



## COUNTRY PROFILE

NOVEMBER 2008



*USAID/Cyprus mainstreams conflict resolution and confidence building exercises into all of its activities. Here, young Greek Cypriots and Turkish Cypriots interact with members of the other community for the first time in their lives during a summer camp designed to build bridges and break down barriers.*

### OVERVIEW

Cyprus' location in the Eastern Mediterranean endows it with a strategic significance far beyond its small size. The long-standing, unresolved



**Nicosia**

conflict in Cyprus represents a major foreign policy concern for the U.S., whose regional interest is to secure strategic geopolitical stability and 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." September 2008 marked the official resumption of the United Nations-led peace process.

### PROGRAMS

#### WORKING FOR GREATER PEACE AND SECURITY

Cyprus represents a complex challenge. Breaking the political status quo after over 30 years has not proven easy. Over time, the economic and social disparities between the two sides have grown and continue to complicate the negotiation of settlement terms. Trust between the two sides remains low. USAID aims to strengthen conditions that will foster an eventual settlement that majorities on both sides will support and 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.

#### 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

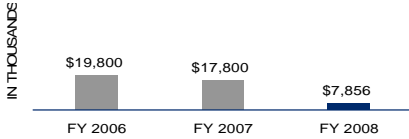
Source: Cyprus Background Note, State Department, March 2008

**For more information, see [www.usaid.gov](http://www.usaid.gov)  
Keyword: Cyprus**



## COUNTRY PROFILE CONTINUED

### USAID ASSISTANCE TO CYPRUS



FY 2008 figure based on FY 2008 Economic Support Fund funding targeting U.S. Foreign Assistance Peace & Security Objective.

### ESTABLISHING COOPERATION AND TRUST AMONG CYPRIOTS

Without increased public dialogue on issues critical to settlement and increased constructive engagement, it will be hard to overcome currently entrenched attitudes and behaviors. While achieving a settlement will require strong leadership on both sides to challenge existing taboos, a culture of mutual understanding and habits of cooperation are 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. Projects in areas such as rescuing common cultural heritage, protecting biodiversity in the buffer zone, and promoting cross community business networking continue to provide opportunities to build trust in areas of common interest. In parallel, programs in community media, civic engagement, and planning common spaces are helping directly link Cypriot-driven reconciliation efforts to the peace process.

### 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 and as a sign of mutual respect; contributing to improved management of key environmental resources including water; 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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