

CYPRUS' DRAFT UPDATED NATIONAL ENERGY AND CLIMATE PLAN





An important step towards the more ambitious 2030 energy and climate objectives under the European Green Deal and REPowerEU



Highlights of the Commission's assessment

The European Green Deal, the fast-evolving geopolitical context and the energy crisis have led the EU and its Member States to **accelerate the energy transition and set more ambitious energy and climate objectives**. These developments are reflected in the legislative and policy framework adopted under both the 'Fit for 55' package and the REPowerEU Plan. Taking this new context into account, **Member States are updating their National Energy and Climate Plans (NECPs) for the first time since 2019**. The European Commission has assessed Cyprus' draft updated NECP, submitted on 27 July 2023.

Cyprus' key objectives, targets and contributions

	2030 value submitted in the draft updated NECP	2030 target required under EU legislation	Assessment of 2030 ambition level
 GHG emissions in ESR sectors (compared to 2005)	-23.1%	-32%*	Cyprus does not reach its target based on projections.
 GHG net removals in LULUCF (Mt CO ₂ eq. net greenhouse gas removals)	-0.325	-0.063 (additional removal target) -0.352 (total net removals) **	Cyprus does not reach its target based on projections.
 Energy Efficiency (Final energy consumption)	1.9 Mtoe	1.8 Mtoe***	Cyprus' final energy consumption is above the indicated target resulting from EU legislation.
 Renewable Energy (Share of renewable energy in gross final consumption)	26.5%	33%****	Cyprus' submitted contribution to the EU target is significantly below the one resulting from EU legislation.

* under the Effort Sharing Regulation (ESR).

** under the Regulation on Land Use, Land Use Change and Forestry (LULUCF).

*** according to the formula set out in Annex I of the Directive (EU) 2023/1791 on energy efficiency and amending Regulation (EU) 2023/955 ('EED recast').

**** according to the formula set out in Annex II of the Regulation (EU) 2018/1999 on the Governance Regulation of the Energy Union and Climate Action.

Cyprus' main positive elements and areas for improvement

- ✓ On **renewable energy**, Cyprus' draft updated NECP sets out plans to create a digital single contact to streamline **permit-granting** procedures.
- ✓ On **energy efficiency**, the draft plan includes planned measures to achieve the 2030 energy efficiency targets and reflects the 'energy efficiency first' principle in several policy areas. On buildings, it includes additional policies and measures aligned with the updated long-term renovation strategy.
- ✓ On **energy security**, the draft plan contains adequate objectives and measures to reduce the risk exposure of Cyprus' energy system. The opening of an LNG terminal and the development of gas interconnections to Europe's mainland and Israel will support diversification efforts and help reduce Cyprus' dependence on imported oil.
- ✓ The draft plan includes measures to tackle **energy poverty** and support vulnerable consumers, such as through reduced electricity tariffs and protection from disconnection.

- ✗ On **adaptation to climate change**, the draft updated NECP does not consider relevant climate vulnerabilities and risks, and this may put the achievement of energy and climate mitigation objectives at risk. Adaptation policies and measures (to address these risks and vulnerabilities) are not adequately described.
- ✗ The draft plan lacks information on how and by when the remaining **fossil fuel subsidies** will be phased out which is particularly an issue given their very high share in total energy subsidies.
- ✗ On the **internal energy market**, the draft updated NECP lacks sufficient detail on policies and measures for the deployment of flexibility services, demand response.
- ✗ On **research and innovation**, the draft plan sets out several policies and measures, but lacks detailed information and dedicated funding. Moreover, it fails to provide specific information on how it will ensure **competitiveness** and the resilience of its supply chains for clean energy technologies.
- ✗ On **achieving a just transition**, the plan lacks a comprehensive analysis of social, employment and skills impacts, including distributional ones, of the climate and energy transition and does not elaborate on concrete policies and measures to address these.

Moving forward...

Based on this assessment, the Commission has published country-specific recommendations for each Member State. These recommendations should be taken into account by the Member States when preparing their final updated NECPs, which are due by 30 June 2024.

Full Commission's assessment and recommendations on Cyprus's draft updated NECP: [here](#)

More information about the National Energy & Climate Plans: [NECP website](#)