1. **BASIC INFORMATION**

   **1.1 CRIS Number:** 2003/004-643. Project 8

   **1.2 Title:** Business Support Project Phase II

   **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 Cypriot and Turkish Cypriot communities.

   **2.2 Project Purpose:**

   The Business Support Project Phase II will promote the strengthening of small and medium sized enterprises by providing a variety of services to them.

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.

   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.
The physical separation between the two business communities has also been an important negative factor reducing number of contacts. The opening of the Green Line has led to positive results as regards the growth of intra-island trade but this has been limited also due to the few crossing points.
3.2 **Linked activities:**

The present project is the follow up / Phase II of the bi-communal project Business Support 2002.

3.3 **Results:**

1. Co-operation arrangements established between the Cyprus Chamber of Commerce and Industry (CCCI), and the Turkish Cypriot Chamber of Commerce (TCCC).

2. Following a series of targeted training courses, a number of entrepreneurs of both communities will have been trained on the Acquis Communautaire, and business development topics will have been selected according to the skills and needs of participants.

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

4. **Actions aimed at eliminating physical and inter-cultural barriers and obstacles to trade will be supported.**

3.4 **Activities:**

- **Activities related to Result 1:**
  - Define all the necessary logistical support that the two Chambers of Commerce will provide for the implementation of this project;
  - Organise a launching workshop to take stock of phase I and to further identify priority areas of common interest;
  - Strengthen co-operation and networking mechanisms between the two Chambers of Commerce;
  - A mid-term workshop organised to review the implementation of the project activities.

- **Activities related to Result 2:**
  - To make a training need assessment to identify the most adequate topics for the business seminars in both communities (taking stock of phase I of the project);
  - Identify trainers, research and business support institutions for the development of training modules when appropriate. The training will rely largely on expertise available in or through the Commission services for the Acquis component and in the Member States and Cyprus for the business issues.
  - Organise training and awareness seminars/workshops on the subjects highlighted by the project beneficiaries as priority areas where technical assistance is required. Particular emphasis will be put on:
    - “Acquis-Communautaire”- related issues on SMEs;
✓ Business-oriented topics (such as IT applications, marketing techniques and trade information, e-commerce, etc.).

➢ Activities related to Result 3:

- If necessary, the Selection Committee - established during Phase I of the Project (Business Support 2002) - will redefine the guidelines for the final selection of the SMEs;
- Collect requests of assistance from SMEs of the two communities and select the most appropriate ones which will benefit from the project assistance;
- For each enterprise, a selected targeted technical assistance project will be prepared and agreed upon with the management of the enterprise in question;
- The implementation of the agreed technical co-operation programme will involve advisory service, training and other activities which might be required;
- The assistance provided to the pioneering enterprises will be translated into a dissemination campaign in order to be used as success stories for the benefit of the Greek Cypriot and Turkish Cypriot business communities;
- The experience and knowledge gained will be the object of a seminar involving the two Chambers of Commerce.

➢ Activities related to Result 4:

- Support, if necessary and inter alia, limited infrastructure work aimed to the opening of new crossing point to facilitate trading links between the two communities.

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>
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<tbody>
<tr>
<td>Institution Building</td>
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<tr>
<td>Indicative Breakdown</td>
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<tr>
<td>TA, training, parallel development</td>
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<tr>
<td>Tailored business development support – Grants (1)</td>
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<tr>
<td>Total</td>
<td>1.3</td>
<td>1.3</td>
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</table>
(1) Funds will be shared equally between the two Cypriot communities

6. IMPLEMENTATION ARRANGEMENTS

6.1 Implementing Agency:
The implementation of the project will be handled by the Cyprus Chamber of Commerce and Industry and the Turkish Cypriot Chamber of Commerce.

The implementation arrangements may be reviewed at a later stage to take into account the particular political conditions in Cyprus. If necessary, implementation may be done via a neutral agency to be determined by the European Commission.

7. IMPLEMENTATION SCHEDULE

7.1 Start of tendering/call for proposals: 3rd quarter 2003
7.2 Start of project activity: 4th quarter 2003
7.3 Project Completion: 2nd quarter 2005

8. EQUAL OPPORTUNITY

9. ENVIRONMENT: N/A

10. RATES OF RETURN: N/A

11. INVESTMENT CRITERIA: N/A

12. CONDITIONALITY AND SEQUENCING
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format

2. Detailed implementation chart

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

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively verifiable Indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| The objective of supporting bi-communal project 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 Cypriot and Turkish Cypriot communities. | • Increased interest in bi-communal cooperation 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 Chambers of Commerce | |

<table>
<thead>
<tr>
<th>Project Purpose</th>
<th>Objectively verifiable Indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Business Support Project Phase II will promote the strengthening of small and medium sized enterprises by providing a variety of services to them</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Result 1:</th>
<th>Objectively verifiable Indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| Co-operation arrangements will have been established between the Cyprus Chamber of Commerce and Industry (CCCI), and the Turkish Cypriot Chamber of Commerce (TCCC) | • Exchange of documents, reports, methodologies related to the specific experience gained during the implementation of the project. | • Project Reports  
• Site visits to relevant partners | • Co-operation from the relevant Chambers of Commerce  
• Political environment conducive to the development of bi-communal activities |

<table>
<thead>
<tr>
<th>Result 2:</th>
<th>Objectively verifiable Indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| Following a series of targeted training courses, a number of entrepreneurs of both communities will have been trained on the Acquis Communautaire and business development topics selected according to the skills and needs of participants. | • Increased capacity to find and make links with new markets.  
• Trained business people utilize skills in their companies. | • Project Reports  
• SME surveys  
• Participant feedback forms | • Co-operation from the relevant Chambers of Commerce  
• Political environment conducive to the development of bi-communal activities |
### Result 3:
A number of small-scale business development projects (identified during the previous phases) sponsored (grants).
- SMEs utilise funds to develop and expand business;
- SMEs are more competitive

#### Means (Mio €)
- SMEs surveys
- Co-operation from the relevant Chambers of Commerce;
- Political environment conducive to the development of bi-communal activities

### Result 4:
Actions aimed at eliminating physical and inter-cultural barriers and obstacles to trade will be supported.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means (Mio €)</th>
<th>Assumptions</th>
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<tbody>
<tr>
<td>Increased trading links between the two communities</td>
<td>TA, training, parallel development 0.7 Tailored business development support 0.6 Total 1.3</td>
<td>Political environment conducive to the opening of new crossing points</td>
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</table>
### Activities related to Result 2:

- To make a training need assessment to identify the most adequate topics for the business seminars in both communities;
- Identify trainers, research and business support institutions for the development of training modules when appropriate. The training will rely largely on expertise available in the Commission services for the Acquis component and in the Member States and Cyprus for the business issues.
- Organise training and awareness seminars/workshops on the subjects highlighted by the project beneficiaries as priority areas where technical assistance is required. Particular emphasis will be put on:
  - "Acquis-Communautaire"- related issues on SMEs
  - Business-oriented topics (such as IT applications, marketing techniques and trade information, e-commerce, etc.)
Activities related to Result 3:

- If necessary, the Selection Committee - established during Phase I of the Project CB.Support 2002 - will redefine the guidelines for the final selection of the SMEs; the funds will be shared equally between the two communities;
- Collect requests of assistance from SMEs of the two communities and select the ones which will benefit from the project assistance;
- For each enterprise, a selected targeted technical assistance project will be prepared and agreed upon with the management of the enterprise in question;
- The implementation of the agreed technical cooperation programme will involve advisory service, training and other activities which might be required;
- The assistance provided to the pioneering enterprises will be translated into a dissemination campaign in order to be used as success stories for the benefit of the Greek Cypriot and Turkish Cypriot business communities;
- The experience and knowledge gained will be the object of a seminar involving the two Chambers of Commerce.

Activities related to Result 3:

- Support, if necessary and inter alia, limited infrastructure work aimed to the opening of new crossing point to facilitate trading links between the two communities.
| COMPONENT | 2003 | | 2004 | | 2005 | | |
|-----------|------|------|------|------|------|------| |
|           | J F  | M A  | M J  | J A  | S O  | N D  | |
|           | J F  | M A  | M J  | J A  | S O  | N D  | |
|           | C C  | C I I I I I I I I I I I I I I I I I I I I I I I I X | |

C = CONTRACTING
I = IMPLEMENTING
X = CLOSURE
### BUSINESS SUPPORT PROJECT PHASE II; Project Fiche No. …

### CONTRACTING AND DISBURSEMENT SCHEDULE (MEUR)

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<td>1.2</td>
<td>1.3</td>
<td>CLOSURE</td>
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</tbody>
</table>

**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.