



# RRF 1<sup>st</sup> Payment request – CYPRUS

**Preliminary positive assessment by the Commission**



14/11/2022

# Overview of the request



**14** milestones



**6** investments and  
**8** reforms



most milestones  
achieved until Q4-  
2021



**€ 85 mln** in grants  
(net of pre-financing)

# Green transition – 6 milestones

## Circular economy

- Approval of the National Action Plan for the Enhancement of Circular Economy in Cyprus, including a grant scheme to support business investment in the circular economy, as well as actions to raise awareness and provide consulting services to businesses and consumers (C3.1R4)



## Energy and decarbonisation

- Law for the Regulation of the Electricity Market to enhance competition by creating conditions for new investors to participate in the market (C2.1R4)
- Amendment of the Transmission, Distribution, Trading and Settlement Rules to allow storage facilities to participate in the wholesale electricity market (C2.1R2)
- Publication of four calls for proposals to:
  - Promote energy efficiency investments in SMEs, communities and the public sector (C2.1I1)
  - Support local authorities in the use of renewables and energy efficiency measures (C2.1I3)
  - Promote renewables and other energy efficiency measures in dwellings and tackle energy poverty as well as in households with people with disabilities (C2.1I2)

# Digital transition – 2 milestones

## Skills

- Adoption of Cyprus' National e-skills Action Plan strengthening digital skills across the Cypriot society (C5.1R5)



## Advanced IT technologies

- Investment to improve the authentication of traditional Cypriot products relying on the use of advanced digital technologies (C3.1I2)

# Resilience – 5 milestones

## Making justice more efficient

- Construction of an extension to the Famagusta District Court building to improve quantity and quality of the court buildings (C3.4I8)



## Improving functioning of public service

- Review of the recruitment and promotion framework and of the performance appraisal system in the public sector (C3.4R3)



## Fighting corruption

- Law on transparency in public decision-making (C3.4R10)
- Law on the protection of whistle-blowers (C3.4R10)



## Improving financial stability

Package of amending laws regarding credit acquiring companies and credit servicers to improve the working environment for non-performing loans management (C3.5R2)



# Repository system for the RRF implementation



- **The repository system for monitoring the implementation of the RRF has been set up:**
  - ✓ The system ensures the collection of data and monitoring of the achievement of milestones and targets
  - ✓ It also collects, stores and ensures access to the data required by the RRF Regulation
- The audit by the Internal Audit Service of Cyprus has confirmed that the system is operational, has the required functionalities, and has not identified major weaknesses.

# Timeline of measures under first payment request

Measure	Payment request									
	1	2	3	4	5	6	7	8	9	10
	H2 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025	H2 2025	H1 2026	H2 2026
C2.1R2	#21									
C2.1R4	#23									
C2.1I1	#24						#25		#26	
C2.1I2	#27				#28					#29
C2.1I3	#30				#31					#32
C3.1I2	#93							#94		
C3.1R4	#109									#110
C3.4R3	#160							#161		
C3.4I8	#186									
C3.4R10	#188, #189	#187								
C3.5R2	#192									
C4.2I1	#232	#233			#234				#235	
C5.1R5	#249								#250	

milestone  
target

Most measures (9 out of 13) include subsequent milestones and targets in the Cypriot RRP.

# Thank you



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# Background slides

# Overview of Cyprus' RRP

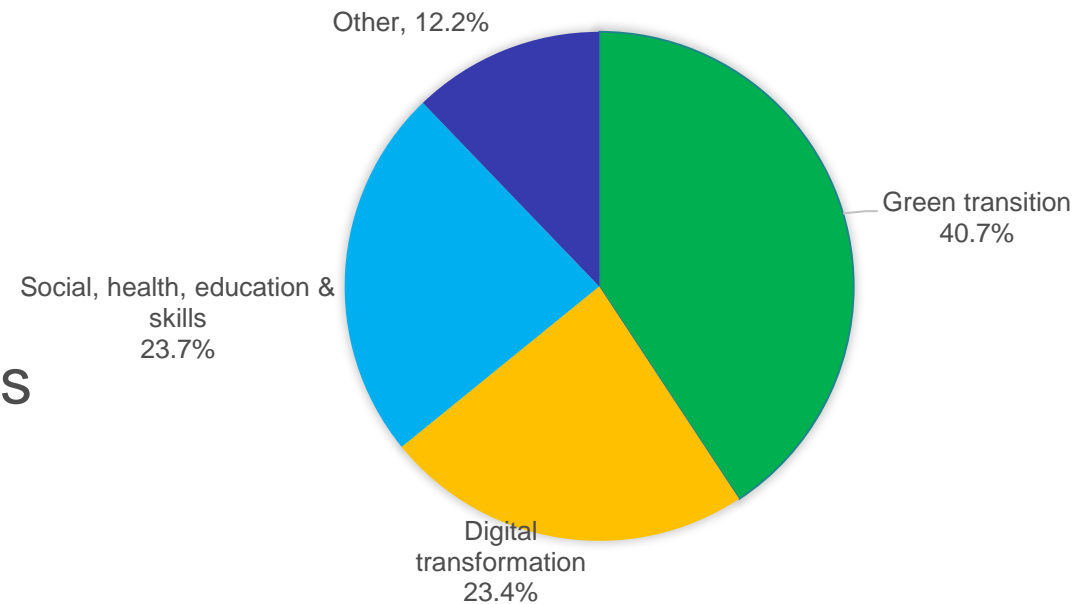
The **133 measures** of the plan (58 reforms and 75 investments) are structured around **13 components (271 milestones and targets)**:

- Green transition
- Digital transformation
- Social, health, education and skills
- Other (mainly resilience and sustainable growth)

## Allocation

- € 0.916 billion in grants (ca. 3.8 % of 2021 GDP)
- € 0.2 billion in loans (out of EUR 1.414 billion total loan envelope)
- Prefinancing requested and paid (€ 157 million)

## PLAN'S PRIORITIES BY POLICY AREA



# Key reforms and investments

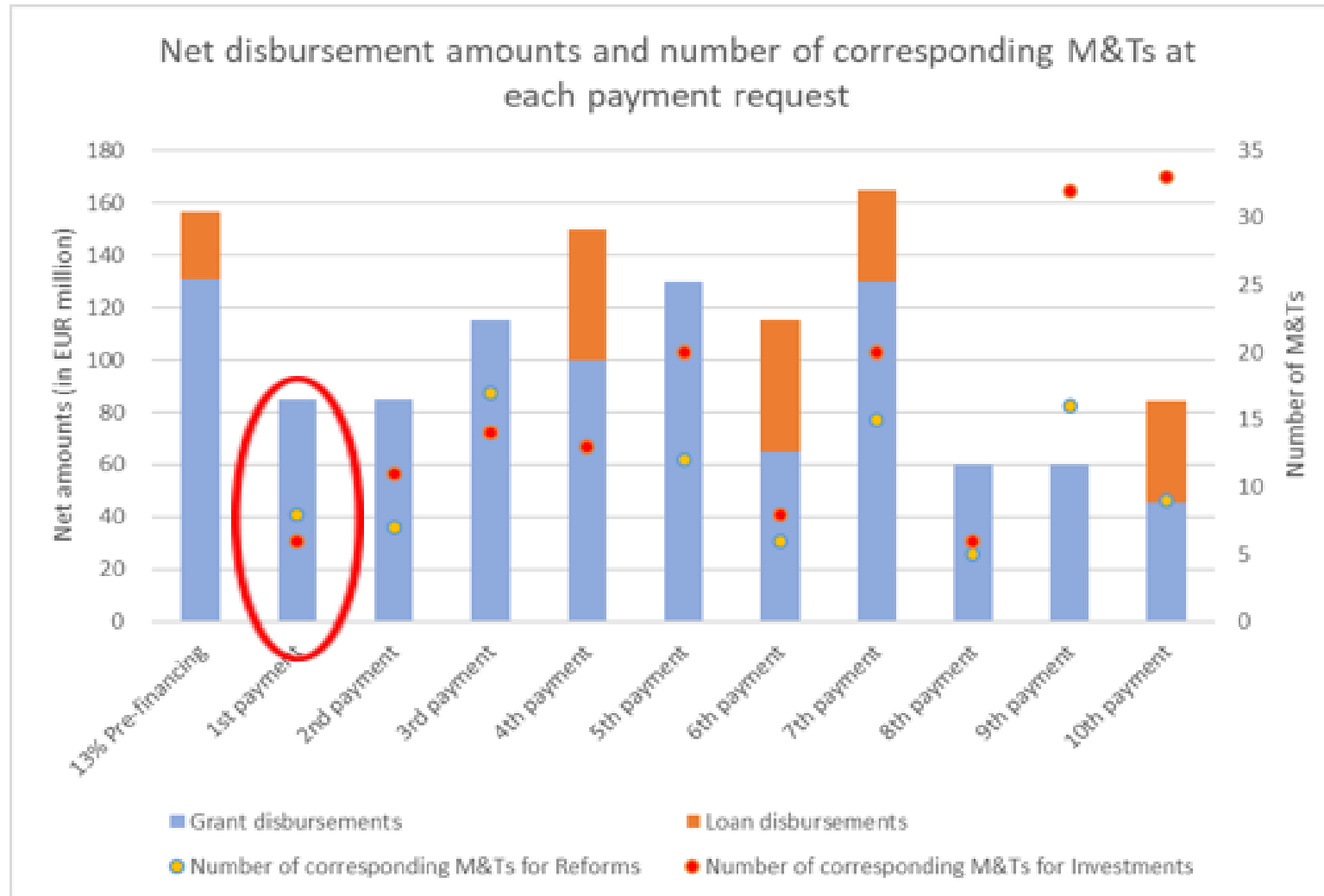
## Reforms:

- C2.1R2 Independence of Cyprus Transmission System Operator (TSOC) from the incumbent Electricity Authority of Cyprus
- C2.1R4 Energy Storage Regulatory Framework
- C3.1R4 Enhancement of circular economy in the industry
- C3.4R3 Introduce new framework for evaluation and selection process for filling public service vacancies and new regulations for the evaluation of employees' performance
- C3.4R10 Improving the legal and institutional framework for fighting corruption (2 milestones)
- C3.5R2 Framework and Action Plan for addressing NPLs
- C5.1R5 E-skills Action Plan – Implementation of specific actions

## Investments :

- C2.1I1 Promoting energy efficiency investments in SMEs, municipalities, communities and the wider public sector
- C2.1I2 Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty in households with people with disabilities
- C2.1I3 Encouraging the use of renewables and energy savings by local/wider public authorities as well as NGOs and facilitating the transition of local communities towards climate mitigation & adaptation
- C3.1I2 Enhancing the existing isotopic databases of Cypriot local traditional food/drinks, by developing a Block Chain platform, to ensure their identity
- C3.4I8 Upgrading the infrastructure of courts
- C4.2I1 Digitalisation in various Central Government Ministries - Services

# A disbursement of EUR 85mIn would bring the total amount disbursed to EUR 242 mIn



# Cyprus' second payment request: overview

	Investments	Reforms	Total
Non-repayable support (grants)	11	7	18

- The second payment request corresponds to milestones and targets for 11 investments and 7 reforms.
- It concerns 14 milestones and 4 targets (out of the 271 M&Ts in the Cypriot plan) and it amounts to EUR 85 million (net of pre-financing).

