

## EXECUTIVE SUMMARY

The Bi-Communal Technical Committees (BCTCs) were established as confidence building measures to improve the atmosphere of the Cyprus peace talks and demonstrate that the two communities could work together on issues of common concern. However, the BCTCs had been struggling to find a purpose and sense of direction in the period following the collapse of the Crans Montana negotiations in 2017. The establishment of the BCTC Support Facility by the EU in 2019 was a significant and timely intervention as the political process had stalled and there was a growing sense of disillusionment about the prospects for a future settlement. The BCTC SF is funded under the EU Aid Programme for the Turkish Cypriot Community. The overall aim of this aid programme is to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community, with particular emphasis on the economic integration of the island, improving contacts between the two communities and with the EU and the preparation for the EU body of laws (also referred to as the EU *acquis*) following a comprehensive settlement of the Cyprus issue.

The failure of the last round of negotiations in 2017 on the future of Cyprus and several other factors including changes in the political environment in the TC community and a shift in the narrative towards a two-state solution by the TC leadership, increasing divergence between the two economies, as well as demographic changes in the Turkish Cypriot community created a more difficult climate for possible future negotiations and for the work of the BCTCs. The BCTCs had been in a transition phase in the years up to 2019 with several fragmented and inactive and struggling to find a way forward. The Covid 19 pandemic and resulting restrictions had a serious impact on daily life in Cyprus with restrictions at crossing points for a period of 15 months. The fact that the BCTCs could not meet face to face for two years was a significant factor and undoubtedly set back the work of the BCTCs which were starting to undertake activities through the BCTC SF.

The evaluation has found that overall concept of the BCTC SF and the specific support provided to the BCTCs is very relevant and timely given the situation in Cyprus. It has helped to normalise bi-communal work and sustained hope at a time when sentiment has been quite negative. The BCTC SF itself and the projects it has supported over the last three years give a strong political message and demonstrate the EUs continued commitment to supporting UN efforts to revive the negotiation process and work towards reunification of Cyprus. At this point the BCTCs are the main mechanism for bi-communal work and a key element in efforts to revive the political negotiations process. The support of the EU has been critical, and the continuation of this support is essential in the current political context. Continued support will be crucial in the next phase both to enable the TC and GC communities to address common issues and to create conditions conducive to a revival of negotiations. The EU should maintain the BCTC SF and the indirect management mechanism and continue to work in partnership with the UNDP and the UN Good Offices to ensure that the BCTCs can build on the initial progress made over the last three years.

The evaluation has found that the work supported through the BCTC SF is coherent with the objectives of the EU Aid Programme and that the BCTC project has contributed to the objectives of this programme both in terms of economic integration and confidence building at a critical time when the political process was at a standstill. There was consensus among those consulted that the Technical Committees are crucial in the current political environment and that they have a key role to play to

the development of integrated island wide approaches to common issues in areas such as the environment, health, climate change and in promoting reconciliation and a possible future settlement. Overall the evaluation has found that the BCTC SF has been effective and has made good progress towards the achievement of its objectives despite significant challenges in this period. The support provided has enabled several BCTCs to undertake work in the cultural and socio-economic arenas. Collaboration between GC and TC experts from the different sectors has contributed to the economic integration of the island and has built relationships, trust, and confidence; key ingredients for a resumption of the negotiation process. Equally important it has demonstrated the potential and the benefits of bi-communal work in these areas, increased awareness of the need for island wide approaches, raised the ambition of the BCTCs and created a platform for more substantial bi-communal initiatives. While these contributions are still modest, they are significant as they are starting to address critical issues relating to economic integration, creating momentum and models for further work.

The BCTC SF has contributed to confidence building by revitalizing the BCTC, supporting them through a difficult transition period and facilitating them to develop and implement all-island initiatives. The BCTCs are positive regarding the support provided by the EU through the BCTC SF and highlighted the value of the facilitation, problem solving and encouragement provided through the complimentary roles of the UNDP and the UN Good Offices. Members of the BCTCs are generally very positive about the role of the UNDP during project implementation and monitoring, highlighting in particular the willingness to work and support the Technical Committees through crises situations, to help overcome barriers and to lighten the administrative and bureaucratic load. The capacity of the UNDP to recruit and engage experts to support the Technical Committees and to handle procurement and finance was seen as critical to progression and implementation of projects and overall it has brought considerable added value to the initiative.

Given the political context in Cyprus there is a need for sustained work and ongoing support for the BCTCs in order to build the multilevel and incremental programme of confidence building which will be needed to support the negotiation process. In order to shift the dynamic and contribute to wider and more sustained confidence building the BCTCs need to develop a multi-level approach and widen their constituencies through increased partnership and engagement with civil society, the private sector, academic institutions etc. The BCTCs have been involved in a range of activities ranging from once off events/study visits/conferences to more substantial projects such as those implemented by the Technical Committees on the Environment, Health, and Culture.

There have been concerns around the quality of projects coming forward and delays in completing several projects which has led to frustration and undermined some of the initial progress made by these BCTCs. The project was based on two assumptions; that the political context would remain relatively stable and positive and that the BCTCs had a pipeline of projects available. These assumptions were too optimistic as a number of BCTCs had been inactive, experienced turnover in membership and were not ready to develop projects at the outset. The changed political context has presented challenges to the BCTC and to the SF and has contributed to some delays in the implementation of projects and frustration among BCTC stakeholders involved. Concerns around the politicisation of the BCTC and the increased focus on the projects and on terminology has been a persistent theme in the consultations and is causing concern among all stakeholders. Technical issues have been elevated to political level contributing to, delays and tensions which risk undermining the

overall aim of building confidence and resolving common problems. While all stakeholders recognise that the BCTCs are part of the political process there is a strong desire to provide them with space to operate and creating this space should be a priority in the next phase of the initiative.

There are some issues around the broader impact of this work at this point and the extent to which it has brought the two communities closer together. Stakeholders acknowledge that there are significant challenges in promoting the work of the BCTCs. The key is to transfer the work out into the wider community and build stronger ownership on the ground. This will require increased engagement with civil society, the private sector and academic institutions and continued efforts to promote this work to a wider audience.

The support to the BCTCs is provided through a partnership involving the EU, UNDP, and UN Good Offices with a project Steering committee set up to oversee implementation. There have been some criticisms of the operation of the Steering committee, the roles and responsibilities of the key stakeholders and a certain lack of clarity around decision making. It will be important that the management structure and decision making is more streamlined going forward and that it strengthens Cypriot ownership of the process. Under the contribution agreement between EU and UNDP, the UNDP is the implementing partner responsible for the provision of strategic, logistic, administrative and procurement support to initiatives identified by the BCTCs. The nature of support provided the level of engagement with BCTCs and the ongoing need for crises management and facilitation requires a considerable investment in project management. The political context in the TC community has shifted over the lifetime of the BCTC SF with divergences between the EU's political agenda and the perspectives of some stakeholders in the TC community with some sensitivities around the role of the EU. The UNDP is a trusted partner in both the GC and TC communities with a track record of implementing bi-communal initiatives and dealing with sensitive issues. In this context the role of the UNDP is critical to the effective operation of the BCTC SF and brings important added value to the overall initiative. The indirect management model has been effective, provides value for money and should be retained in the next phase on the initiative.

Some of the key lessons emerging from the operation of the BCTC SF were as follows; the BCTCs are at different stages of development with different levels of capacity and support needs to be individualised and tailored to their specific requirements. The political context impacts on the operation of the BCTCs and as far as possible the BCTCs need to be protected and enabled to carry out important bi-communal work. The level of engagement with external stakeholders, particularly civil society, has limited both the contribution to confidence building and the sustainability of the interventions. This is a critical area which can lift the work of the BCTCs to a new level and strengthen societal confidence building. The Gender Technical Committee can have a significant role going forward but will need considerable support and a comprehensive partnership approach in order to help integrate gender into the work of other technical committees and to strengthen the gender dimension in future negotiations. The BCTC SF was implemented in a challenging environment and should be viewed as a pilot phase which informs and shapes future work.

Stakeholders are keen to strengthen and sustain the work of the BCTCs and recognise the critical role of the BCTC SF in this regard. Proposals on the way forward have focused on; increased engagement and involvement of wider society in these initiatives, more focus on thematic issues with increased cross-BCTC collaboration, increased emphasis on a multi-level approach and on the policy agenda,

expanding the pool of resources to facilitate more ambitious bi-communal initiatives and a more streamlined process to speed up implementation. One of the weaknesses in the overall initiative has been the limited engagement with the wider community and this needs attention in the next phase. Many of the island wide issues and challenges overlap and would benefit from a thematic and multi-disciplinary approach with enhanced collaboration between BCTCs. There is also scope to create synergies between the work of the BCTCs and with other work supported under the Aid programme such as the Technical Committee on Cultural Heritage (TCCH) and the Local Infrastructure Facility (LIF). This would point to the need for new structures and processes to support the BCTCs in this regard as well as ongoing and sustained support for individual BCTCs to enable them to contribute effectively. Effective confidence building measures need a multi-level approach and BCTCs should put increased focus on how initiatives can impact on policy in the GC and/or TC arena. Adopting a thematic approach, increased focus on policy and on wider community engagement should be key priorities going forward.

The BCTC SF budget of EUR 1 million was sufficient to support the BCTCs in this initial phase of the process and there was an underspending at the end of the project. However, this scale of funding would not be sufficient in the next phase of development where BCTCs are progressing to more ambitious bi-communal projects. Several BCTCs have plans in place to further develop bi-communal work and there is already a pipeline of projects with a projected total budget of over EUR 300,000. The BCTCs can access other EU funding streams for larger projects and facilitating and supporting the BCTCs to apply for and benefit from these opportunities is one of the objectives of the BCTC SF. However, this would not be an option for some BCTCs in the short to medium term as they have not developed the capacity to plan and implement larger, more complex projects and are also restricted since they are not legal entities. Therefore, access to additional sources of funding would be significant as an interim measure and would provide a progression path for BCTCs and facilitate the development of substantial bi-communal initiatives in the medium to long term. The UNDP is well positioned to provide support to eligible bi-communal initiatives in line with its programme priorities in Cyprus and the UNDP should investigate the potential to establish a supplementary Trust fund to complement the work of the BCTC SF.

The evaluation concludes that the EU's support for confidence building efforts in Cyprus through this BCTC Support Facility remains highly relevant and recommends that the EU should maintain the BCTC SF in order to support island wide projects, improve the lives of Cypriots and build confidence with a view to contributing to the future unification of Cyprus. It also highlights the added value of the EU support provide through the Facility and the importance of the partnership approach between the EU, the UNDP, and the UN Good Offices. The indirect implementation mechanism worked well in this phase and would appear to be most appropriate approach for the future development of the BCTCs. Considering this and the need to maintain continuity and build on the first phase of work, it would be appropriate for the EU to maintain the indirect management mechanism and continue to work in partnership with the UNDP and the Good Offices.