2002
SUMMARY PROJECT FICHE

1. BASIC INFORMATION

1.1. Title: Small Project Fund
1.2. Sector: Bi-communal projects
1.3. Location: Cyprus

2. OBJECTIVES

2.1. Overall Objective

The objective of this bi-communal project is to contribute to the economic and social development on the entire island of Cyprus; to promote a conducive environment for the further development of trust, dialogue, co-operation and, in general, closer relations between the Greek Cypriots (G/C) and the Turkish Cypriot (T/C) communities.

2.2. Immediate Objectives

2.2.1 To bring together Greek Cypriots and Turkish Cypriots to work jointly in the preparation and implementation of joint, parallel or mutually beneficial projects.

2.2.2 To raise and approximate the level of the two de facto separated economies in the economic and social and environment sphere in view of facilitating the solution of the Cyprus problem.

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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

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.

In addition to the political uncertainty, it should also be stressed that the economic situation differs dramatically in the Greek Cypriot community and the Turkish Cypriot community. Whereas the G/C economy is more prosperous, the T/C community is facing challenges.

Having in mind these two compounding elements and the intensified preparation for accession of Cyprus to the European Union (EU), the envisaged grant scheme will be available for a variety of sectors and recipients that are targeting both the improvement of mutual contacts and enhanced co-operation between the members of the two communities and the approximation of the two communities in the economic and social sphere.

The sectors to be addressed with this grant scheme concern environmental issues, health and health and safety at work, as well as reinforcement of and rapprochement between professional bodies and groups of both communities. These areas of intervention have been pre-identified as the ones to be addressed best within a grant scheme that bears a bi-communal approach.

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 (UNDP), through the UNOPS acting as executing agency, has been accepted by both sides as a neutral agency and has been involved otherwise since 1998 in activities aiming at supporting both communities.

The establishment of a flexible mechanism to fund small projects, entrusted to a neutral implementing agency, UNDP/UNOPS, with a proven track record in Cyprus, will enable to take advantage of opportunities as they arise in consultation with the Delegation of the European Commission and both communities.

Projects will be implemented through various means as best appropriate for each project, such as professional organisations, NGOs, direct implementation by UNDP/UNOPS and, exceptionally, private firms (after a tender process respecting UNDP/UNOPS rule and regulations governing procurement of services, works or equipment that are consistent with the EU-UN framework agreement).
As indicated, projects could be implemented in various sectors and could possibly include, for example, seminars related to EU issues for professionals of both communities, promoting workplace safety, addressing environmental issues on the island. Efforts will be made for the selected activities to fall within the EU accession priority areas. A set of selection criteria will be established at the outset of the project in order to provide a clear and transparent framework for activity application and selection. It is expected that all activities to be funded under this project will be selected within twelve months after the start of the project in order to provide sufficient time for activity implementation. Based on UNDP/UNOPS experience in Cyprus, the average size of the selected activities would be EURO 100,000. Nevertheless, smaller grants can also be selected for activities and small-scale projects, depending on the necessities of the two communities.

In the event that the total amount allocated for this project is not earmarked for specific activities twelve months after the signature of the agreement between the European Commission and UNDP, UNDP/UNOPS will define activities to be implemented after consultation with the Delegation of the European Commission for the remainder of the funding available.

3.2 **Linked activities**

There are various projects or programmes currently being funded with similar aims. The main ones are:

- European Movement Civil Society Development Programme - EU grant
- UNDP Project: Rehabilitation of Old Nicosia (Nicosia Master Plan) - EU grant
- UNDP Bi-communal Development Programme; (UNDP funded with USAID cost sharing)
- Fulbright Commission scholarship Programme and bi-communal activities (mainly in the field of training and education);
- US Embassy Bi-communal Support Programme;

3.3 **Results**

**Objective 1:** To facilitate contacts between Greek Cypriots and Turkish Cypriots communities, to work jointly in the preparation and implementation of joint, parallel or mutually beneficial projects.

**Results:**

- Either joint, parallel or mutually beneficial activities elaborated and implemented;
- Exchange of experience between the Greek Cypriots and Turkish Cypriots involved or interested in implemented activities;
- Regular meetings between the Greek Cypriots and Turkish Cypriots have taken place.
**Objective 2:** To raise and approximate the level of the two de facto separated economies in the economic, environment and social sphere, in view to facilitate the solution of the Cyprus problem.

**Results:**
- Improved level of economic and social standards;
- Approximated level of the economic and social situation in the two communities;
- Increased awareness of matters related to EU rule and regulations.

**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:**
- Development of strategies for implementation of the project in the G/C and the T/C communities;
- Monitor progress of the project;
- Organise mechanisms for the exchange of experience between G/C and T/C Cypriots.

**To meet Objective 2:**

Within the to be selected small-size grant project, they can include:
- Strengthen professional bodies and train professionals in both communities;
- Raise awareness on matters related to EU rules and regulations in both communities;
- Introduce or strengthen EU/internationally acceptable standards of health and safety at work in both communities;
- Implement projects that address environmental concerns.

**4. INSTITUTIONAL FRAMEWORK**

Not applicable.
5. **BUDGET** (€ million)

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution Building</th>
<th>Total EU financing ((=I+IB))</th>
<th>National co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td>1.1</td>
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</tbody>
</table>

6. **IMPLEMENTATION ARRANGEMENTS**

The implementing agency will be the United Nations Development Programme (UNDP). UNDP, through UNOPS acting as executing agency, will establish the appropriate identifiable implementation structure for this project. The implementation arrangements will be specifically designed to take into account the particular political conditions in Cyprus. UNDP/UNOPS 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.

With regard to the mechanism for selection of the proposed activities and projects for the grant scheme, UNDP/UNOPS will be responsible for the selection after consulting representatives of both Turkish and Greek Communities and the European Commission.

UNDP/UNOPS will follow UNOPS rules and regulation covering procurement of services, works or equipment that are consistent with the EU-UN Framework Agreement, as well as its other provisions.
7. **IMPLEMENTATION SCHEDULE**

7.1. *Project Start:* 3rd quarter 2002

7.2. *End of Project Selection:* 2nd quarter 2003

7.3. *Project completion:* 4th quarter 2004

8. **EQUAL OPPORTUNITY**

UNDP/UNOPS is an impartial and neutral UN entity.

9. **CONDITIONALITY AND SEQUENCING**

Each component of the project adopts a logical approach to design and implementation.
## LOGFRAME PLANNING MATRIX
### Small Project Fund

<table>
<thead>
<tr>
<th>Project Number:</th>
<th>Total Budget: 1.1 EURO</th>
<th>EU contribution: 1.1 EURO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting period expires: 31/12/2003</td>
<td>Disbursement period expires: 31/12/2004</td>
<td></td>
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</tbody>
</table>

### Wider Objectives
- **To promote a conducive environment for the further development of trust, dialogue, cooperation and in general closer relations between the Greek-Cypriots (G/C) and the Turkish-Cypriots (T/C) communities**
  - increased interest in bi-communal cooperation by public entities in both communities
  - increased awareness by the general public in both communities of bi-communal cooperation
  - reports produced by the implementers of the activities selected under this project
  - political environment conducive to the development of bi-communal activities
  - cooperation between Greek Cypriots and Turkish Cypriots in the implementation of such projects

### Immediate Objectives

#### Objective 1:
- **To bring together members of the Greek Cypriot and Turkish Cypriot communities, to work jointly in the preparation and implementation of joint, parallel or mutually beneficial projects.**
  - development of a complementary or parallel project work plan
  - joint review of the progress of the implementation of the various activities if either implemented jointly or in parallel.
  - report produced by the implementers 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

#### Objective 2:
- **To raise and approximate the level of the two de facto economies in the economic, social and environmental sphere in view of facilitating the solution of the Cyprus problem.**
  - establishment of clear application modalities
  - establishment of clear and transparent selection modalities
  - number of applications received by the project
  - number of different sectors of activities
  - geographical spread of the activities
  - average size of activities
  - report produced by the relevant authorities
  - ability for UNDP to set application, selection and implementation without undue interference
<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>• development and implementation of either joint, parallel or mutually beneficial activities</td>
<td>• exchange of documents related to the planning and execution of the various activities</td>
<td>• report produced by the implementers on the various activities</td>
<td>• political environment conducive to the development of bi-communal activities</td>
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<tr>
<td>• exchange of experience between the Greek Cypriots and Turkish Cypriots involved or interested in implemented activities</td>
<td>• exchange of reports, methodologies and documentation related to the specific experience gained during the development and implementation of the project.</td>
<td></td>
<td>• cooperation between Greek Cypriots and Turkish Cypriots in the implementation of such projects</td>
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<tr>
<td>• meetings between the Greek Cypriots and Turkish Cypriots</td>
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<td>• exchange of documents related to the planning and execution of the various activities</td>
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<td>• exchange of reports, methodologies and documentation related to the specific experience gained during the development and implementation of the project.</td>
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<td>Outputs related to Objective 2:</td>
<td>tangible results in the achievement of proposed activities</td>
<td>number of different sectors of activities</td>
<td>ability for UNDP to implement and supervise activities without undue interference</td>
</tr>
<tr>
<td>• improved level of economic, social and environmental standards</td>
<td>• establishment of quick, flexible and transparent project selection and funding mechanism</td>
<td>• geographical spread of the activities</td>
<td></td>
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<tr>
<td>• approximated level of the economic social and environmental situation in the two communities</td>
<td>• implementation of a variety of projects in multiple sectors</td>
<td>• average size of activities</td>
<td></td>
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<td>• increased awareness of EU accession matters and the Acquis</td>
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<td>• report produced by the relevant authorities</td>
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<td></td>
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<td>• UNDP supervision reports</td>
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## SUMMARY DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT

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<th>COMPONENT</th>
<th>2002</th>
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<tbody>
<tr>
<td>C</td>
<td>C</td>
<td>C</td>
<td>I</td>
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C=Contracting  
I=Implementation  
X= Closure
CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE
OF EU FUNDING

Title: Grant Scheme

All figures in million Euro

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