Launching the recovery
A Recovery plan for Europe:
The Recovery and Resilience Facility
CYPRUS
Financial Counsellors Working Group,
20 July 2021
Overview of the Cypriot RRP

- **13 components**
- **133 measures**
  - 58 reforms and
  - 75 investments
- **271 Milestones & Targets**
- **€ 1 bn in grants**
- **€ 0.2 bn in loans**
## Assessment summary

<table>
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<th>Balanced response</th>
<th>Addresses challenges identified in CSRs</th>
<th>Growth, resilience and social impact</th>
<th>Do no significant harm</th>
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<td>Coherence</td>
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Green transition

41% of plan allocated to climate objectives

Key investments

- Energy efficiency and renewable energy investments (€89mn)
- Sustainable and green mobility (€87mn)
- Circular economy (€64mn)
- Smart and sustainable water management (€57mn)
- Climate adaptation: forest fire protection; anti-flood and water security (€45mn)
- Biodiversity – protection of the marine ecosystem (€7.6mn)

Key reforms

- Green taxation: introducing a carbon tax for fuels, levy on water and a charge on landfill waste
- Opening up of the electricity market
- Facilitating licensing of renewable energy and renovation projects
- Water management reform
- Regulatory changes to facilitate investments in electric mobility

Cross-border project

- Contribution to the EuroAsia Interconnector (€100 million)

DNSH:
No measure in the plan harms environmental objectives
Digital transition

Key reforms
- Facilitating and accelerating investments in very high-capacity networks in underserved areas

23% of plan allocated to digital objectives

Key investments
- Enhancing access to communication infrastructure for all citizens (€53mn)
- Digitalisation of public services, including justice (€133mn)
- Modernising the IT systems of the National Health System and deploying cross border e-health services (€10mn)
- Government cloud solutions (€36.4mn)

Social sector specific actions
- Upgrading digital infrastructure and tools in schools, providing teachers with digital training and a general digital skills training programme (€30mn)

Cross-border project
- Creating high-capacity backbone internet connectivity through a new submarine link between Cyprus and Greece
Social impact and equality screening

- Strong focus on gender equality
- Enhancing access to quality health and social services
- Reducing risks of low education outcomes
- Equal opportunities - access to the labour market
Resilience

**Labour market and education & skills**
- Fostering youth employment (€ 17 mn)
- Upskilling and reskilling measures helping at least 25 000 people (€ 15 mn)
- Increasing the quality of education and training (€ 51 mn)
- Supporting early childhood education and care (€ 33 mn)

**Economic resilience**
- Improved access to finance
- Support to SMEs' competitiveness
- Reforms increasing efficiency of public administration
- Justice reform and reduction of pending cases backlog
- Reducing risks in the banking sector
- Addressing aggressive tax planning

**Research and Innovation**
- Set up a Knowledge Transfer Office
- Support for R&I on green transition
- Growth & competitiveness support to startups, innovative companies & SMEs

**Health, social services & civil protection**
- Increasing effectiveness and accessibility of the health system (€ 69 mn)
- Investing in long-term care (€ 11 mn)
- Reforming the social insurance system (€ 10 mn)
- Modern public warning system (€ 4.5 mn)
- Fire protection equipment (€ 18.7 mn)
Audit and control - Protection of the EU’s financial interests

**Audit and control systems:**
- Adequate and robust
- Relies strongly on the existing national processes and structures for auditing
- Implementation of the plan and A&C separated

**Framework to protect against serious irregularities in the use of funds:**
- Fraud
- Corruption
- Double funding

**Milestones and targets:**
- Clear and comprehensive milestones and targets.
- Robust verification mechanisms, data collection and responsibilities.
Disbursement profile
Thank you