



NEXT  
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EU

# CYPRUS' RECOVERY AND RESILIENCE PLAN

#NEXTGENEU | FEBRUARY 2024

## KEY FIGURES

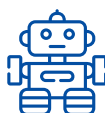
**EUR 1.02 billion**  
in grants  
4.1% of GDP<sup>1</sup>

**EUR 200 million**  
in loans

**>34%** value of  
**payments requested**  
corresponding to  
20% of milestones/targets



**Climate Target**  
**45 %**



**Digital Target**  
**25 %**



**Social Spending**  
**24 %<sup>2</sup>**

## WHAT ARE THE MAIN CHARACTERISTICS OF THE CYPRIOT PLAN?

### RICH

High number of measures (136) compared to the total allocation.

### TRANSFORMATIVE

Reforms constitute 45% of all measures and aim to improve the efficiency of public administration, the tax system and the financial sector, strengthen social resilience and uplift the green and digital transitions

### GREEN

Almost half of the measures are to contribute to the green transition, including measures to enable green electrification and to simplify permitting procedures for green projects.

<sup>1</sup> Based on GDP in current prices for 2021.

<sup>2</sup> Data is based on the methodology for reporting social expenditure for the Recovery and Resilience Scoreboard ([Delegated Regulation 2021/2105](#)) and reflect the Member State's original national recovery and resilience plan (Plan). In the context of the revision of Member States' plans, the share of social expenditure might be subject to change.

## HOW DOES THE CYPRIOT PLAN **HELP CITIZENS?**

It helps improve the life of the Cypriot citizens by addressing **skills mismatches** in the labour market, **promoting equality**, facilitating the housing market by easing the procedure of building permits (including for energy upgrading of houses) and improving services and infrastructures in the **education and health** sectors.

### FLAGSHIP EXAMPLES

#### Enhanced, modernised and upgraded State Hospitals



The Plan aims at improving the efficiency and the infrastructure of the public health system, as well facilitating access to public health services. The investments will:

- ▶ Increase capacity in two thirds of public hospitals in Cyprus, including through the creation and equipment of new clinical units;
- ▶ Benefit, among others, children and patients in need of haemodialysis, invasive radiology procedures, and mental health treatments.

#### Addressing inadequacies of the property transaction system (title deeds)



It is not straightforward for buyers to receive the rights to their house (title deed). Through the title deeds reform:

- ▶ Thousands of accumulated pending cases will be solved;
- ▶ Future buyers will benefit from full transparency, before the sale, on any existing obstacles attached to property hindering the transfer of the title deed.

## HOW DOES THE CYPRIOT PLAN **HELP BUSINESSES?**

It tackles key challenges for businesses' competitiveness, including the promotion of **innovation and R&D**, circular economy, as well as energy efficiency and digitalisation, with specific **focus on SMEs**.

### FLAGSHIP EXAMPLES

#### Funding for startups, innovative companies and SMEs



Cyprus is lagging behind on R&D investments (as a share of GDP) compared to the EU average (2.24% in 2022). The Plan has a strong focus on R&D investments, with measures to:

- ▶ Significantly step-up R&D funding for businesses, improving access to funds for innovative SMEs and start-ups;
- ▶ Promote collaboration of businesses with research organisations;
- ▶ Facilitate commercialisation of results by targeting delivery of closer-to-market outputs, through funding of research at relatively high technology readiness levels

#### Digital One-Stop Shop for renewables permitting and energy renovation in buildings



As of June 2023, companies can access a fully operational IT platform replacing lengthy permitting processes, which has had the following impact:

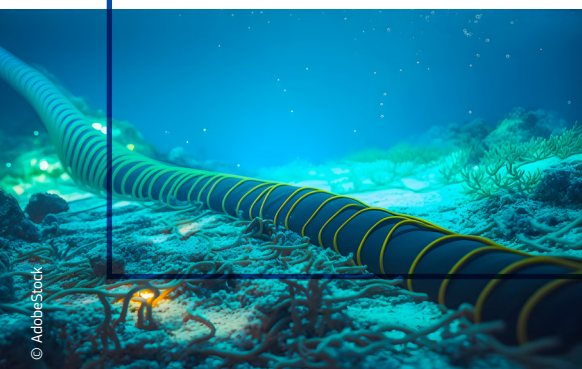
- ▶ The estimated time for getting permits for photovoltaic plants has fallen by 50%;
- ▶ A clear positive reaction of the market, with approximately 300 applications already received in the first 6 months.

## HOW DOES THE CYPRIOT PLAN **STRENGTHEN OUR UNION?**

It helps level the playing field in taxation, build stronger institutions by enhancing the judicial system, fight corruption, and strengthen cross-border energy infrastructure.

### FLAGSHIP EXAMPLES

#### Great Sea (formerly EuroAsia) Interconnector



This key infrastructure connecting the national electricity grids of Greece and Cyprus will:

- ▶ End the energy isolation of Cyprus, the last non-interconnected Member State of the European Union;
- ▶ Enable green electrification with further penetration of renewable energy sources.

#### Addressing aggressive tax planning



To ensure that no payment leaves the EU untaxed, the reform:

- ▶ Introduced a withholding tax on outbound payments to “non-cooperative” jurisdictions;
- ▶ (upcoming) will extend the withholding tax to “low-tax” jurisdictions;
- ▶ (upcoming) will assess the effectiveness of the overall set of measures on aggressive tax planning and address any remaining shortcomings.

For more information: [Cyprus' recovery and resilience plan - European Commission \(europa.eu\)](https://european-council.europa.eu/media/1000000/attachment/data/file/1000000/Cyprus-recovery-and-resilience-plan-2024.pdf)