2002
SUMMARY PROJECT FICHE

1. **BASIC INFORMATION**

1.1 *Désirée Number:*

1.2 *Title: Rehabilitation of Nicosia – Phase 3*

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 economic and social development; to foster an atmosphere of relationship-building where dialogue and trust are developed between the Greek Cypriots) and Turkish Cypriots.

2.2 *Immediate Objectives:*

1. To bring the Greek Cypriots and Turkish Cypriots, to work jointly in the preparation and implementation of bi-communal projects.

2. To support the rehabilitation and revitalisation 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.

3. To sensitise Nicosia residents to conservation and revitalisation issues.

4. To improve the living environment of the residents of Nicosia neighbourhoods.

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1 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, Commissioner Verheugen obtained the agreement of both sides to restart EU-funded bi-communal activities. The agreement was conditional on the neutrality of the implementing agency. As mentioned above, UNDP (United Nations Development Programme) is accepted by both sides as a neutral 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 (NMP) was formulated at the request of both communities with UNDP and UNCHS (HABITAT) support. 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 NMP, the proposed actions constitute the continuation of earlier support.

The Nicosia Master Plan’s urban rehabilitation schemes in the Walled City had very positive results. In the Greek Cypriot community, favourable 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 neighbourhoods. Several projects within the Nicosia Master Plan have been implemented over the years since its inception in 1984:

- 1984 - The EU funded two parallel projects in both parts of Nicosia, namely the Pedestrianisation of Ledras and Onasagarou streets in the GCC and the Improvement of the Kyrenia Avenue and Surrounds in the TCC. Both projects cost about MECU 2.5.
From 1987 to the end of 1997, the UNHCR executed USAID-funded Bi-communal Humanitarian Programme, which supported 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 to the tune of approximately MUSD 10.

The UNDP/USAID-funded and UNOPS-executed Bi-communal Development Programme, which took over the UNHCR Programme in 1998, has been funding the Chrysaliniotissa and Arab Ahmet area projects and other smaller, but significant projects, to the tune of approximately MUSD 3.5.

2001 – UNDP/EU funded Phase I for the Rehabilitation of Omeriye and Selimiye area and UNOPS is executing the programme (the programme is under implementation).

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 UNOPS executed 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 situation.

*This proposed third phase for the rehabilitation of Nicosia, on works carried out with EU assistance, will include the revitalisation of the Municipal Market in the Selimiye area and will continue, if necessary, the intervention in the neighborhoods of Omeriye and/or Phaneromeni areas.*

### 3.2 Linked activities:

All rehabilitation activities are being carried out under the Nicosia Master Plan umbrella, which guarantees the co-ordination and complementarities of the support provided from other donors. There are various projects funded by various organisations under the umbrella of the Nicosia Master Plan. They are listed hereafter:

- **UNDP/EU-funded and UNOPS-executed programme**
  - Rehabilitation of Omeriye and Selimiye areas.

- **UNDP/USAID funded UNOPS executed programme**
  - Area schemes in Arab Ahmet and Chrysaliniotissa;
  - Sanitary intervention in the Pedieous river.

- **Other funded projects**
  - Pedestrianisation of part of Selimiye area;
  - Upgrading of the court buildings.

- **Locally funded projects**
  - Various small restoration and upgrading activities, such as the Venetian House and the Eaved House.
3.3 **Results:**

- **Results related to Objective 1:**
  - 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.

- **Results related to Objective 2:**
  - rehabilitation activities in the walled city, in particular:
    - in the Selimiye area, where the Market will be rehabilitated according to the needs;
    - in Omeriye and Phaneromeni: Completion (if necessary) of some activities foreseen in Phase 1 and Phase 2;
    - rehabilitation of road access in both sides if the green line.

- **Results related to Objective 3:**
  - private investment funding for the conservation of architectural valued or historic buildings in accordance with the framework defined for the restoration of the protected heritage;
  - maintenance of existing buildings by private owners;
  - private investments funding business and commercial activities in the project areas.

- **Results related to Objective 4:**
  Upgrading the living environment by various measures that would include:
  - rehabilitation of the Municipal Market in the Selimye area;
  - completion and/or expansion of some activities foreseen in Phase 1 and Phase 2 in Omeriye and Phaneromeni;
  - upgrading of the areas in order to attract more visitors, activities and investments (private and public).

3.4 **Activities:**

- **Activities to meet Objective 1:**
  - Greek Cypriot and Turkish Cypriot technicians will meet on a regular basis in order to follow-up the activities, exchange information and techniques.

- **Activities to meet Objective 2:**
  - The improvement of the various areas will be achieved through a combination of activities. These activities will include, besides the improvement of the infrastructure, the restoration of the Municipal Market and the expansion of activities in the Phanaromeni and/or Omeriye;
  - The programme will organise the selection of the specific interventions (and their design) and will tender and supervise the works.
Activities to meet Objective 3:
- Awareness campaigns will be organised throughout the old city of Nicosia;
- Technical seminars will be held in order to sensitisise and explain the various aspects of restoration activities;
- Involvement of civil society organisations will be encouraged.

Activities 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 neighbourhoods;
- Local incentives could be provided to multiply the investments made under this grant, thus providing sustainability in the revitalisation of Nicosia neighbourhoods.

4. INSTITUTIONAL FRAMEWORK

The Nicosia Master Plan team is composed of technicians from various departments under the leadership of the teams of the two communities involved in the project.

Implementation will be undertaken by sub-contractors and supervised by the NMP teams.

5. DETAILED BUDGET (Mio Euro)

<table>
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<th>Component</th>
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<th>Total EU financing</th>
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<td>Equipment/Services</td>
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<td>Implementation of works</td>
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(a) Selimiye area – Rehabilitation of the Market – Stage 1: MEURO 0.6
Omeriye and/or Phaneromeni areas (if necessary): MEURO 0.1
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 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

Preliminary activities 4th quarter 2002
(to be carried out in overlap with the ongoing project)

7.1 Socio-economic and urban studies
Start of the project design 1st quarter 2003

7.2 Start of tendering 2nd quarter 2003

7.3 Start of project activities 3rd quarter 2003

7.4 Project completion 3rd quarter 2004

7.5 Final acceptance 3rd quarter 2005

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.
**LOGFRAME PLANNING MATRIX**

**Rehabilitation of Nicosia – Phase 3**

<table>
<thead>
<tr>
<th>Project Number:</th>
<th>Total Budget: 1.0 million EURO</th>
<th>EU contribution: 1.0 million EURO</th>
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</table>

**Wider Objective(s)**

To contribute to the economic and social development; to foster an atmosphere of relationship building where dialogue and trust are developed between the Greek Cypriot (GCC) and Turkish Cypriot (TCC) communities.

- Increased interest in bi-communal co-operation in both communities
- Increased awareness by the general public in both communities of the Nicosia Master Plan and bi-communal co-operation
- Reports produced by the NMP on awareness and publicity campaigns
- Political environment conducive to the development of bi-communal activities
- Co-operation between Greek and Turkish Cypriots in the implementation of such projects

**Assumptions and Risks**

**Immediate Objectives**

**Objective 1:** To bring Greek Cypriots and Turkish Cypriots to work jointly in the preparation and implementation of bi-communal projects.

- 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
- Reports produced by the NMP on the various activities
- Political environment conducive to the development of bi-communal activities
- Co-operation between Greek and Turkish Cypriots in the implementation of such projects

**Objective 2:** To support the rehabilitation and revitalisation 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.

- Rehabilitation activities in the walled city in particular in the four neighborhoods already under implementation
- Private investment for rehabilitation activities or business development
- To prepare the city for a post-settlement period
- Number of rehabilitation activities within the walled city
- Number of private investment in the project areas
- Reports produced by the two teams
- Rehabilitation activities are subject to a conducive legislative and regulatory environment, as well as the evolution in the cost of borrowing
<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>
</table>
| **Objective 3:** To sensitise Nicosia residents to conservation and revitalisation issues | • private investment funding conservation of architectural valued or historic buildings  
• maintenance of existing buildings  
• private investments funding business and commercial activities in the project areas  
• private investments funding social and recreational activities in the project areas | • pamphlet and seminars concerning conservation issues  
• publicity campaigns to describe the project and to instill interest in the project  
• reports of the relevant authorities |                                                                                          |
| **Objective 4:** To improve the living environment of the residents of Nicosia neighbourhoods. | • measurable improvements, such as number of restored buildings, creation or improvement of public facilities, improvement of the shopping and/or community environment  
• increase of commercial and business activities in the Market area  
• increase of social activities in the project areas | • quantifying the indicators through field visits  
• reports of the relevant authorities | • awareness campaigns, to be carried out before the start up of the rehabilitation works  
• the authorities has already made the necessary arrangements for temporarily relocate the marketers before the start up of the project  
• the marketers will be relocated before the construction activities will commence |
| **Results**                                                                            | **Indicators of Achievement**                                                                 | **How, when and by whom indicators will be measured**                                     | **Assumptions and Risks**                                                               |
| **Results related to Objective 1:**                                                    | • exchange of documents related to the planning and execution of the various activities  
• 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, etc. | • report produced by the NMP on the various activities | • political environment conducive to the development of bi-communal activities  
• cooperation between Greek Cypriots and Turkish Cypriots in the implementation of such projects |
Results related to Objective 2:

- in Omeriye and Phaneromeni Completion (if necessary) of some activities foreseen in Phase 1 and Phase 2
- in Selimiye area Municipal Market (Stage 1) will be rehabilitated
- Rehabilitation road access both sides green line

- tangible results in the achievement of proposed activities
- number of private restoration activities within the area
- number of private investment (commercial and business) and their amount in the area
- rehabilitation activities are subject to a conducive environment, as well as the evolution in the cost of borrowing

Results related to Objective 3:

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

- increased interest of the local residents in the restoration and/or conservation of protected heritage (houses, shops, etc) that are privately owned
- pamphlet and seminars concerning conservation issues
- reports of the relevant authorities

Results related to Objective 4:

- upgrading the living environment by improving the neighborhoods and the social facilities
- improving the neighborhoods in order to attract investment in commercial activities
- developing of new business activities

- increased commercial, business and social in the selected neighborhoods
- increased visits to the neighborhood
- quantifying the indicators through field visits
- reports of the relevant authorities
- local incentives
- the results of the socio economic study will be taken into consideration

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- Improvement of the infrastructure, the restoration of the Municipal Market and the expansion of activities in the Phanaromeni and/or Omertiye  
- The programme will organise the selection of the specific interventions (and their design) and will tender and supervise the works | | | |
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| To meet Objective 4:  
- Promotional campaigns could be organised to demonstrate the achievements on improving the environment of these neighbourhoods  
- Local incentives could be provided to multiply the investments made under this grant | | | |
### SUMMARY DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT

**Title: Rehabilitation of Nicosia – Phase 3**

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<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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* = Starting point subject to signing the Contract between UNDP and EU

** = Mission for monitoring the final acceptance of the Construction Works

P = Preliminary activities (TO BE CARRIED OUT IN OVERLAPPING WITH THE OTHER PROJECT UNDER IMPLEMENTATION)

S = Socio-economic and urban studies – Awareness campaign

D = Design and preparation of the Tender Dossier

T = Launching of the Tender – Tender period - Evaluation and Selection of the Contractor

I = Implementation

X = Closure
### CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE OF EU FUNDING

**Title: Rehabilitation of Nicosia – Phase 3**

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<thead>
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All figures in million Euro

* Defect liability period expires – Monitoring the final acceptance and the release of the guarantee to the Contractor