

Data Sheet

USAID Mission:	Cyprus
Program Title:	Cyprus Reconciliation
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	233-0410
Status:	Continuing
Planned FY 2006 Obligation:	\$11,400,000 ESF
Prior Year Unobligated:	\$12,581,000 ESF
Proposed FY 2007 Obligation:	\$10,800,000 ESF
Year of Initial Obligation:	1975
Estimated Year of Final Obligation:	

Summary: The persistent division and tension among the Greek Cypriot and Turkish Cypriot communities on the island of Cyprus represents a major foreign policy concern for the United States, which seeks strategic geopolitical stability in the Eastern Mediterranean region. U.S. objectives are reunification of the island, reduction of tensions, and promotion of peace and cooperation between the two communities. USAID will continue to undertake activities that increase dialogue, partnerships, and cooperation, and that promote tolerance and knowledge sharing through subgrants, training, technical assistance and commodities.

Inputs, Outputs, Activities:

FY 2006 Program:

Mitigate Conflict and Support Peace (\$11,400,000 ESF, \$6,996,100 ESF carryover, \$5,585,199 ESF prior year recoveries). The successful Bi-communal Development Program (BDP), which began in March 1998 and ended in FY 2005, was followed immediately by the new Action for Cooperation and Trust (ACT). ACT will support a wide range of bi-communal and partnership activities in the broad areas of education, civil society and sustainable development. All activities will promote tolerance and mutual understanding, encourage civic engagement on issues of island-wide interest, such as HIV/AIDS, and assist Cypriots to design and implement island-wide initiatives to solve common problems. Activities will include organizational networking, cultural heritage conservation, natural resource protection and preservation, youth and education projects, and strengthening of civil society. USAID will undertake this program through a cooperative agreement with the United Nations Development Program.

In addition, USAID will continue the Cyprus Partnership for Economic Growth (CyPEG) which began in FY 2004. CyPEG is aimed at contributing to beneficial economic and commercial interaction between the Turkish Cypriot and Greek Cypriot communities and enabling the Turkish Cypriot economy to bear the costs of the future settlement. USAID will continue to support activities that strengthen the Turkish Cypriot economy by improving enterprise competitiveness at the firm and sector levels, facilitating access to capital, improving the environment in which banks and businesses operate, further professionalizing and upgrading the small and medium enterprise (SME) sector, enhancing vocational training, improving cultural heritage and natural resource management, and improving resource efficiency. Principal contractors: Bearing Point, International Resources Group, and CORE International (all primes).

FY 2007 Program:

Mitigate Conflict and Support Peace (\$10,800,000 ESF). ACT will continue its efforts to foster partnerships and interaction between the Turkish Cypriot and Greek Cypriot communities, through joint projects and initiatives. In the event a durable peace settlement is achieved, the program will shift its efforts towards direct support of that settlement. UNDP will continue as the prime cooperater with USAID.

CyPEG will expand its reach into the Turkish Cypriot economy through greater emphasis on modernizing the banking system, efforts to stimulate the growth of SMEs, improved resource efficiency, enhanced vocational training, and improved cultural heritage and resources conservation and management. Principal contractors: Bearing Point, International Resources Group, CORE International, and others to be determined.

Performance and Results: The Cyprus program has evolved into a new, higher phase with the successful completion of the BDP, initiation of ACT, and launch of CyPEG. BDP results include the completion of more than 220 diverse projects and the development of bi-communal contacts and cooperation. Examples include the preservation of the island's common cultural heritage such as the Hala Sultan Tekke Mosque, the Venetian Walls in Nicosia, and Pentako Square Church and Mosque, and joint activities such as management of natural resources, municipal-level service delivery, a New Vision development plan for the divided city of Nicosia, advisory groups in the areas of environment, agriculture and dairy production, the promotion of tolerance through on-island summer camps, cultural activities, and the production of educational programs, including documentaries.

Early CyPEG results include an assessment of the training needs of the Turkish Cypriot banking sector and the initiation of a comprehensive training program; the delivery of firm- and sector-level assistance to Turkish Cypriot firms focused on improving SME competitiveness and an increased number of Greek Cypriot-Turkish Cypriot business interactions, including actual commercial transactions.

The overall impact achieved is a relatively large number of Greek-Cypriot and Turkish-Cypriot individuals and organizations that have worked together in the past and are continuing to work together on projects of benefit to the whole island. These individuals and organizations now have the tools needed to reach out to the wider public and encourage them to engage in island-wide activities. Such engagement will set the stage for reconciliation when the political situation allows.

US Financing in Thousands of Dollars

Cyprus

233-0410 Cyprus Reconciliation	ESF
Through September 30, 2004	
Obligations	241,822
Expenditures	226,614
Unliquidated	15,208
Fiscal Year 2005	
Obligations	34,447
Expenditures	1,047
Through September 30, 2005	
Obligations	276,269
Expenditures	227,661
Unliquidated	48,608
Prior Year Unobligated Funds	
Obligations	12,581
Planned Fiscal Year 2006 NOA	
Obligations	11,400
Total Planned Fiscal Year 2006	
Obligations	23,981
Proposed Fiscal Year 2007 NOA	
Obligations	10,800
Future Obligations	0
Est. Total Cost	311,050