

EUROPEAN STRUCTURAL AND INVESTMENT FUNDS¹



CYPRUS

With a budget of **EUR 454 billion** for 2014-2020, the **European Structural and Investment Funds (ESI Funds)** are the European Union's main investment policy tool. The ESI Funds combine five Funds: **European Regional Development Fund (ERDF)**; **European Social Fund (ESF)**; **Cohesion Fund (CF)**; **European Agricultural Fund for Rural Development (EAFRD)**; and the **European Maritime and Fisheries Fund (EMFF)**. Cyprus, together with 19 other Member States, will also benefit from the **Youth Employment Initiative (YEI)**.

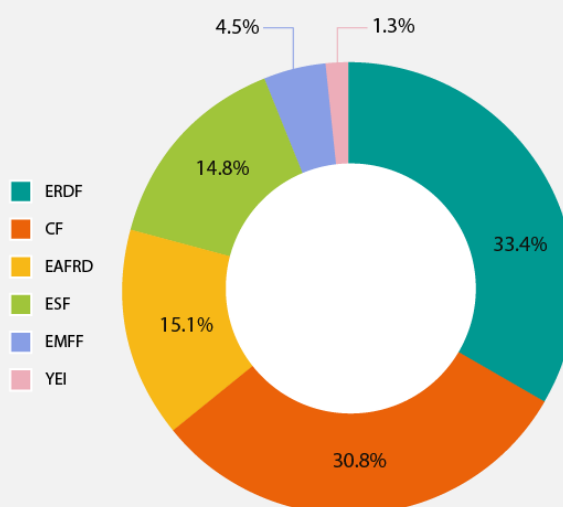


Categories of regions for the ERDF, ESF and EAFRD 2014-2020
 ■ More developed regions (GDP/head \geq 90% of EU-27 average)

Cyprus has been allocated **EUR 874 million** from ESI Funds over the period 2014-2020. Given the additional national contribution of **EUR 246 million**, the total amount will be **EUR 1.12 billion**. These funds will be invested in various areas through four national programmes, leading to **job creation and growth**, improved **environmental protection**, sustainable land management in agriculture and forestry, **resource usage efficiency**, increased **competitiveness** for its SMEs as well as significant investments in **transport and energy network infrastructure**.

ESI FUNDS BUDGET FOR CYPRUS (2014-2020)

- **EUR 292 million** through the ERDF
- **EUR 270 million** through the CF
- **EUR 132 million** through the EAFRD
- **EUR 129 million** through the ESF
- **EUR 40 million** through the EMFF
- **EUR 12 million** through the YEI



¹ Data included in this factsheet have been extracted from the ESIF Open Data platform which is accessible online at <https://cohesiondata.ec.europa.eu/>. Data on target achievements are based on officially agreed common indicators or, for the ESF, programme specific indicators (reference date for data: November 2015).

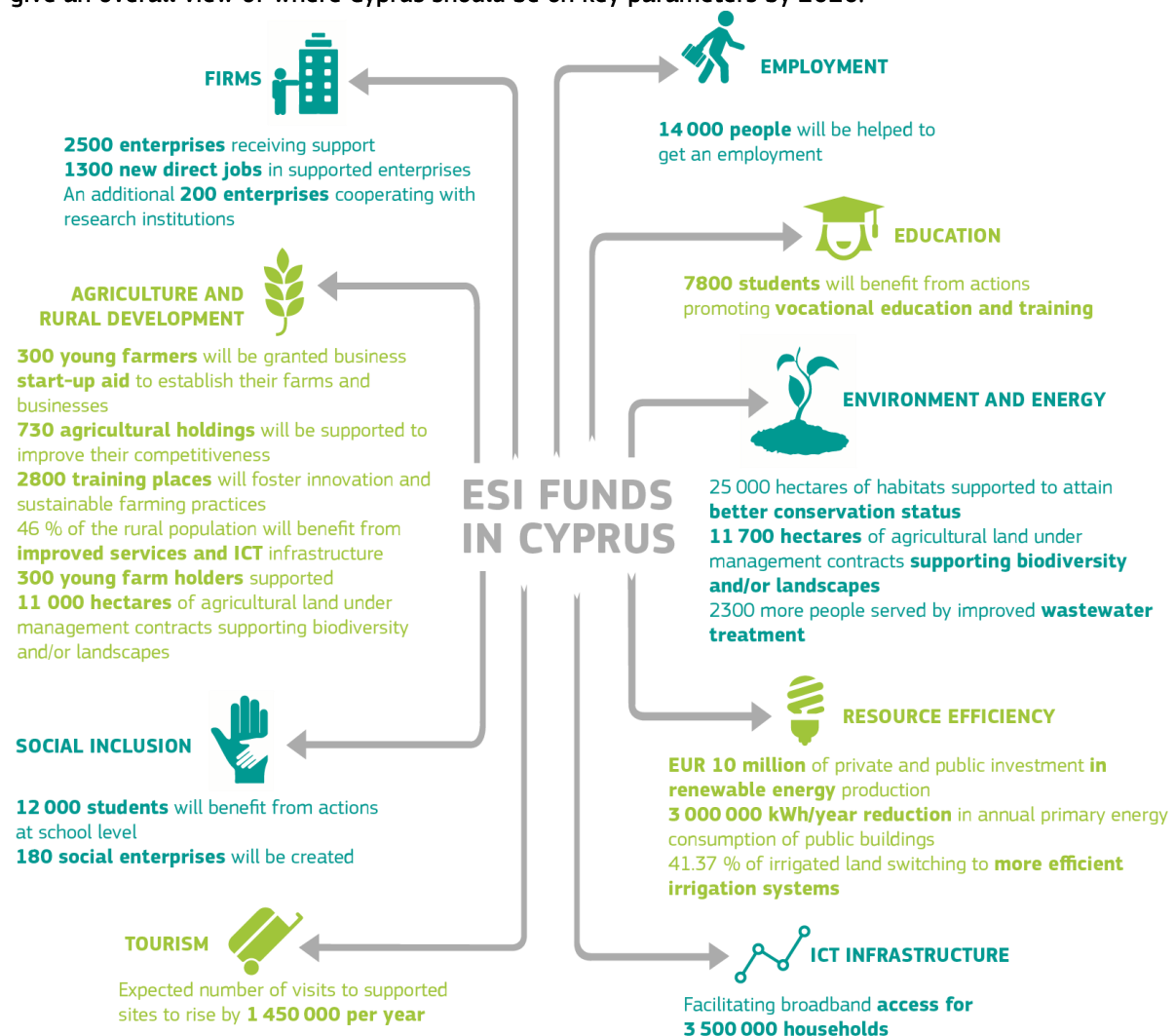
MAIN PRIORITIES

ESI FUNDS IN CYPRUS WILL:

- Diversify the structure of the economy and make it **more competitive**.
- Strengthen **business innovation** and encourage cooperation between businesses and research facilities in all sectors of the economy, including agriculture and forestry.
- Increase **employment opportunities**, focusing on vulnerable groups such as the unemployed, the long-term unemployed and especially young people.
- Help the shift to a **low-carbon** and **resource-efficient economy**.
- Complete the investments in the **TEN-T port** and its connections.
- Promote the **sustainable management** and use of **natural resources**, adaptation to climate change and conservation of **biodiversity** and **ecosystems** related to agriculture and forestry.
- Promote economic development and the creation of **new jobs** in rural areas.
- Support the protection and rehabilitation of **marine biological resources**.
- Promote entrepreneurship and the competitiveness of SMEs, in particular in the **tourism, agri-food** and **aquaculture** sectors.
- Help to fight **poverty** and support **social inclusion**.
- Promote the improvement of **vocational** and technical **education** systems.
- Help to improve the **efficiency of public administration**.

TARGETS

All funds are designed to support Cyprus' socio-economic development. The expected results (targets) give an overall view of where Cyprus should be on key parameters by 2020.



HOW WILL CYPRUS ACHIEVE THE EXPECTED RESULTS?

Cyprus will work towards the efficient spending of the EU Funds, based on a multidimensional approach.

FULFILLING PRECONDITIONS FOR THE EFFECTIVE AND EFFICIENT USE OF ESI FUNDS

To ensure that ESI Funds are used efficiently and focus on results, the Commission has set some preconditions when allocating ESI Funds to the Member States.

The main purpose of these conditions, also called 'ex-ante conditionalities', is to help all Member States and their regions to tackle issues that past experience has shown to be particularly relevant to the efficient implementation of the Funds. These principles could be linked, for example, to the proper transposition of EU legislation in some key investment areas, developing strategies and investment planning for certain policy domains, and administrative and institutional capacity.

ENCOURAGING THE USE OF FINANCIAL INSTRUMENTS AND TERRITORIAL TOOLS

To date, no information is available for Cyprus as regards planned amounts to be allocated to financial instruments. *Ex-ante* assessments have been launched in order to assess the scope for equity, loan and guarantee schemes for SME support, ICT, the energy sector, and investments in the environment and transport.

Integrated territorial investments will not be implemented. On the other hand, community-led local development will be carried under the EAFRD and EMFF programmes.

SIMPLIFICATION FOR BENEFICIARIES

The Cypriot authorities intend to make more extensive use of simplified cost methodologies and to upgrade the dedicated information system. They also plan to increase the use of electronic forms and interoperability among the national administrative services for the automatic issuance and reduction of the number of documents and certificates needed.

SUCCESS STORIES: EXAMPLES OF PROJECTS USING ESI FUNDS (2007-2013)

REGENERATION PROJECT BOOSTS LIMASSOL TOWN CENTRE FOR RESIDENTS, VISITORS AND BUSINESSES

Limassol, Cyprus' second city has been given a new lease of life thanks to a major urban regeneration project that has spruced up the city's historic city centre. In a country where tourism is one of the main industries, this is a significant achievement. But it is not just tourists –the city's residents will also benefit from the regeneration as one of the project's aims was to redefine Limassol as the centre of social, cultural and other activities for the 90 000 people who live in its municipality as well as the 187 000 residents in the wider metropolitan area.

Total budget: EUR 18 400 000

EU budget contribution to the project from ERDF: EUR 15 640 000

More information: <http://europa.eu/!qY68JB>

PHOTOVOLTAIC SYSTEMS IN PUBLIC BUILDINGS, SCHOOLS AND MILITARY CAMPS

Enjoying more than 300 days of 75 % sunshine, Cyprus is a prime candidate to harness solar energy. The island already holds the unofficial 'world record' in solar water heating with almost every household having a system installed, officials estimate that more than 750 000 m² of solar collectors are installed on the island. Cyprus has now expanded the coverage of photovoltaic systems to public buildings, schools and military camps.

Total budget: EUR 5 043 989

EU budget contribution to the project from ERDF: EUR 3 134 474

More information: <http://europa.eu/!uT96kH>

STAYING IN SCHOOL

The Ministry of Education and Culture in Cyprus set in place the Programme for Zones of Educational Priority (ZEP) in an effort to promote tolerance and dialogue and to eliminate stereotypes through education, promote social inclusion and help disadvantaged students.

Total budget: EUR 10 905 227

EU budget contribution to the project from ESF: EUR 8 970 000

More information: <http://europa.eu/!FG96qF>

AUTOMATED IRRIGATION SYSTEM FOR MEDITERRANEAN HORTICULTURE

The EAFRD has supported the final stages of a major modernisation programme at a leading seedling nursery in Cyprus with co-financing for the installation of a modern 'smart' irrigation system that is both saving costs and conserving water.

Total budget: EUR 1 708 601

EU budget contribution to the project from EAFRD: EUR 307 548

More information: <http://europa.eu/!wT77nP>

BOOSTING COASTAL AND MARITIME TOURISM IN THE SOUTH COAST OF CYPRUS

The modernization of the Fishing Shelter of Zygi (in the south of the country) has permitted a small family-business dedicated to traditional fishing tourism expand its operations and has led to an increase in the number of visitors in the area. The project has benefited from cooperation with the FLAG (Fisheries Local Action Group): the project has been co-financed by the European Union through the FLAG's Local Development Strategy, namely the Axis 4 of the Fisheries Operational Programme 2007-2013. Additionally, technical support has been provided to help the enterprise adapt to the legal, administrative and security requirements in order to put pesca-tourism into practice.

Total budget: EUR 15 000

EU budget contribution to the project from EFF: EUR 3 350

(During the 2007-2013 period, the EMFF was known as European Fisheries Fund or EFF)

More information: <http://bit.ly/1rl7NVy>

FIND OUT MORE ABOUT ESI FUNDS IN CYPRUS

- ESI Funds: <http://ec.europa.eu/esif>
- ESI Funds Open Data Platform: <https://cohesiondata.ec.europa.eu/countries/CY>
- ERDF & CF: http://ec.europa.eu/regional_policy/en/atlas/cyprus
- ESF: <http://ec.europa.eu/esf/main.jsp?catId=373&langId=en>
- YEI: <http://ec.europa.eu/social/BlobServlet?docId=13466&langId=en>
- EAFRD: http://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/index_en.htm
- EMFF: http://ec.europa.eu/fisheries/cfp/emff/doc/op-cyprus-fact-sheet_en.pdf
- The EU Representation in Cyprus: <http://ec.europa.eu/cyprus/>
- EU project examples: http://ec.europa.eu/budget/euprojects/search-projects/list_en
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