



COUNTRY PROFILE

AUGUST 2008



USAID/Cyprus uses interactive and direct methods to raise children's awareness regarding the importance of endangered species and minimizing the destructive impact of human activity on habitats and the environment.

CYPRUS SNAPSHOT

Date of independence:
August 16, 1960
Capital: Nicosia
Population: 778,700 Government-controlled areas
264,172 area administered by Turkish Cypriots
GDP per person: \$23,672 Greek Cypriot, \$11,802 Turkish Cypriot

Source: Cyprus Background Note, State Department, July 2007

**For more information, see www.usaid.gov
Keyword: Cyprus**

OVERVIEW

Cyprus's location in the Eastern Mediterranean endows it with a strategic significance far beyond its small size. The long-standing, unresolved conflict in Cyprus represents a major foreign policy concern for the U.S., whose regional interest is to secure strategic geopolitical stability and



Nicosia

promote economic prosperity and security.

The persistent division of the island and tension between the Greek Cypriot and Turkish Cypriot communities is the consequence of a long history of conflict that erupted in inter-communal violence in the 1960s and which culminated in armed conflict in 1974 with Turkey's military intervention following an unsuccessful coup d'etat directed from Greece. The unresolved conflict continues to raise tensions between important NATO allies Greece and Turkey. The U.S. Congress has, since the events of 1974, consistently

backed this policy perspective with legislation and regular annual Economic Support Fund (ESF) earmarks "aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus."

PROGRAMS

WORKING FOR GREATER PEACE AND SECURITY

Cyprus represents a complex challenge. Breaking the political status quo after over thirty years has not proven easy. Time has only increased social and economic disparities between the two sides. Wide economic gaps have become hurdles in the negotiation of settlement terms. Trust between the two sides is extremely low. USAID aims to strengthen conditions that will foster an eventual settlement that majorities on both sides support and will work to sustain. USAID undertakes this task with full awareness of the many sensitive issues that have hampered settlement over the years, most notably the complicated status of property claims and lack of international political recognition of the authorities and institutions that have represented Turkish Cypriot interests since 1974.

ESTABLISHING COOPERATION AND TRUST AMONG CYPRIOTS

Without increased public dialogue on issues critical to settlement, it will be hard to overcome currently entrenched attitudes and behaviors. While

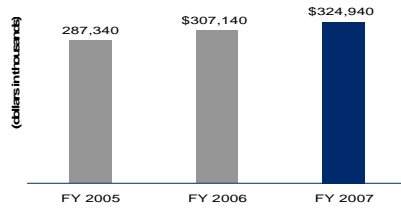


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COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO CYPRUS



The entire FY 2007 budget is allocated to Peace & Security programming.

achieving a settlement will require strong leadership on both sides to challenge existing taboos of contact and collaboration, a culture of mutual understanding is required to create island-wide momentum and demand for a durable and comprehensive Cyprus settlement. To strengthen that culture, USAID supports activities that bring Greek Cypriots and Turkish Cypriots together to design Cypriot solutions to common problems. Action for Cooperation and Trust, a USAID-supported initiative, mainstreams conflict resolution and peace building training into a wide variety of projects that are of interest to a spectrum of Cypriots ranging from the grassroots level to political leaders in areas such as education for peace, rescuing common cultural heritage, protecting biodiversity in the buffer zone, and civil society networking.

BUILDING PARTNERSHIP FOR ECONOMIC GROWTH

Reunification requires reconciliation and the alleviation of the economic disparities and distance between the Greek Cypriot and Turkish Cypriot communities. USAID activities under the Cyprus Partnership for Economic Growth build peace constituencies by maintaining a constructive and interactive dialogue between business associations to improve economic development of the Turkish Cypriot community including through trade across the buffer zone; restoring cultural heritage sites throughout the island for the benefit of future generations; contributing to improved dialogue about key environmental issues including water and wastewater management, energy efficiency, and land use planning; and guiding Turkish Cypriot educators towards a workforce development model that will match the skills and desires of graduates to the needs of the economy. In addition to building these peace constituencies, these efforts will help the Turkish Cypriot community to shoulder its share of the costs of reunification.

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