

**NON-PAPER FOR DISCUSSION INPUTS
DRAFT 1**

ASSESSING THE CURRENT STATE OF THE INFRASTRUCTURE SYSTEMS JOINTLY MANAGED BY THE GREEK CYPRIOT AND TURKISH CYPRIOT COMMUNITIES: A PROJECT PREPARATION PROPOSAL

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Executive Summary

This proposal outlines a strategic framework for promoting sustainable peace and cooperation between both communities living in the divided city of Nicosia/Lefkosa.¹

It briefly presents the current context, identifies core challenges, and introduces a set of targeted measures aimed at building trust and fostering cooperation for mutual benefits.

Both authors have been on the island previously and understand some of the complexity of the situation. The visit was short and the availability of reliable information and documentation was limited. Some of the description and discussion of the current situation might be incomplete and maybe sometimes not 100% correct.

The purpose of the visit was to get an initial assessment that can lead to a constructive and mutually beneficial cooperation to improve the jointly managed infrastructure system.

1. Background and Context

The proposal is based on the discussions and observations from a recent 3-day exploratory visit to Nicosia/Lefkosa by both authors. The objective of this visit was to find out whether the current status of the shared infrastructure system offers a entry point to cooperate on a bi-communal basis and to assess the scope for improvement of and investment in the existing infrastructure

¹ To make it easier for the reader and without any scientific or political basis, we refer to Lefkosa as the “part of the city north of the Green Line” and Nicosia as the “part of the city south of the Green Line”.

system upgrading. If so, how could such an inter-communal project be designed and successfully implemented that would enhance goodwill and strengthen mutual confidence within and between communities? Incremental small steps, if sustained, could foster readiness needed to build a shared future, peace and prosperity.

Despite the fact that the island is politically divided since 1974, practical cooperation already exists between the **Republic of Cyprus** and the **Turkish Cypriot community**. When it comes to shared infrastructure systems like electricity, water, telecoms, and waste management, the situation is complex but connectivity has not been entirely severed. There is a mix of formal and informal cooperation, technical agreements, and UN/EU-facilitated coordination.

2. Problem Statement by Selected Sectors

A. Water

Water supply in Nicosia and Lefkoşa reflects the broader division of Cyprus, with each side managing its resources independently while facing common challenges such as drought and increasing demand.

Rainfall during the last winter period was very minimal, the reservoirs are not full and the summer period will be difficult due to severe water shortages. Water is being delivered via a pipeline from Turkey to Northern Cyprus and Greek tankers are expected to deliver water to Southern Cyprus.

A.1 Mapping water supply in Nicosia

A.1.1 Water Sources and Infrastructure

Nicosia primarily relies on a combination of dams and desalination plants for water supply. The region has 108 dams and reservoirs with a total capacity of approximately 330 million cubic meters. However, consecutive dry winters have reduced reservoir levels to less than 25% of their capacity, prompting the government to invest in desalination technology.

A.1.2 Recent Developments

- *Desalination Expansion:* To address water shortages, Cyprus plans to implement four new mobile desalination plants by next October (2026), each producing 30,000 cubic meters daily of potable water. Additionally, the government aims to build two more static desalination plants within the next decade.
- *International Assistance:* The United Arab Emirates has agreed to provide free-of-charge portable desalination units to Cyprus, supplying up to 15,000 cubic meters daily of potable water. This assistance comes after a fire disabled one of Cyprus' main desalination plants.²

² UAE offers portable desalination plants to cover arid Cyprus' water needs, 24.04.2025, ABC News.
<https://abcnews.go.com/International/wireStory/uae-offers-free-charge-portable-desalination-plants-cover-121114221>

- *Tourism Sector Support:* Recognizing the strain tourism places on water resources, the government plans to subsidize the construction of private desalination plants at hotels to ensure adequate water supply during peak seasons.

A.2 Mapping water supply in Lefkoşa

A.2.1 Water Sources and Infrastructure

Lefkosa has historically faced water scarcity due to limited freshwater resources and high evaporation rates. To mitigate this, the region receives water from Turkey through the **Turkey–Northern Cyprus Water Pipeline**, completed in 2014. This undersea pipeline delivers approximately 75 million cubic meters of water annually, supplying both drinking and irrigation needs.

A.2.2 Water Management Practices

- *Municipal Supply:* Water is distributed by local municipalities, with households typically equipped with storage tanks to manage periodic supply interruptions.
- *Infrastructure Improvements:* Significant investments have been made in building new water pipes, pumping stations, and wastewater treatment plants to enhance water distribution and quality.³
- *Challenges:* Despite improvements, water shortages remain a feature of life in Northern Cyprus, necessitating ongoing infrastructure development and efficient water management strategies.

A.3 Shared Challenges

Both sides of the divided city face common challenges, including:

- *Climate Change:* Prolonged droughts and reduced rainfall have strained water resources across the island.
- *Increasing Demand:* Population growth and tourism expansion have escalated water consumption, necessitating expanded infrastructure and conservation efforts.
- *Infrastructure Needs:* Aging water distribution systems require upgrades to minimize losses and improve efficiency.

A.4 Future Outlook

Addressing these challenges necessitates sustained investment in water infrastructure, widespread adoption of sustainable practices and behaviours, and enhanced cooperation between the two communities to secure a resilient and equitable water supply for all residents.

While such measures can offer significant relief for both communities, it is important to recognize that the severity of the water shortages presents ongoing risks. Reliance on relief efforts from Turkey and Greece may not always function smoothly, nor consistently meet the

³ TOWARDS SUSTAINABLE URBAN WATER AND WASTEWATER MANAGEMENT MODEL FOR CITY OF NICOSIA, 2021. <https://docs.neu.edu.tr/library/8893106782.pdf>

required standards in terms of volume, water quality, or affordability for end users. Should the coming summer prove exceptionally hot once again, the availability of water will become critically important for all stakeholders dependent on the supply — including farmers, hospitality providers, and residents on both sides of the divided city.

Moreover, insufficient water availability will compromise waste management systems, creating difficulties for residents, tourists, and the hospitality sector alike. Over time, water shortages could lead to compromised sanitation and public health. Currently, liquid and solid waste are processed through various mechanisms described in the following section.

B. Waste

B.1 Liquid Waste (Wastewater) Management

B.1.1 Mapping liquid waste in Nicosia

The southern part of the city is served by the Vathia-Gonia Wastewater Treatment Plant, operated by the Saur Group. Commissioned in 2010, the facility treats approximately 22,000 cubic meters of wastewater per day, providing services to an estimated 120,000 residents. Utilizing advanced membrane filtration and ultraviolet disinfection technologies, the plant produces high-quality treated water suitable for agricultural irrigation. This practice not only contributes to the conservation of water resources but also directly supports efforts to mitigate the island's persistent challenges related to drought and water scarcity. Saur+1UNDP+1

B.1.2 Mapping liquid waste in Lefkoşa

In the northern sector, the **Lefkoşa Central Treatment Plant** currently processes approximately 20,000 cubic meters of wastewater per day, achieving secondary treatment levels with efficiency varying between 60% and 95%, depending on seasonal variations. Historically, the area relied predominantly on cesspools for wastewater disposal; however, recent infrastructure developments have extended sewerage coverage to approximately 60% of the city. Expansion plans are currently underway with the objective of treating up to 20 million cubic meters of wastewater annually by 2025. This expansion is expected to significantly enhance the reuse of treated water in agriculture, thereby reducing the pressure on already over-extracted aquifers.

B.1.3 Bi-communal Cooperation

A significant example of collaboration is the **New Nicosia Wastewater Treatment Plant**, a project jointly funded by the Sewerage Board of Nicosia (70%) and the European Union (30%) on behalf of the Turkish Cypriot community. Serving approximately 270,000 people from both communities, the plant treats an average of 30,000 cubic meters of wastewater daily. The treated effluent meets standards suitable for irrigation, and there are ongoing discussions to explore potential reuse of the generated sludge produced as a natural fertilizer. This project exemplifies successful bi-communal cooperation in the development and maintenance of essential infrastructure.

B.2 Solid Waste Management

B.2.1 Mapping solid waste in Nicosia

The southern part of Nicosia has adopted structured waste management strategies, including the implementation of recycling programs and waste prevention initiatives. Despite these efforts, municipal solid waste generation remains relatively high, with per capita figures exceeding the EU average. Ongoing efforts are focused on further enhancing waste reduction and improving recycling rates to better align with European standards.

B.2.2 Mapping solid waste in Lefkoşa

In the north, solid waste management has faced persistent challenges due to limited infrastructure and resources. Landfilling has remained the primary method of waste disposal, leading to significant concerns, including pollution from leachate infiltration and landfill gas emissions. A recent study evaluating alternative waste management scenarios suggested that integrating composting and material recovery facilities with existing landfilling practices could substantially reduce environmental impacts and improve sustainability.

Although the division of the city complicates waste management efforts, both communities have made notable progress in developing their respective systems. The successful operation of joint projects such as the New Nicosia Wastewater Treatment Plant demonstrates the potential for bi-communal cooperation in addressing shared environmental concerns and challenges. Sustained collaboration and continued investment in sustainable waste management practices are crucial for the health and well-being of all residents in the city.

C. Electricity

Electricity provision in the divided city of Nicosia and Lefkoşa reflects the broader political and infrastructural separation between the Republic of Cyprus and Turkish Cypriot community. Each side maintains its own independent electricity generation, distribution, and regulatory systems, with limited formal integration between the two networks. This division presents distinct challenges related to energy security, system efficiency, and infrastructure modernization. Although there have been instances of emergency electricity exchanges across the divide, sustained cooperation in the energy sector remains limited. Understanding the current structure and potential areas for collaboration is essential for promoting greater resilience, sustainability, and mutual benefit in the city's energy future.

C.1 Mapping electricity supply in Nicosia

C.1.1 Electricity Generation and Distribution

Electricity in the southern part of Nicosia is supplied by the Electricity Authority of Cyprus (EAC). The Electricity Authority of Cyprus (EAC), a semi-governmental organization, is responsible for electricity generation, transmission, and distribution in the south. EAC operates three major power stations:

- Dhekelia Power Station – 460 MW
- Moni Power Station – 150 MW
- Vasilikos Power Station – 868 MW

These facilities collectively provide a total capacity of approximately 1,460 MW.

The system is well-developed, with a national grid that connects major urban and rural areas, incorporating centralized power plants fueled primarily by imported fossil fuels, particularly heavy fuel oil and diesel. In recent years, efforts have intensified to diversify the energy mix by integrating renewable energy sources, particularly solar photovoltaics, in line with European Union directives on clean energy transition.

C.1.2 Renewable Energy Integration

EAC also distributes electricity generated from renewable sources, including five privately held wind farms and various solar and biofuel installations. As of 2022, Cyprus achieved nearly 15.2% of its electricity from renewable sources, with solar energy contributing 9.2%. However, challenges remain in modernizing the grid to accommodate higher levels of renewable energy penetration, ensuring grid stability, and reducing the country's high dependence on imported energy.

C.1.3 Interconnection Projects

Cyprus is participating in the Great Sea Interconnector project to enhance energy security and integrate with the European grid. This €1.9 billion initiative aims to connect Cyprus with Greece and eventually Israel via a 1,240 km undersea high-voltage cable, reducing reliance on heavy fuel oil and facilitating the transition to renewable energy.

C.2 Mapping electricity supply in Lefkoşa

C.2.1 Electricity Generation and Distribution

In the northern sector, electricity is managed by the Cyprus Turkish Electricity Authority (Kib-Tek) and oversees electricity generation, transmission, and distribution in the north. The grid operates independently from the Republic's network and is similarly reliant on fossil fuels, with the Teknecik Power Plant serving as the primary source of generation. KIB-TEK operates with a total generation capacity of approximately 346.3 MW, relying entirely on oil and petroleum products.

Additionally, **Aksa Energy**, a private producer, supplies about half of the northern region's energy needs. However, Aksa's operations lack union representation, leading to concerns about labor rights and energy democracy.

C 2 2 Infrastructure and Challenges

The northern electricity infrastructure faces substantial challenges, including outdated equipment and dependency on imported fuels. Efforts to modernize the grid and incorporate renewable energy sources are ongoing but limited by political and economic constraints.

C.3 Existing Cross-Border Electricity Cooperation

Despite political divisions, there have been instances of electricity exchange between the north and south. For example, in early 2025, the Republic of Cyprus requested 20 MW of electricity from the north during peak evening hours, which was provided free of charge by KIB-TEK.

Such cooperation underscores the potential for mutual assistance in addressing energy demands, although it remains sporadic and subject to political considerations.

In summary, while both sides of Nicosia manage their electricity needs independently, there are occasional instances of cooperation that highlight the interconnected nature of energy requirements on the island.

C.4 Key Challenges

- **Energy Security and Reliability:** Both sectors face risks associated with their reliance on imported fossil fuels, exposing them to price volatility and supply disruptions. The north is particularly vulnerable due to aging infrastructure and limited generation capacity.
- **Environmental Sustainability:** High carbon emissions from fossil fuel-based generation pose significant barriers to meeting climate targets. While the south has greater access to EU funding for renewable projects, progress is gradual, and integration challenges persist.
- **Economic Efficiency:** Duplication of infrastructure across the divided city reduces opportunities for economies of scale. High generation and maintenance costs, especially in the north, place a financial strain on providers and consumers alike.
- **Grid Modernization:** Both grids require upgrades to improve efficiency, incorporate smart technologies, and facilitate higher shares of decentralized renewable energy.

C.5 Future Outlook: Opportunities for Cooperation

- **Electricity Interconnection:** Establishing a formal and stable interconnection between the two grids could enhance energy security, allow for emergency support, and optimize generation resources. Technical studies supported by international organizations could pave the way for implementation.
- **Joint Renewable Energy Projects:** Collaborative investments in solar, wind, and energy storage systems could benefit both sides, leveraging the island's abundant solar resources while sharing costs and technological expertise.
- **Capacity Building and Technical Exchange:** Bi-communal training programs in grid management, renewable integration, and energy efficiency could build trust, enhance technical capacity, and foster common standards.
- **Policy Dialogue and Regulatory Harmonization:** Gradual alignment of energy policies and regulations, supported by confidence-building measures and technical assistance, could create an enabling environment for future cooperation and external investment.
- **EU and International Support:** Tapping into European Union and international funding mechanisms for cross-community infrastructure projects could reduce financial barriers and accelerate progress towards a more resilient and sustainable energy system.

Energy cooperation between the two communities in Nicosia holds strategic significance that extends beyond technical and economic benefits. Joint initiatives in electricity provision could serve as confidence-building measures, fostering trust and demonstrating the tangible advantages of collaboration in a divided context. By working together to modernize infrastructure, diversify energy sources, and improve system resilience, both sides can address shared vulnerabilities while advancing broader goals of environmental sustainability and economic development. Furthermore, successful cooperation in the energy sector could act as a model for wider bi-

communal engagement, contributing to the creation of an integrated, sustainable future for all residents of the city. Mobilizing political will, technical expertise, and international support will be essential to unlock these opportunities and to transform energy collaboration into a cornerstone of long-term peacebuilding and socio-economic resilience.

D Telecommunication

Telecommunications in Nicosia and Lefkosia reflect the island's political division, with each side operating independent infrastructures, regulatory frameworks, and service providers, resulting in two distinct systems operating in parallel, with minimal formal interoperability.

D.1 Mapping telecommunication services in Nicosia

D.1.1 Service Providers

Telecommunications in the south are well-developed and regulated by the Office of the Commissioner of Electronic Communications and Postal Regulation (OCECPR). Major providers of telecommunication services offer comprehensive services including fixed-line telephony, broadband internet, and mobile networks. Key providers are:

- Cyta (Cyprus Telecommunications Authority): A semi-governmental entity and the leading telecom provider, offering fixed-line, mobile (Cytamobile-Vodafone), broadband (Cytanet), and IPTV services.
- Epic: Owned by Monaco Telecom, Epic is the second-largest operator, providing mobile, fixed-line, broadband, and TV services.
- PrimeTel: Offers mobile, broadband, and fixed-line services.
- Cablenet: Provides broadband, mobile, and TV services, operating as a Mobile Virtual Network Operator (MVNO) on Cyta's network.

D.1.2 Infrastructure and Technology

The south benefits from full integration into European Union telecommunications markets, adherence to EU regulatory standards, and participation in regional and international data networks. Infrastructure modernization is relatively advanced, with widespread 4G coverage and ongoing deployment of 5G technology and fiber-optic broadband.

D.1.3 Mobile Networks:

All major providers offer 4G LTE services, with 5G networks being rolled out.

- Broadband: Services include DSL, cable, and fiber-optic connections, with speeds up to 150 Mbps in urban areas.
- International Connectivity: Cyprus is connected via several submarine cables, including the SEA-ME-WE 3 and the upcoming Quantum Cable, enhancing its role as a telecommunications hub.

D.2 Mapping telecommunication services in Lefkoşa

In the north, telecommunications services are overseen by local authorities and delivered primarily through providers such as Kuzey Kıbrıs Turkcell and Telsim Vodafone. While mobile penetration is high and internet services have expanded, infrastructure development faces significant constraints due to international non-recognition, limiting access to international undersea cables, roaming agreements, and investment opportunities. Most international telecommunications traffic must be routed indirectly via Turkey, which can affect service quality, cost, and latency.

D.2.1 Service Providers

The key providers of telecommunication services are:

- Kuzey Kıbrıs Turkcell (KKTCELL): The largest operator, offering mobile, broadband, and TV services.
- KKTC Telsim (Telsim Vodafone): Provides mobile and broadband services, affiliated with Vodafone Turkey.

D.2.2 Infrastructure and Technology

- Mobile Networks: Both providers offer 4G LTE services, with 5G trials underway.
- Internet Services: Broadband is available through mobile networks and fixed wireless connections.
- International Connectivity: Northern Cyprus lacks its own country code and top-level domain, relying on Turkey's infrastructure (dialing code +90 392 and domains under .ct.tr or .nc.tr).

D.3 Cross-Border Telecommunications

Despite the political division, there is limited cooperation in telecommunications between the two sides. Each operates independently, with separate infrastructures and regulatory frameworks. However, both sides continue to develop and modernize their networks to meet the growing demand for high-speed connectivity.

D.4 Opportunities for Cooperation

- Expansion of Roaming Agreements: Building upon the existing bi-communal mobile roaming arrangement could foster greater people-to-people contact, support economic activities, and normalize communication flows across the divide.
- Shared Infrastructure Initiatives: Joint investments in fiber-optic backbones, data centers, or other critical infrastructure could reduce costs, improve service quality, and enhance resilience against cyber threats or physical disruptions.
- Cybersecurity Cooperation: Establishing channels for cooperation in cybersecurity could help protect both communities from increasing global cyber risks, benefiting public administration, businesses, and citizens alike.
- Digital Skills and Innovation: Bi-communal programs aimed at enhancing digital literacy, fostering tech entrepreneurship, and developing joint innovation hubs could promote economic growth and social cohesion.

- Policy Dialogue and Technical Harmonization: Gradual alignment of telecommunications standards and regulatory practices could pave the way for broader cooperation and improve prospects for future integration into regional and global markets.
- Leveraging EU and International Support: External funding and technical assistance from the European Union and other international actors could be mobilized to support cross-community projects that enhance connectivity and digital inclusion.

E. Summary

The divided city of Nicosia/Lefkosa, encompassing both communities, exhibits significant infrastructural and service disparities across critical sectors such as water management, waste treatment, energy provision, and telecommunications. Each community maintains independent systems, often shaped by differing levels of access to international markets, regulatory frameworks, and external support.

Water scarcity presents a major challenge on both sides, exacerbated by climate variability and infrastructure limitations. While individual improvements have been made — such as the establishment of advanced wastewater treatment plants — sustainable water management will require continued investment, behavior change, and enhanced bi-communal cooperation.

Similarly, solid waste management has progressed unevenly, with the south implementing more structured strategies aligned with European Union standards, while the north contends with infrastructural and environmental challenges related to landfilling. Successful joint projects like the New Nicosia Wastewater Treatment Plant demonstrate that cooperation in essential services is both possible and beneficial.

Energy systems remain heavily dependent on imported fossil fuels, with fragmented electricity grids and limited renewable energy integration. Although both sides face significant energy security and sustainability challenges, opportunities exist to establish interconnections, develop joint renewable projects, and leverage external support to build a more resilient and environmentally sustainable energy future.

In telecommunications, the division has resulted in parallel systems with limited interoperability. While the south enjoys full access to European and global networks, the north remains internationally isolated. Despite challenges in infrastructure, regulation, and service integration, recent bi-communal initiatives, such as roaming agreements, indicate potential for further cooperation to bridge the digital divide and promote greater economic and social connectivity.

Across all sectors, successful examples of collaboration underscore the strategic importance of continued investment in joint initiatives. Cooperation in infrastructure and service provision not only addresses immediate technical and environmental needs but also contributes to building trust, improving socio-economic resilience, and advancing the prospects for lasting peace on the island.

3. Proposed Confidence Building Measures

Effective inter-communal cooperation requires clear, measurable objectives aligned with the realities on the ground. Building sustainable peace necessitates a holistic approach that addresses political, social, economic, security, and institutional dimensions. This section outlines an initiative, crafted to respond to a specific infrastructure needs and aspirations of both parties in the potential infrastructural development sectors identified in the Section 2.

As already stated, the aim of the authors' recent visit to Cyprus was to assess whether the current status of the shared infrastructure system offers an entry point for joint investment and operation based on existing needs to repair, replace and further improve. The answer to this central question appears positive but more analysis and elaboration is needed.

The current political climate appears to be more supportive for bi-communal dialogue and exploration and for pilot testing projects on the ground. From what the authors could hear, there have been on-going initiatives and efforts in similar sectors with varying degree of advances. .

The project proposed will be a *facilitated and structured approach based on dialogue and mutual learning* with the aim of leading to a sustainable partnership at different institutional levels for joint infrastructure development in the sectors of water, energy, waste and telecommunication. This very first step will take the consultation process beyond existing "insider" groups to a larger circle of stakeholders representing users, beneficiaries, residents and financing institutions. The aim is to cultivate trust, create shared ownership, and lay the institutional and relational foundations for a successful and sustainable bi-communal investment initiative.

Block 1. Stakeholder Mapping and Engagement Strategy

Objective: Identify all relevant actors across both communities, i.e., chambers of commerce, civil society, technical experts, local communities, businesses and international actors. This list will include and go beyond the existing thirteen UN Committees that are responsible for the developing and maintaining of to the current infrastructure system and future investment projects.

Key Actions:

- Conduct a stakeholder analysis to understand interests, influence, and trust levels.
- Design a balanced and inclusive engagement plan that ensures representation from both sides.
- Include "bridge actors" trusted by both communities to facilitate dialogue.

Block 2. Joint Needs Assessment and Feasibility Scoping

Objective: Create a shared understanding of the issue and the potential value of a future joint investment.

Key Actions:

- Conduct participatory assessments involving stakeholders from both communities.
- Focus on shared problems (e.g., water scarcity, waste management, digital divide).
- Identify technical, regulatory, and logistical barriers early on.
- Explore ways to finance the improvement of the jointly managed infrastructure system.

Block 3. Trust-Building Activities and Dialogue Mechanisms

Objective: Foster interpersonal and institutional trust through structured, sustained interaction, should the existing mechanisms be assessed as insufficient or sub-optimal.

Key Actions:

- Use and if needed upgrade existing dialogue platforms (e.g., working groups, workshops, site visits).
- Integrate low-risk, quick-win collaboration activities (e.g., joint training, shared technical standards).
- Highlight and draw lessons from successful past collaborations (e.g., the New Nicosia Wastewater Treatment Plant).

Block 4. Joint Visioning and Narrative Framing

Objective: Co-create a compelling and inclusive vision for joint inter-communal infrastructure cooperation.

Key Actions:

- Facilitate workshops where participants articulate shared goals, values, and outcomes.
- Emphasize mutual gains, socio-economic benefits.
- Use positive messaging to counteract scepticism and political sensitivities.
- Develop a preliminary project concept.

Block 5. Institutional Anchoring and Governance Proposal

Objective: Establish the framework for transparent, accountable, and representative cooperation.

Key Actions:

- Propose a joint governance mechanism (e.g., a bi-communal project board or liaison office).
- Define principles for decision-making, resource sharing, and conflict resolution.
- Consider embedding the project within or alongside existing structures like the thirteen Technical Committees.

Block 6. Capacity Building and Knowledge Exchange

Objective: Level the playing field and prepare stakeholders for more complex cooperation.

Key Actions:

- Implement joint capacity-building workshops on technical, financial, and regulatory topics.
- Enable peer-to-peer exchanges between municipalities, businesses, or service providers.
- Promote the co-production of knowledge (e.g., joint research or baseline studies).

Block 7. Early External Engagement and Resource Mobilization

Objective: Secure credibility, support, and preparatory financing from neutral third parties.

Key Actions:

- Engage the UN, EU institutions, UNDP, World Bank, EIB, EBRD and others to provide technical support or funding for the pre-project phase.

- Identify possible financial instruments or funding models for the full project.
- Ensure international partners understand the political sensitivities and support confidence-building as an end in itself.

Block 8. Monitoring, Evaluation, and Learning (MEL) for Trust and Process

Objective: Track progress not only regarding technical readiness but also regarding relationship-building and stakeholder buy-in.

Key Actions:

- Develop indicators for trust, collaboration, and shared ownership.
- Incorporate adaptive learning mechanisms to revise strategies based on constructive feedback and learning loops.
- Communicate small wins transparently to maintain momentum.

Optional: A Pre-Agreement or Memorandum of Understanding (MoU)

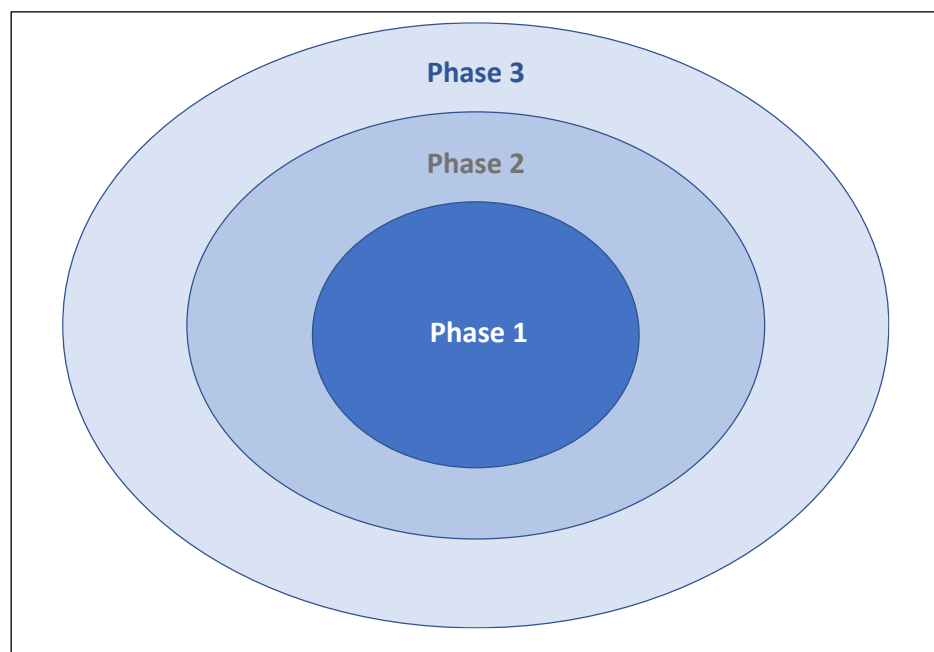
- Formalize overall shared intent.
- Signal to stakeholders and funders that the groundwork is in place.

Contingency:

These eight building blocks provide a roadmap for reference. Whether to carried out all these blocks will be contingent on the political will of the respective community. Safeguard will be made to ensure steady progress.

4. Implementation Strategy

A structured implementation plan has been outlined above, consisting of building blocks for a phased execution. Figure 1 below illustrates a preliminary ideation of a proposed implementation strategy and phases:



Phase 1: Technical experts of both communities working on the identified infrastructure system

Phase 2: Inclusion of representatives of financial institutions to explore financing of the identified infrastructure system

Phase 3: Participation of relevant UN staff in working groups of the identified infrastructure system

Further work needs to be done in collaboration with optimal number of key stakeholders to identify responsible actors and establish a feasible timeline to achieve the agreed objectives of each building block. Before launching into a system level engagement, the proposal will be implemented by following a quality cycle of planning, validating, selecting (participants), acting, checking and reapplying. While a careful tracking will be part of the process.

5. Mapping Key Stakeholders

This section identifies key stakeholders and presents mechanisms for ensuring that diverse voices are heard, respected, and actively contribute to the process.

5.1 Chambers of Commerce Across the Cyprus Divide

Cyprus Chamber of Commerce and Industry (CCCI):

The Cyprus Chamber of Commerce and Industry (CCCI), based in the Republic of Cyprus, represents businesses across a wide range of sectors including industry, commerce, services, and tourism. Established in 1927, it operates under public law but maintains autonomy as a non-profit organization. The CCCI is an influential institution in shaping economic policy, promoting entrepreneurship, and supporting integration into international markets, particularly within the European Union. It plays an active role in facilitating foreign direct investment and aligning Cypriot business practices with EU standards and global trends.

Turkish Cypriot Chamber of Commerce (KTTO):

The Turkish Cypriot Chamber of Commerce (KTTO), established in 1958, serves as the principal business organization for the Turkish Cypriot community. KTTO represents a broad cross-section of enterprises and is a key voice in advocating for the economic interests of the north. Given the international isolation of the Turkish Cypriot economy, KTTO plays a crucial role in seeking to enhance trade opportunities, including advocating for greater access to external markets through EU-funded initiatives and confidence-building measures. It also actively engages in efforts to modernize the business environment and improve competitiveness.

5.2 Joint Planning and Coordination Mechanisms

Despite the political division, the CCCI and KTTO have developed structured mechanisms for cooperation, especially since the early 2000s, aiming to support economic integration, confidence-building, and preparation for a potential political settlement.

- Technical Committee on Economic and Commercial Matters:

This committee brings together representatives from both chambers of commerce to discuss practical economic issues, promote trade between the two sides, and identify obstacles to economic cooperation. The committee focuses on practical areas such as trade facilitation, business regulations, and harmonization of standards.

- Bi-communal Business Committee:

The two chambers jointly explore how to improve for expanding trade between the two communities. They work together to facilitate smoother transactions, promote the circulation of goods and services, and address technical barriers to intra-island commerce.

- Collaborative Projects Supported by the EU:

Both chambers participate in EU-funded programs aimed at fostering private sector development, building entrepreneurial capacity, and encouraging cross-community economic linkages. Initiatives include joint workshops, business networking events, and policy dialogue forums.

- Economic Working Groups:

In the broader context of negotiations for a comprehensive settlement, CCCI and KTTO representatives contribute their technical expertise to economic working groups tasked and prepare frameworks for more efficient and effective economic cooperation.

5.3 Bi-communal Technical Committees

They are collaborative mechanisms that were established under the auspices of the United Nations to foster cooperation and build confidence between the Greek Cypriot and Turkish Cypriot communities. These committees focus on practical issues affecting the daily lives of Cypriots and aim to facilitate dialogue and joint initiatives across various sectors.

As of April 2025, there are 13 active Technical Committees:

- 1) Technical Committee on Broadcasting
- 2) Technical Committee on Crime and Criminal Matters
- 3) Technical Committee on Crisis Management
- 4) Technical Committee on Crossing Points
- 5) Technical Committee on Cultural Heritage
- 6) Technical Committee on Culture
- 7) Technical Committee on Economic and Commercial Matters
- 8) Technical Committee on Education
- 9) Technical Committee on Environment
- 10) Technical Committee on Gender Equality
- 11) Technical Committee on Health
- 12) Technical Committee on Humanitarian Affairs
- 13) Technical Committee on Youth (established in April 2025)

These committees are composed of members from both communities and are supported by the United Nations. They serve as platforms for addressing shared concerns and implementing joint projects that contribute to the well-being of all Cypriots.

6. Risk Assessment and Mitigation Strategies

Based on our previous experiences, cooperation between both communities can be difficult. Interruptions to promising forms of collaboration can be stopped anytime due to changes in the political landscape in Cyprus and by third parties involved directly or indirectly in Cyprus. This does not mean that new initiatives should be prevented or stopped.

Instead, broad based conferencing and/or life-case based simulation in a learning context can be applied at the beginning of the process to focus attention on knowledge and skill acquisition, rather than getting side tracked by political sensitivity and entrenched position. The gradual inclusion of different stakeholder groups can ensure the depth of thinking but also validation of suggested action plan.

7. Monitoring, Evaluation, and Learning

Ongoing evaluation ensures that joint infrastructure initiatives remain effective and adaptable. This section defines indicators for joint monitoring, proposes evaluation methodologies, and sets up feedback loops for continuous learning and improvement.

8. Next Steps

The Swiss Ambassador has agreed to take initial steps to contact various stakeholders to explore the possibility of implementing this project, or parts thereof, in cooperation with other stakeholders.

9. Conclusion

This proposal presents an actionable path toward cooperation on the divided island that addresses the critical infrastructure fundamental to the wellbeing of a society. The proposed action plan reaffirms the shared responsibility of all actors and calls for an immediate commitment to initiate the outlined measures.

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