cypriot communities;
- Monitor progress of the project;
- Draft and edit a bi-communal directory of Cypriot SMEs participating in the project;

4. **INSTITUTIONAL FRAMEWORK:** N/A

5. **DETAILED BUDGET**

<table>
<thead>
<tr>
<th>EU Support</th>
<th>Total EU (I+IB)</th>
<th>National Co-financing*</th>
<th>IFI*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institution Building</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract 1</td>
<td>1.5</td>
<td>1.5</td>
<td></td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Indicative Breakdown</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TA, training, parallel development</td>
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<tr>
<td>Tailored business development support (grants)</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>1.5</td>
<td>1.5</td>
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<td>1.5</td>
</tr>
</tbody>
</table>

*In cases of co-financing only

Note: expenditure for equipment should be put under Investment
6. IMPLEMENTATION ARRANGEMENTS

6.1 Implementing Agency:

The implementing agency will be the United Nations Development Programme (UNDP). UNDP will establish the appropriate implementation structure for the 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 Start of tendering/call for proposals: 3rd quarter 2002

7.2 Start of project activity: 4th quarter 2002

7.3 Project Completion: 4th quarter 2004

8. EQUAL OPPORTUNITY

UNDP is an equal opportunity employer and will focus on issues related to equal opportunities.

9. ENVIRONMENT: N/A

10. RATES OF RETURN: N/A

11. INVESTMENT CRITERIA: N/A

12. CONDITIONALITY AND SEQUENCING

Each component of the project adopts a logical approach to design and implementation.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory)

2. Detailed implementation chart (compulsory)

3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
## LOGFRAME PLANNING MATRIX FOR BUSINESS SUPPORT PROJECT

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Indicators of Achievement*</th>
<th>How, when and by whom Indicators will be measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
</table>
| **Wider Objective(s)** | • Increased interest in bi-communal co-operation by firms in both communities  
• Increased awareness by the business communities of the BUSINESS SUPPORT Project and bi-communal co-operation | • Reports produced by the BUSINESS SUPPORT Project  
• Interviews with the relevant stakeholders | |
| **Immediate Objective (Purpose)** | • To promote the strengthening of SMEs by providing them with a variety of services. | | |
| **Results** | • Increased capacity to find new markets  
• Increased capacity to make links with new markets | • Reports from the relevant stakeholders  
• SME surveys  
• BUSINESS SUPPORT Project reports | • Co-operation from the relevant Chambers of Commerce. |
| **Result 1:**
Business people will be trained in how to gather information, research new markets and then implement strategies to get new markets for their products | | | |
| **Result 2:**
Business People will be trained on a variety of topics (for example, computer courses, internet searches, marketing, accounting, customer service, negotiating skills, time management, business plan) | • Trained Business people utilise skills in their companies  
• Participants feedback forms | • Reports from the relevant stakeholders  
• SME surveys  
• BUSINESS SUPPORT Project reports | • Co-operation from the relevant Chambers of Commerce. |

*Indicators of Achievement*:

- Indicators will be measured by reporting on the progress of the project and through interviews with stakeholders.

**Assumptions and Risks**:

- Assumptions: The project will succeed if key stakeholders support the goals and objectives.
- Risks: The project may face challenges in terms of funding, implementation, and stakeholder commitment.
### Result 3:
SMEs will be given grants to support their development and expansion.

- SMEs utilize funds to develop and expand business
- SMEs are more competitive

**Indicators of Achievement:**
- Interviews with the Business people
- BUSINESS SUPPORT Project reports

**Assumptions and Risks:**
- Co-operation from the relevant Chambers of Commerce.

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### Result 4
Parallel development and implementation of project activities
Exchange of experience between the Greek Cypriots and Turkish Cypriots
Meetings between the Greek Cypriots and Turkish Cypriots
Existence of a bi-communal directory of SMEs participating in the project.

- Exchange of documents related to the planning and implementation of project activities
- Exchange of reports, methodologies and documentation related to the specific experience gained during the development and implementation of the project
- Existence and availability of the directory to all participants

**Indicators of Achievement:**
- BUSINESS SUPPORT Project reports
- Site visits to relevant partners

**Assumptions and Risks:**
- Political environment conducive to the development of bi-communal activities
- Co-operation between Greek Cypriots and Turkish Cypriots in the implementation of such projects

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<table>
<thead>
<tr>
<th>Activities related to Result 1:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants assist entrepreneurs or managers of companies on how to gather information about markets</td>
</tr>
<tr>
<td>Consultants assist entrepreneurs or managers of companies on how to develop and implement strategies for finding new markets</td>
</tr>
</tbody>
</table>

**Indicators of Achievement:**
- Business people have found new markets for their businesses
- Businesses are satisfied with the level of assistance

**How, when and by whom Indicators will be measured:**
- Interviews with the Business people
- BUSINESS SUPPORT Project reports

**Assumptions and Risks:**
- Co-operation from the relevant Chambers of Commerce.
<table>
<thead>
<tr>
<th>Activities related to Result 2:</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>• Training need assessment for business seminars</td>
<td>• Businesses are satisfied with the level of training programs</td>
<td>• Interviews with the Business people</td>
<td>• Co-operation from the relevant Chambers of Commerce.</td>
</tr>
<tr>
<td>• Production of promotion materials</td>
<td>• Businesses are able to utilize the information transferred during the training</td>
<td>• BUSINESS SUPPORT Project reports</td>
<td></td>
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<tr>
<td>• Business Courses</td>
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</tr>
<tr>
<td></td>
<td>• Interviews with the Business people</td>
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</tr>
<tr>
<td></td>
<td>• BUSINESS SUPPORT Project reports</td>
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</tbody>
</table>

* Must be **quantified** and **measurable**
## THE IMPLEMENTATION CHART FOR BUSINESS PROJECT NUMBER ...

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<tbody>
<tr>
<td></td>
<td>J F</td>
<td>M A</td>
<td>M J</td>
</tr>
<tr>
<td></td>
<td>J J</td>
<td>A S</td>
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<tr>
<td></td>
<td>A S</td>
<td>O N</td>
<td>D</td>
</tr>
</tbody>
</table>

- C = CONTRACTING
- I = IMPLEMENTING
- X = CLOSURE
## Annex 3 of the Project Fiche

### BUSINESS SUPPORT PROJECT; Project Fiche No. …

### CONTRACTING AND DISBURSEMENT SCHEDULE (MEUR)

<table>
<thead>
<tr>
<th>Date</th>
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<tr>
<td>31/12/2002</td>
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<td>31/03/2003</td>
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<td>30/06/2003</td>
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<td>30/09/2003</td>
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<tr>
<td>31/12/2004</td>
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</tbody>
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**Note:**
1. All contracting should normally be completed within 6-12 months and must be completed within 24 months from signature of FM.
2. All disbursements must be completed within 36 months of signature of the FM.