

European Commission
Directorate-General for Economic and Financial Affairs
Economic Policy Committee

**Efficiency and effectiveness of public
expenditure
on tertiary education in the EU**

**ANNEX : COUNTRY FICHE
CYPRUS**

**Joint Report by the Economic Policy Committee
(Quality of Public Finances)
and the Directorate-General for Economic and Financial Affairs**

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Brief characterization of the tertiary education system

1. Main features

Higher Education System in Cyprus

Higher Education in Cyprus is provided by public and private institutions of higher education at university and non-university level. The following provide a brief description of the Higher Education System of Cyprus.

University Education:

- In total, 6 universities, (3 public and 3 private) operate in Cyprus
- All Universities offer, in total, 101 first cycle programmes (Ptychion – Bachelor's Degree)
- 5 Universities offer 48 second cycle programmes (Masters)
- 2 Universities offer 37 third cycle programmes (Didactoriko, Doctorate (PhD))
- 112 programmes of study in Greek
- 73 programmes of study in English
- 5,898 students in Public Universities
- 7,095 students in Private Universities
- 1,419 international students

Non-University Education:

- 4 Public Institutions of Higher Education (vocational programmes of study)
- 30 Private Institutions of Higher Education (academic and vocational programmes of study).
- 175 programmes of study have been educationally evaluated-accredited by the competent authorities
- 27 programmes of study in Greek
- 133 programmes of study in English
- 1,677 students in Public Institutions of Higher Education
- 10,050 students in Private Institutions of Higher Education
- 5,935 international students

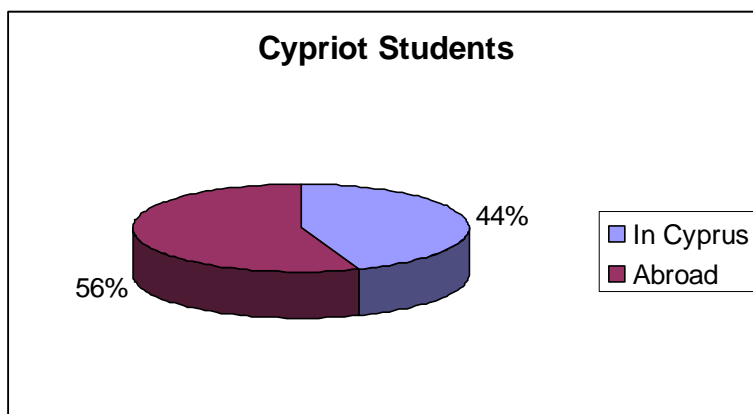
Higher Education Strategy

The Cyprus Government strategy for Higher Education aims at assisting the sector to grow through a well regulated legal framework ensuring the provision of quality Higher Education to local as well as international students, with parallel promotion of life-long learning, vocational training, and research. This Government strategy is outlined in every Five-Year Development Plan since 1999 and a series of measures have already been implemented.

Cyprus endorsed the Bologna Process by becoming a member country in 2001, and has managed to a significant extent, to conform to its provisions through a flexible and progressive environment within which Higher Education grew. The formulation of a strict legislative framework, providing for rigorous quality assurance mechanisms, constitutes the foundation of the Higher Education system in Cyprus.

Recent Trends

General and specific measures have been taken, in Cyprus, to make higher education equally accessible to all. Demand for higher education is high, and because of the rather limited supply, the majority of Cypriot students (approx. 21,666 in 2008) study abroad, with the most popular destinations being Greece, the United Kingdom and the United States of America.



The need for expansion of higher education, and especially the expansion and development of university level education, became imperative.

Measures taken towards this direction include:

- the establishment of new universities (public and private),
- the constant development and increase of programmes of study offered at the higher education level (university and non-university) through mechanisms of quality assurance,
- the provision of financial support to students based on socioeconomic criteria,
- the enhancement of access to Higher Education for persons with disabilities, etc.

Observing the "Teaching" table, and taking into account the main variables it is noticed that there is a substantial increase in the academic staff employed by the HEIs as well as to the number of students per 1000 inhabitants. In addition the number of graduates has also been increased, especially in the private independent institutions reaching up to 100%.

In general, all variables since 1999 to 2007 show a considerable increase.

In “Research”, the number of publications per 1000 inhabitants has also shown a substantial increase, nevertheless the quality of research as indicated in the ISI citation index, is declining.

The Expenditure on Higher Education per GDP shows a considerable decrease since 2000, although the expenditure per student is increased. Although the total expenditure on education as a percentage of GDP is increased the private expenditure has decreased.

1/ TEACHING	Cyprus										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Academic staff per 1000 inhabitants relative to the average	:	1.3	1.22	1.29	1.39	1.58	1.7	1.57	1.82	1.94	:
Number of students per 1000 inhabitants	:	15.7	14.9	16.1	18.7	24.3	27.0	25.3	25.5	26.7	:
Number of students (graduate and post-graduate) per 1000 inhabitants	:	:	:	:	:	:	:	:	:	:	:
<i>From public institutions</i>	:	7.4	6.6	6.2	7.2	8.0	8.3	8.5	8.9	9.1	:
<i>From private government-dependent institutions</i>	:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	:
<i>From private independent institutions</i>	:	8.4	8.3	9.9	11.4	16.3	18.7	16.8	16.7	17.6	:
Ratio of students per academic staff	:	12.1	12.2	12.5	13.4	15.4	15.9	16.1	14.1	13.8	:
Number of graduates per 1000 inhabitants	:	3.8	4.1	4.1	4.4	4.4	4.8	4.9	5.0	5.7	:
Ratio of graduates per 1000 academic staff	:	2.9	3.3	3.1	3.2	2.8	2.8	3.1	2.7	2.9	:
Standardized recruiter view indicator (graduates' employability as perceived by recruiters)	:	:	:	:	:	:	:	:	:	:	:
Standardized peer view country indicator (quality perceptions among peers)	:	:	:	:	:	:	:	:	:	:	:
PISA scores	:	:	:	:	:	:	:	:	:	:	:
Average total time spent by students in order to obtain a BA degree	:	:	:	:	:	:	:	:	:	:	:
Average total time spent by students in order to obtain a MA degree	:	:	:	:	:	:	:	:	:	:	:
Remuneration of a tenured university professor with 10 year seniority	:	:	:	:	:	:	:	:	:	:	:
2/ RESEARCH											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Publications per 1000 inhabitants	0.16	0.16	0.15	0.15	0.19	0.2	0.22	0.24	:	:	:
	1998-2002	1999-2003	2000-2004	2001-2005	2002-2006	2003-2007					
Quality of research (position	3.13	2.94	2.5	2.33	:	:					

in the ISI citation index) % of research done in cooperation with industry	:	:	:	:	:	:	:	:	:	:	:
3/ EXPLANATORY FACTORS FOUND RELEVANT FOR EFFICIENCY											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Main categories of composite indicator											
Funding Rules Indicator	:	:	:	:	:	:	:	:	:	:	:
Evaluation Indicator	:	:	:	:	:	:	:	:	:	:	:
Staff Policy Indicator	:	:	:	:	:	:	:	:	:	:	:
4/ EXPENDITURE											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total public expenditure on tertiary education institutions as a percentage of GDP	:	:	2.2	1.3	1.6	1.6	1.3	1.4	1.4	:	:
Total expenditure per student (€)	:	7079.9	8106.1	8494.5	8697.2	7506.5	7344.1	8685.1	9530.0	:	:
Private expenditure on tertiary education institutions as a percentage of GDP	:	:	:	:	:	:	:	:	:	:	:
Total expenditure on education as a percentage of GDP	5.61	5.36	5.35	5.93	6.55	7.29	6.70	6.92	7.02	:	:
Private expenditure on education as a percentage of GDP	1.72	1.76	1.72	1.24	1.40	1.35	1.17	1.21	1.21	:	:
Funds from non-public sources as % of total income (fees, earned income, investment, other)	:	:	:	:	:	:	:	:	:	:	:
Tuition fees as average of the cost of tuition	:	:	:	:	:	:	:	:	:	:	:
Percentage of funds received by private government- dependent institutions from public sources	:	:	:	:	:	:	:	:	:	:	:
Total public expenditure on grants, loans, and other programmes to cover education and/or maintenance of students (universal programmes / by categories such as merit or socio- economic status)	:	:	:	:	:	:	:	:	:	:	:

Source: Eurostat, OECD, UOE and Member States.

2. Structure of institutions and funding arrangements

Funding Arrangements

Public Institutions in Cyprus, both at university and non-university level are dependent on the state for their funding. Especially with regard to universities, approximately 85% of their total budget is financed by the Government.

Each public institution of higher education (ISCED 5A and 6) prepares its annual analytical budget which is processed by the relevant parties (i.e. University, Ministry of Education and Culture, Ministry of Finance) before it is submitted to the Council of Ministers for approval and then to the House of Representatives. Public funding is allocated to institutions in accordance with expenditure categories, like for instance:

- Academic and administrative personnel
- Infrastructure / equipment
- Tuition and fees
- Scholarships
- Research funds

The criteria used to determine the amount of the grants allocated by the public authorities are input oriented and the following are taken into consideration:

- Enrollment data
- Infrastructure (additional buildings, library, laboratories, etc)
- Establishment of new faculties and introduction of new programmes of study

Private Universities and private institutions of higher education (non-university), on the other hand, do not receive direct government funding and for this reason they are more aggressive with regard to finding alternative income sources. Private Universities finance their operations through the following:

- *Tuition and fees:* According to the educational laws of Cyprus, concerning Higher Education, private universities are allowed to demand educational fees from their students in any cycle of higher education.
- As a result of the aim of diversifying the income streams by searching for other sources of financial flow, instead of the governmental funding, all Higher Education Institutions are prompted to join various E.U projects and benefit, among others, from the financial support. Some examples are the following: Erasmus Mundus, Erasmus (more than €1 035 283 were absorbed by higher education institutions in Cyprus), Tempus, Framework Programmes for Research, Technological Development and Demonstration Activities, EU Structural Funds.

- The Cyprus Government is in the first phase of establishing a Science and Technology Park. Within the area of the Park, High Technology Companies and Research Centers will be established as well as Higher Education Institutions. The collaboration between the Companies and the Institutions in various levels (i.e. research) will allow Higher Education Institutions to diversify income sources.

3. Governance and regulatory framework

System of Governance in Higher Education

Bodies involved in the development of national higher education policies and reforms:

Ministry of Education and Culture

The Ministry of Education and Culture is the competent authority of the central public administration responsible for education, the enforcement of educational laws and the provision of educational facilities to pupils and students of the primary, secondary, and higher education levels. It is also responsible for the supervision and standardisation of services provided by the private sector as regards to all levels of education. The Ministry's responsibilities also cover the cultural affairs field.

Department of Higher and Tertiary Education

The Department of Higher and Tertiary Education is the competent authority, within the Ministry of Education and Culture, responsible for all issues pertaining to higher education, such as budget and legislative issues, international collaborations, student issues concerning the University of Cyprus, administrative issues, evaluation, accreditation and advice to private institutions of tertiary education, administrative support to the Cyprus Council for the Recognition of Academic Qualifications on budgetary and legislative issues, entrance examinations for admission to the public institutions of higher education for studies in Greece and Cyprus. The Department is also responsible for the establishment and operation of the Open University and the Cyprus University of Technology, funding of Greek and Byzantine studies in universities abroad, and participation in European programmes and the Bologna Follow Up Group. The Department has a Director who is responsible for the coordination and supervision of activities and functions, under the directions of the Permanent Secretary of the Ministry and of the Minister of Education and Culture.

Higher Education Advisory Committee

Advisory body set up by law in order to counsel the Minister of Education and Culture on any matter concerning higher education such as the establishment of public and private institutions, the registration of new programmes of study, and the educational policy

concerning tertiary education. According to the law, the committee consists of 15 members and the Permanent Secretary of the Ministry of Education and Culture, who presides the meetings. The members are appointed by the Council of Ministers for a three-year term.

Higher Education Council

The Higher Education Council was introduced by Decision of the Council of Ministers and its aim is to counsel the competent authority on any issue pertaining to higher education. The Council consists of the Minister of Education and Culture, the Permanent Secretary of the Ministry of Education and Culture, the Rector of the University of Cyprus, one representative from the University of Cyprus, representatives of parliamentary parties, one representative from the Pancyprian Association of Student Unions, one representative from the Association of Municipalities, three honorary members, the chair of the Temporary Governing Board of the Cyprus University of Technology, the Chair of the Temporary Governing Board of the Open University of Cyprus and one representative from the Technical Chamber of Cyprus.

University Governance

Both public and private universities have the following governance bodies:

Council

The Council is responsible for the management and control of the administrative and financial affairs of the University as well as its property and in particular, the annual budget, the level of salaries and other benefits of the staff of the University, and the allocation of funds for the building infrastructure of the University. In addition, it has the power and competence to ascertain the elections or promotions of the academic staff and to ratify the appointments and promotions of that staff, as well as the power and competence to ratify the appointments and promotions of the administrative staff of the University.

Senate

The Senate, the supreme academic body of the University, is responsible among others, for the academic work of the University, both in teaching and research. The Senate approves the decisions of the Rector regarding the academic programmes, the level of the entrance and other examinations, the marking or grading system, the promotions, and the award of diplomas and degrees, it determines the requirements of the University in building facilities and equipment, the apportionment of the budget and the relations of the University with other Universities and Educational Institutions, it recommends to the Council the establishment or abolition of Faculties or Departments and the number of students to be admitted to the University.

Board of Faculty

Each Faculty at the University has a Board which has in respect of the Faculty all the competences which the Senate shall have in respect of the University. It is noted, however, that the decisions of the Board of the Faculty are subject to the approval of the Senate.

Board of Department

The Board of the Department is responsible for the research and teaching work of the Department within the framework of the decisions of the Board of the Faculty. Each Department has a Board of Department which consists of the Professors, Associate Professors, Assistant Professors and Lecturers of the Department and a number of the students' representatives of the Department.

In the case of the newly established Open University of Cyprus and the Cyprus University of Technology, their governing bodies are the Interim Governing Board of the Open University of Cyprus and the Governing Board of the Cyprus University of Technology respectively. Their members are appointed by the Council of Ministers and their responsibilities include all the responsibilities of the Senate, the University Council, the Board of Faculty until the University's autonomous operation. These responsibilities, at the time being, include the management and control of the administrative and financial affairs of the University and its property and in particular, the annual budget, the level of salaries and other benefits of the staff of the University, and the allocation of funds for the building infrastructure of the University.

Governance of Public Institutions of Higher Education (non-university)

With regard to public Institutions at non-university level, the relevant legislation provides for the establishment of a Council whose members are appointed by the Council of Ministers. Its mission is to advise the director of the institution on every matter concerning the operation of the institution and specifically on the educational programmes and specializations of the institution, on the budget of the institution etc.

Governance of Private Institutions of Higher Education (non-university)

Private HEI are governed by the Council which consists of the owner of the institution, the members of the teaching staff, and the students of the institution and its task is to advise the owner and director of the institution on any matter concerning the following:

- programmes of study
- criteria for admission, promotion and graduation of the students
- the internal rule for the operation of the institution
- etc.

It is noted that a Committee of Academics was appointed by the Ministry of Education and Culture to prepare a proposal for a unified legislation aiming at increasing the autonomy and accountability of the institutions. The proposal will be further discussed and formulated into a new law in the near future.

4. System's strengths and weaknesses

University Level

The role of the governing bodies is crucial with regard to the quality of incoming teaching personnel. A permanent or a temporary position at public universities is proposed by the University Council after a recommendation by the University's Senate.

The members of the academic staff are recruited by public advertisement in the general field of the relevant department or the Research Unit with reference to the required specialization, in the Official Gazette of the Republic, the official website of the University as well as in the international and local press.

With regard to public universities according to the official regulations governing the selection, promotion and renewal of contracts of academic personnel at public universities, for the election of a permanent member of the academic staff, the Senate appoints a special Committee for this purpose. The candidates' credentials are distributed by the chair of the committee to its members and within six weeks a short list of the names of the candidates who are going to be invited for a personal interview, is drafted. After the interviews the Committee drafts a relevant report to the Faculty Board of the relevant Faculty. The final decision is taken by an electoral body which consists of members of the existing academic staff of the relevant Department, and members of the Faculty Board of the relevant Faculty holding higher ranks; however, in the case of the post of Professor, those holding the same rank vote.

The relevant legislation does provide for specific criteria. For instance:

- The posts of Professor and Associate Professor are filled by advertisement, call or upgrading.
- The post of Assistant Professor may be filled by advertisement or upgrading.
- The post of Lecturer is filled by advertisement.

It is noted that the other two state universities, the Open University of Cyprus and the Cyprus University of Technology have set similar conditions to the above.

In general, within the framework of building its quality culture, universities are implementing mechanisms for the evaluation of teaching personnel. An important development is the establishment of the Centre for Teaching and Learning in the context of the strategy for quality management. Another established practice is the students' participation in internal evaluation through questionnaires for courses and teaching.

Public Institutions of Higher Education (non-university)

Conditions for hiring academic personnel at public institutions of higher education are governed by the legislation governing the public service in the Republic as most of these institutions operate as government departments under various ministries. The Public Service Commission (*Epitropi Dimosias Ypiresias*) is the body responsible for all appointments in the public sector. The Public Service Commission is composed of five members who are appointed by the President of the Republic for a six-year term.

Announcements regarding positions in the public service in Cyprus are posted in the Official Gazette of the Republic. These announcements include the scheme of service, which is drafted by the Council of Ministers and it is approved by the House of Representatives, before its publication. The scheme of service includes a description of the position, the qualifications required, and the tasks that the appropriate candidate will assume.

Private Institutions of Higher Education (non-university level)

As regards to the recruitment of personnel in private institutions of tertiary education the law regulating their establishment and operation provides for the following:

- The teaching staff of each private institution, by a percentage not less than 70%, must possess an academic degree one level higher than the level of the programme it teaches. The remaining 30% may possess an equivalent degree or a relevant professional qualification.
- The teaching staff in a postgraduate programme of study must have publications of scientific articles and books.
- The teaching staff of each programme of study should include persons who possess a doctorate degree awarded by an accredited university.

Explanatory factors for efficiency

1. Staff Policy

1.1. Hiring/Firing

The level of autonomy to hire and dismiss academic staff and to deal with personnel matters is regulated by the respective legislation for each public HEI (Please see section 4).

Legislation for private institutions of tertiary education provides a general guideline on personnel matters but HEI have the autonomy to self regulate issues concerning employment of academic staff.

1.2. Wages

Wage setting is regulated by the respective legislation for each public HEI. At public Universities and at public institutions of higher education, at non-university level, wages are set by the relevant scheme of service which is published in the Official Gazette of the Republic of Cyprus.

Legislation for private institutions of tertiary education provides a general guideline on wages but HEI have the autonomy to self regulate issues concerning wages of academic staff.

2. Output flexibility

2.1. Course content and exams

HEIs are autonomous to develop and set their own course content, study and subject contents and also define educational methods or experiment on new educational methods as long as they act within the limits of current legislation regulating tertiary education.

2.2. Offer of short studies and other diversifies studies

Public and Private Universities in Cyprus offer programmes of study at the first cycle level (bachelor), second cycle level (Masters) and third cycle level (PhD) but not short cycle programmes. The remaining Tertiary education institutions offer short study programmes in various fields (1 – 3 years). These are primarily Vocational Programmes of Study which enhance the employability of graduates and to satisfy the needs of the local labour market. These programmes are offered by Public and Private HEIs (non-university). Programmes offered by private institutions of higher education are, in their majority, educationally evaluated-accredited by the Council for Educational Evaluation-Accreditation, the competent authority for this purpose.

Vocational Programmes offered in Cyprus include the following:

- Hotel Management
- Travel and Tourism Management
- Accounting
- Banking and Finance
- Design (Interior/Graphic)
- Culinary Arts
- Office Administration
- Aesthetics and Beauty therapy
- Management / Public Sector Management

2.3. Student choice

Cypriot higher education institutions, offer a wide variety of study programmes, relatively flexible. Every HEI has its own policy, but on average options start from first year.

HEIs do accept part time and distance learners only if they fulfil the minimum criterion for entrance to higher education which is the school leaving certificate.

Cyprus has adopted the definition, for life-long learning from the European Commission's Report for the creation of a European area for life-long learning (COM (2001) 678). Life-long learning includes every learning activity which is undertaken throughout one's life, and aims at the improvement of knowledge, skills, and abilities within the frame of personal, social, and professional development.

Public and Private Institutions of Higher Education, at university and non-university level play an active role with regard to the access of skilled human resources in the labour market. In order to enhance access to higher education by persons already active in the workforce institutions of higher education implement the following measures:

Programmes of study may be offered in the evenings and/or the weekends, on a part-time basis, in order to boost participation of target groups such as the following:

- Adults who wish to complete university education but did not have a chance to do so in the past
- Adults already in the workforce
- Adults who wish to improve their knowledge and skills in order to seek employment.

Additionally the Open University of Cyprus style of teaching "open and distance learning" aims to attract persons who wish to enter the labour market, or return to work after a period of absence. More specifically, students have the opportunity to learn in their own time and pace without having to be present at the premises of the University in order to be able to attend lectures and seminars, as it is the case with conventional universities.

Private Institutions of Higher Education play an active role in education and training through their vocational and professional programmes of study. The majority of these programmes are educationally evaluated-accredited by the Council for Educational Evaluation-Accreditation, the competent authority of the Republic of Cyprus for this purpose.

Every HEI has its own admittance policy and internal regulations. There is neither tradition nor relevant legislation in recognizing informal learning.

2.4. Numerus clausus

Numerus Clausus exist in Public Universities and public institutions of higher education as well as in private universities as decided by the Evaluation Committee of Private Universities.

Cypriot Higher Education Institutions are free to constitute their own internal regulations, as indicated by the legislation “Law 67(I) 1996 Regulating Tertiary Education”. Public Universities and public institutions of higher education have numerous clausus conditions as regulated through their budget approval.

2.5. Regional/ European/ global mobility

The following table shows the Cypriot Students studying abroad:

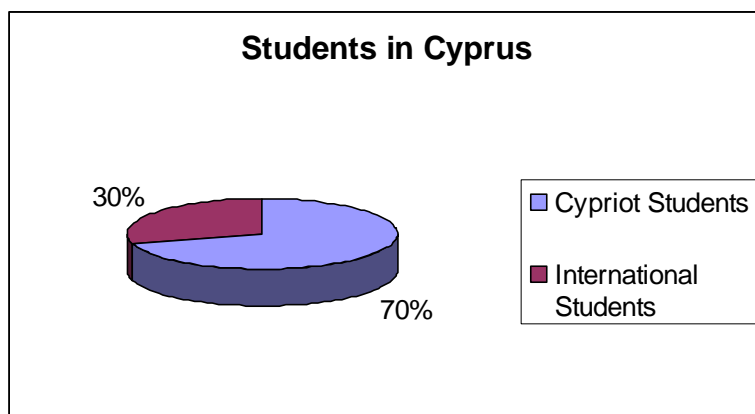
Academic Year	Cypriot Students Studying in Cyprus %	Cypriot Students Studying abroad %
1993/4	30.09	69.91
1994/5	41.11	58.89
1995/6	44.41	95.59
1996/7	45.84	54.16
1997/8	44.82	55.18
1998/9	41.83	58.17
1999/2000	40.85	59.15
2000/01	40.94	59.06
2001/02	42.13	57.87
2002/03	44.23	55.77
2003/04	44.56	55.44
2004/05	43.89	56.11
2005/06	41.63	58.37
2006/07	43.43	56.57
2007/08	45.50	55.50

Cypriot students study abroad due to traditional ties with Greece and to a less extent with the UK but also due to the unavailability of sufficient university positions and/or specific disciplines in Cyprus.

The increasing numbers of international students studying in Cyprus is presented in the next table:

Academic Year	International Students
1996-97	1.675
1997-98	1.741
1998-99	1.860
1999-00	2.025
2000-01	2.472
2001-02	3.058
2002-03	5.282
2003-04	6.679
2004-05	4.901
2005-06	5.630
2006-07	5,961
2007-08	7,354

The number of international students in Cyprus for the academic year 2007 – 2008 reached 7,354 (30% of the total student population on the island).



Aligned with the European Union’s objectives, as they are shaped by the European Higher Education system and outlined by the Bologna Process and within the general framework for the creation of the European Higher Education Area by 2010, Cyprus has implemented a series of measures for the enhancement and support of incoming student mobility including the following:

- The European Credit Transfer System (ECTS) has been implemented fully at the state and private universities in Cyprus and measures are being taken for its gradual implementation to public and private institutions of higher education.

- The higher education system in Cyprus is based on three distinct cycles of study (undergraduate, postgraduate, and doctoral).
- Institutions of higher education at university and non-university level issue the Diploma Supplement, automatically and free of charge, to their graduates.
- The University of Cyprus has established Joint Degree Programmes with other universities in Europe.
- The Ministry of Education and Culture promotes the Erasmus Mundus Exchange Programme.

In addition the Ministry of Education and Culture participates in a number of educational fairs abroad. During 2009 the Ministry will be participating in Educational Fairs in Beijing, Moscow, and New Delhi. Furthermore, it has participated in education fairs in European Higher Education Fairs in New Delhi and Beijing.

In addition to the above, private universities and institutions of higher education offer their programmes of study in English, whereas, the University of Cyprus and the Cyprus University of Technology offer a number of Masters Programmes in English.

The cost of the diploma recognition from every HEI is approx. €85 and the length of the procedure depends on the individual case and may take from a couple of months to a longer period depending on the collection of the necessary data.

Both public and private universities accept applications from international faculty, and these institutions do employ a significant number of international faculty.

Most Tertiary institutions have exchange programs with colleges and universities from other member states, mainly the UK, where students from Cypriot tertiary institutions may continue their studies in these colleges/universities.

Cyprus has also been a member to the Erasmus-Mundus European Program, and has signed the Lisbon Recognition Convention and is a member of the Bologna Process, providing mobility to students, researchers and teachers.

3. Evaluation

3.1. Institutional evaluation

In Cyprus, the higher education institutional and legal framework's primary objective is the pursuit of quality in education. Law 67 (I) of 1996 to 2007 regulating the establishment and operation of public and private Higher Education Institutions (HEIs) at non-university level, was the first step toward the setting of a solid legal framework within which quality in education was to be achieved.

One of the law's most important provisions was the establishment of a system of educational evaluation-accreditation of programmes of study offered by private HEIs. This led to the establishment of the Council for Educational Evaluation-Accreditation (*Symvoulío Ekpaideftikis Axiologisis Pistopoiisis, S.EK.A.P.*), the competent authority responsible for these matters. During the evaluation-accreditation procedure, *S.EK.A.P.*, appoints groups of experts—evaluation committees—which consist of renowned local and international academics in the field of study under evaluation. These committees are responsible to assess the program's credentials, such as curriculum, academic personnel, infrastructure etc and draft a relevant report. Successful evaluation-accreditation of a programme of study does not merely provide prestige but also recognition for the purposes of continuation of studies at a higher level, employment, especially in the public service, eligibility for scholarships and grants, etc.

Law 109(I)/2005 which provides for the establishment of Private Universities in Cyprus also provides for the establishment of the Evaluation Committee for Private Universities – E.C.P.U. (*Epitropi Axiologisis Idiotikon Panepistimion*). The Committee consists of 7 members who are appointed by the Council of Ministers. Similarly to *S.EK.A.P.*, the committee appoints teams of local and international experts who provide their expertise and knowledge during the evaluation procedure of the university's infrastructure, programs of study, academic personnel, student services and others.

Within the framework of the governmental strategy regarding the establishment of Cyprus as a Regional and International Higher Education Centre, the Higher Education Council (*Symvoulío Anotatis Ekpaidefsis*) was established by Decision of the Council of Ministers. The Council consists of the Minister of Education and Culture, the Permanent Secretary of the Ministry, the Rector of the University of Cyprus, one representative from the University of Cyprus, representatives of parliamentary parties, one representative from the Pancyprian Association of Student Unions, one representative from the Association of Municipalities, three honorary members, the Chair of the Governing Board of the Cyprus University of Technology, the Chair of the Interim Governing Board of the Open University of Cyprus and one representative from the Technical Chamber of Cyprus. The Council is authorized to act both as a decision making body as well as a counselling body on higher education matters.

The Ministry of Education and Culture, in collaboration with the University of Cyprus and other stakeholders, have submitted a proposal to the Council of Ministers regarding establishment of a National Quality Assurance Agency. The proposal has been approved by the Council of Ministers and the relevant bodies are taking the necessary steps to prepare the legislation for the implementation of the measure. The National Quality Assurance Agency will encompass the functions of *S.EK.A.P.*, the E.C.P.U. as well as the functions of the Cyprus Council for the Recognition of Higher Education Qualifications (*Kypriako Symvoulío Anagnorisis Titlon Spoudon, KY.S.A.T.S.*), and will carry out the educational evaluation of all public and private HEIs, both at university and non-university level, in Cyprus.

Universities in Cyprus pay particular importance to the development of their internal quality culture. The University of Cyprus, for example, starting in 2000, appointed three-member committees of external experts to evaluate its departments. In 2001 it went through the European University Association’s institutional evaluation with a follow-up evaluation in 2004. The evaluation of departments by external experts has been institutionalized with the purpose of applying it every four to five years.

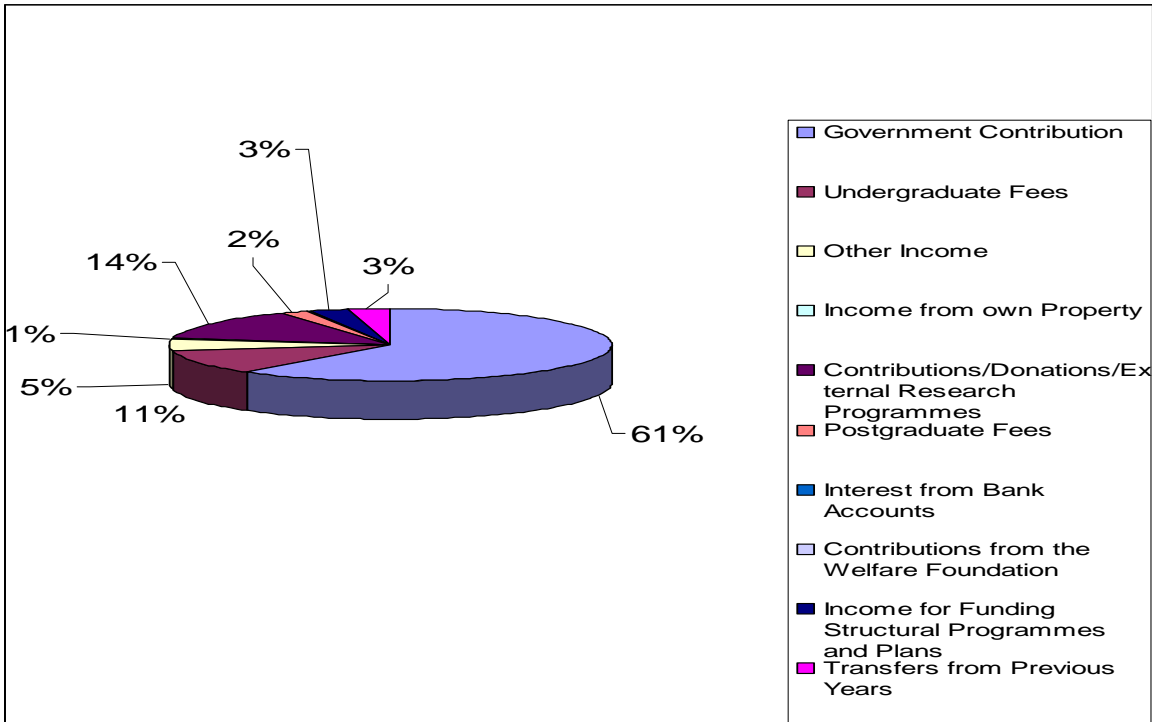
4. Funding rules

4.1. Public funding

The involvement of students occurs during the visit of the Committee of Experts at the institution under evaluation. It is planned for students and other stakeholders, to be represented in the National QAA.

Please see Section 2.

Funding of the public institutions is based on the institutional analysis and needs which however, relate to some extent to the number of students, staff and infrastructure requirements. Public Universities in Cyprus are dependent on government contribution for the financing of their operations. The following chart shows the various income sources.



*Fees are also paid by government and for this reason government contribution reaches a total of 72%.

Funding for research:

- *Funding for research:* Cyprus' accession to the EU in 2004 constituted a milestone with regard to funding for research. There was a significant leap in the percentage of the GDP utilized in research activities. Over the last five years the annual growth in research reached 17%, although still the overall expenditure is now about 0.6% of GDP. The target set in the five-year development plan (2007 – 2013) is to reach 1% of GDP by 2010. Cyprus' participation in European research programmes, such as the Framework Programmes for Research, Technological Development and Demonstration Activities, was a catalyst to the expansion of research activities as it provides funding through the Research Promotion Foundation to Cypriot scientists.

Funding for research is mainly based on a competitive basis through the research promotion foundation and through a basic research budget it is provided to public universities to support the academic staff.

4.2. Impact of quality assessments on funding

The results of quality assessments do not have an impact on funding decisions.

4.3. Private funding

4.3.1. Tuition fees and/or households

Public higher education institutions determine the amounts of contributions toward tuition costs, certification, and registration fees in collaboration with the relevant government authorities. In public institutions of higher education there are no variations paid by students towards tuition costs between faculties. Variation may occur between postgraduate programmes of study (i.e. the tuition charged for the MBA are higher than those charged for the MA). In public universities fees for undergraduate students are paid by the government as a part of the overall budget.

For Private institutions of tertiary education, relevant legislation provides for the approval of tuition and other fees payable by the students in the institution, by the Minister of Education and Culture at least three months before the beginning of the academic year. No increase in the tuition fees and other burdens can be imposed before the lapse of two years from the last increase. In private institutions of higher education tuition may vary among programmes of study.

There are no official regulations governing the way in which higher education institutions should spend the above contributions.

Even though fund-raising by higher education institutions from private sources other than the students and their families towards tuition fees does occur, there are no official regulations concerning this matter.

Intellectual property rights regulating the ownership of results from research and development and the patents that stem from them is shared between the researcher, the higher education institution and the sponsor and depends on the agreement signed between the interested parties prior to the research.

4.3.2. Business, other

National authorities and public universities in Cyprus, have taken a series of measures, in collaboration, to diversify their income sources. These are the following:

Funding for research.

- *Donations:* Public universities are prompted to search and accept donations from the private sector. Recently, the University of Cyprus has accepted generous private donation for the new library building. In addition, market representatives sponsor many students with excellent academic credentials to study at public universities.
- *Collaboration with the industry:* Public universities are encouraged to get involved in various collaborations with market stakeholders and earn, among other advantages, financial profit from these collaborations. In this direction for the past two years 20 programmes of business incubators are running with the involvement of private and public universities under the financial support of the Cypriot government. The areas of activities are related with bioengineering, telecommunications, biotechnology and information and communication technologies.
- *Consultancy services:* Public universities have legal permission and they are also encouraged to offer consultancy services to private or public organizations. They are also allowed to run surveys in collaboration with and under the financial support of various market stakeholders.
- *Tuition paid by students:* At state universities, Cypriot and European undergraduate students are exempted from paying fees as these are paid by the government (€3,400 for each student). Graduate students, however, pay fees, contributing thus to the income of the university. It is highlighted that the MBA programme of the University of Cyprus is self-funded. Another example is the self-funded modules of the Open University of Cyprus.
- *Examination Services:* The University of Cyprus has established the *KEPEA* which is a center for organizing and administering examinations for candidates for positions in the private and the semi-governmental sectors.

4.3.3. Grants/loans

- Students at public institutions of higher education of Cyprus are exempted from the tuition and consequently, even though money never reaches them personally they are the recipients of support.
- Central public authorities in Cyprus, namely the Cyprus Scholarship foundation, are the providers of both grants and loans to excellent high school graduates you pursue studies at the higher education level. The Cyprus Scholarship foundation also offers scholarships on the basis of financial need.
- A recently established measure for the support of students studying in universities in Cyprus, on the basis of socioeconomic needs includes mainly the support for housing, purchase of books, purchase of portable pc's.
- Central public authorities, namely the Ministry of Education and Culture, provide funding to Cypriot student organizations in Cyprus and overseas.
- All students studying in accredited programmes in Cyprus and abroad receive an annual grant from the Ministry of Finance.

5. Impact on Employability

Education	YEAR 2009											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Unqualified	34	35	28	32	31	39	36	39	106	158		
Primary	4,423	4,517	4,624	4,159	3,687	3,520	3,497	3,405	3,721	3,867		
Secondary	7,070	7,470	7,730	7,266	6,815	7,190	7,729	7,571	7,758	7,757		
Vocational	1,442	1,466	1,461	1,355	1,240	1,323	1,385	1,421	1,541	1,538		
Higher	2,817	2,895	2,963	3,294	3,385	4,668	5,342	5,352	4,492	3,943		
Total	15,786	16,383	16,806	16,106	15,158	16,740	17,989	17,788	17,618	17,263		

Most Tertiary institutions offering engineering or hospitality programmes are requesting from their students to demonstrate a percentage of practical experience in industry. This may take place during the summer semester of every academic year, or during their final year of study, where a sandwich program may be offered, with a number of days working in the industry and a number of days participating in school.

Nevertheless because of the recent changes taking place in the Cyprus educational system, there are no data available at this point.

6. Recent and planned reforms of the tertiary education system

6.1. Description of recent reforms

Breaking down the Barriers around Universities in Europe

Aiming at the increase of incoming and outgoing mobility (student, academic, researcher, and employee mobility) the following initiatives have been implemented:

- The European Credit Transfer System (ECTS) has been applied to all programmes of study at the University of Cyprus, both as a credit accumulation as well as a credit transfer system. The two new Public Universities have adopted right from the beginning the use of ECTS. The Open University has accepted its first students in September 2006 and the Cyprus University of Technology will accept its first students in September 2007.
- An amendment to the law governing the operation of Institutions of Tertiary Education is underway, enforcing the application of ECTS in both public and private HEIs.
- Since 2004, the University of Cyprus, issues automatically and free of charge, the Diploma Supplement for all its graduates. Other private HEIs issue the Diploma Supplement.
- Regulations governing the operation of the University of Cyprus have been amended to provide for the award of joint degrees in collaboration with other Universities.
- The Cyprus Productivity Center has undertaken the role of the Cyprus Europass Center, aiming at the establishment and wider use possible of the Europass portfolio which will enhance mobility.
- Higher Education institutions both university-level and non-university level award comparable qualifications to those awarded by EU countries based on three cycles for the Bachelors, Masters, and PhD levels as well as short-cycle programmes.

Ensuring Real Autonomy and Accountability for Universities.

Accountability:

Public Universities are self governed and autonomous institutions operating under respective laws which outline the provisions for their governance.

Law 109 (I)/2005, which regulates the establishment, operation and control of private universities in Cyprus, was approved by the House of Representatives in the summer of 2005. This new law is expected to upgrade private HEIs making them autonomous. Five applications are being evaluated by the ECPU (Evaluation Committee for Private Universities) and the first private universities are expected to operate in the very near future.

The establishment of the *Cyprus Quality Assurance Agency* is examined and promoted by the relevant government departments. The aim of this Agency is to promote quality assurance and safeguard accountability for both public and the private HEIs through various measures which should include external accreditation and development of internal quality culture based on the ENQA standards and Guidelines and European Agreements on collaboration for Quality Assurance.

This new body is expected to absorb the functions of *SEKAP* (Council for the Educational Evaluation-Accreditation of Programmes of Study) and carry out the evaluation of all public and private higher education institutions operating in Cyprus.

Unified Law on Higher education

The Ministry of Education and Culture in collaboration with other stakeholders and the relevant government departments are in the process of preparing a unified law which will regulate higher education in Cyprus in its totality.

Providing the Right Mix of Skills and Competencies for the Labour Market

Vocational Programmes of Study:

In order to enhance the employability of graduates and to satisfy the needs of the local labour market, Public and Private HEIs offer a wide range of vocational programmes of study. The majority of these programmes are educationally evaluated-accredited by the Council for Educational Evaluation-Accreditation, the competent authority for this purpose.

Lifelong Learning:

Law 234(I)/2002 regulates the establishment and operation of the Open University of Cyprus. This new University accepted its first students in September 2006 and its main objectives are the promotion of open and distance learning and access to higher education for all .especially for non-traditional students.

6.2. Planned reforms (or reference to ongoing policy debate)

- Establish Cyprus as a regional educational & research centre
- Development and expansion of Higher Education Institutions
- The establishment of the Cyprus Quality Assurance and Accreditation Agency for HE (which will absorb the tasks of SEKAP and KYSATS)