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ANNEX

ANNEX

to the

Proposal for a COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 10686/21 INIT; ST 10686/21 ADD 1) of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Cyprus

{SWD(2025) 139 final}

ANNEX

SECTION 1: REFORMS AND INVESTMENTS UNDER THE RECOVERY AND RESILIENCE PLAN

A. COMPONENT 1.1: RESILIENT AND EFFECTIVE HEALTH SYSTEM, ENHANCED CIVIL PROTECTION

This component of the Cypriot Recovery and Resilience plan addresses the challenge of universal access to high-quality healthcare in Cyprus as well as civil protection's overall emergency preparedness and response. The objective of this component is to strengthen the effectiveness, accessibility and overall resilience of the healthcare sector supporting the recently introduced National Health System through various interventions. These include the (i) modernisation and digitalisation of health care infrastructure and equipment, (ii) stepping-up of e-health services, (iii) accreditation of provided health care services and introduction of evidence-based clinical protocols and quality monitoring systems, as well as (iv) upskilling opportunities for health workers. It further aims at enhancing Cyprus' civil protection system by establishing a modern Public Warning System.

The component addresses the country-specific recommendations on health (country-specific recommendation 1 of 2020 and country-specific recommendation 3 of 2019).

A.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C1.1R1): National Centre for Clinical Evidence and Quality Improvement

The objective of the reform is to enhance the quality and sustainability of the healthcare system.

For this purpose, a National Centre for Clinical Evidence and Quality Improvement shall be established. A team of experts in collaboration with the Ministry of Health and the Coordinating Committee for the National Centre for Clinical Evidence and Quality Improvement shall develop evidence-based medicine (EBM) clinical protocols for all levels of care (primary, secondary and tertiary healthcare) in close cooperation with healthcare professionals and patients. Monitoring and evaluation processes may include clinical audits, peer reviews and inspections shall also be developed. Furthermore, an IT system enabling implementation and monitoring of the clinical standards and protocols and including an e-learning platform shall be developed.

The implementation of the reform shall be completed by 31 December 2025.

Reform 2 (C1.1R2): Design of an Electronic platform for the surveillance of Nosocomial Antibiotic Consumption and Healthcare – Associated Infections

The aim of the reform is to support the digital transition of the healthcare sector and strengthen the health system's effectiveness and resilience.

It shall consist of the development of an electronic platform to process data from hospital pharmacies (nosocomial antibiotic consumption), microbiology laboratories (antimicrobial resistance), and hospitals (healthcare-associated infections (HAIs)).

The implementation of the reform shall be completed by 31 December 2025.

Investment 1 (C1.1I1): New facilities for the Cyprus Blood Establishment and procurement of the latest technology attendant equipment

The objective of the investment is to enhance central Blood Establishment operations in Cyprus.

This measure shall entail the construction of new facilities for the Cyprus Blood Establishment and the procurement of the latest technology attendant equipment. About 80 000 blood products (among others red blood cells, platelets and fresh frozen plasma) shall be able to be distributed for clinical use across the whole country. The new facilities shall have a primary energy demand that is at least 20% lower than defined in the nearly zero-energy building (NZEB) requirement.

The implementation of the investment shall be completed by 30 June 2025.

Investment 2 (C1.1I2): Cyprus Innovative Public Health information and communications technology (ICT) System

The aim of the measure is to establish the Influenza Sentinel Surveillance module of the Cyprus Innovative Public Health information and communications technology (ICT) System to support public health sector bodies in making evidence-based decisions.

It shall include both the development of the necessary digital tools (for example software and ICT infrastructure) as well as the upskilling of health workers and Ministry of Health personnel to use the system for data collection and information extraction. Following the European Centre for Disease Prevention and Control (ECDC) and World Health Organisation (WHO) guidelines, the Influenza Sentinel Surveillance (ISS) module of the Cyprus Innovative Public Health ICT System shall record epidemiological data informing the Ministry of Health of potential epidemiological outbursts. The Ministry of Health shall assign 30 doctors as sentinels who enter data in the Influenza Sentinel Surveillance (ISS) module of the Cyprus Innovative Public Health ICT System.

The implementation of the investment shall be completed by 30 June 2024.

Investment 3 (C1.1I3): Purchase/replacement of medical equipment in hospitals

The investment aims at enabling private hospitals to invest within a short timeframe in the modernisation of their medical equipment increasing the quality of health services provided.

The measure shall comprise a support scheme for private hospitals supporting the upgrade or replacement of medical equipment. Applications for funding shall be assessed based on transparent selection criteria by a special Assessment Committee, which shall be appointed by the Minister of Health.

The implementation of the investment shall be completed by 31 December 2025.

Investment 4 (C1.1I4): Accreditation of public and private hospitals

The objective of this investment is to support the accreditation of hospitals, enabling their registration within the National Health System (NHS) and enhancing the quality assurance of health care services provided.

It shall consist in a sponsorship scheme facilitating the accreditation of hospitals by covering part of (i) the costs incurred by private and public hospitals related to accreditation advisory services from external experts (on how to make the necessary preparations for the accreditation) and (ii) accreditation fees charged by internationally recognised bodies.

The implementation of the investment shall be completed by 30 June 2026.

Investment 6 (C1.1I6): Deployment of generic cross border e-health services in Cyprus

The measure aims at extending e-health services to allow cross-border exchange of patient health information (in particular patient summaries and e-prescriptions), to become part of a secure peer-to-peer e-health network within the EU.

It shall consist in putting in operation a cross-border data exchange between Cyprus and Union Member States with operational National Contact Points for eHealth (NCPeH), for example e-prescriptions, e-dispensations, patient summaries, and additional data sets (amongst others discharge forms, laboratory and imaging reports) as agreed with the eHealth Digital Service Infrastructure (eHDSI).

The implementation of the investment shall be completed by 30 June 2025.

Investment 7 (C1.1I7): Public warning system for supporting emergency operations

The objective of the investment is to enhance Cyprus' civil protection system by establishing a modern public warning system for alerting on emergencies.

The measure shall consist in putting in operation a public warning system through SMS or a mobile application.

The implementation of the investment shall be completed by 31 December 2025.

Investment 5 (C1.1I5): Enhancement Enhancement, modernisation and upgrade of Cyprus State Hospitals

The objective of this investment is to enhance, modernise and/or upgrade the Cyprus State Hospitals to enable them to compete on an equal basis with the private sector whilst at the same time improving the quality of healthcare services as well as working conditions for health workers in public hospitals.

This measure shall consist in the following actions to enhance, modernise and/or upgrade the State Hospitals: (1) enhancement of the Makarios Hospital for Children to offer a complete treatment of cases to children; (2) construction and/or extension of Haemodyalisis Unit at Paphos and Limassol Hospitals; (3) construction of a Mental Health Hospital; (4) enhancement of the Limassol General Hospital; (5) enhancement of the Paphos General Hospital; (6) extension of Invasive Radiology Unit including medical equipment (for example Angiography Unit); (7) construction of a COVID-19 Unit at the Famagusta Hospital, (8) Neurology clinic at Nicosia General Hospital, (9) Stroke unit at Nicosia General Hospital, (10) Health Center at Akaki, (11) Enhancement of the Accident and Emergency Units at Nicosia General Hospital, (12) Enhancement of the Accident and Emergency Units at Pafos General Hospital and (13) enhancement of Larnaca General Hospital. The Haemodyalisis unit at Paphos Hospital, the new Mental Health Hospital, the new building of Makarios Hospital for Children and the Health Center at Akaki shall have a primary energy demand that is at least 20% lower than defined by the nearly zero-energy building (NZEB) requirement.

The implementation of the investment shall be completed by 30 June 2026.

A.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
2a	C1.1R1 National Centre for Clinical Evidence and Quality Improvement	Target	Clinical protocols prepared, audited and peer reviewed	-	Number	0	90	Q4	2025	At least 90 clinical protocols for all levels of care, shall be prepared, audited and peer reviewed by team of experts, with key characteristics of protocols being: • evidence-based medicine (EBM) clinical practice recommendations, • implementation guide, • audit plan.
2b	C1.1R1 National Centre for Clinical Evidence and Quality Improvement	Milestone	Development of IT system including an e-learning platform completed and system is operational	completion of the installation of the IT system and system is operational	-	-	-	Q4	2025	An IT system enabling implementation and monitoring of clinical standards and protocols and e-learning platform is developed and is operational.
3	C1.1R2 Design of an Electronic platform for the surveillance of Nosocomial Antibiotic Consumption and Healthcare – Associated Infections	Milestone	Adoption of the list of health care facilities	Adoption of the list of health care facilities	-	-	-	Q1	2023	Adoption of the list of healthcare facilities Timeline: Q1 2023 Description: Adoption of the list of health care facilities that shall be providing information to the Ministry of Health on antibiotic consumption and healthcare-associated infections that shall be monitored by the Ministry of Health.
4	C1.1R2 Design of an Electronic	Milestone	Electronic platform including	Electronic platform up and running	-	-	-	Q4	2025	Electronic platform to process data from hospital pharmacies (nosocomial antibiotic consumption), microbiology laboratories

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	platform for the surveillance of Nosocomial Antibiotic Consumption and Healthcare – Associated Infections		monitoring system is operational							(antimicrobial resistance), and hospitals (healthcare-associated infections (HAIs)) shall be operational (Installed at all points of use and real data are being entered) and a system monitoring its effectiveness shall be in place.
5	C1.1I1 New facilities for the Cyprus Blood Establishment and procurement of the latest technology attendant equipment	Milestone	Contract signature for the construction of the Cyprus Blood Establishment	Signature of the contract	-	-	-	Q3	2022	Signature of the contract with the selected tenderer(s) (contractor(s)) selected under a competitive call for tenders for the construction of the Cyprus Blood Establishment.
6	C1.1I1 New facilities for the Cyprus Blood Establishment and procurement of the latest technology attendant equipment	Milestone	New blood establishment facilities including all equipment are operational	Completion of the construction and start of operations	-	-	-	Q2	2025	The new blood establishment facilities shall be constructed and operational housing the Cyprus Blood Establishment. The new facilities shall have a primary energy demand that is at least 20% lower than defined in the nearly zero-energy building (NZEB) requirement. New relevant equipment shall be operational and the transfer of the existing equipment from the present Blood Establishment premises to the new facilities shall be complete.
7	C1.1I2 Cyprus Innovative Public Health information and communications technology (ICT) System	Milestone	Influenza Sentinel Surveillance (ISS)System	Fully operational system	-	-		Q2	2022	The Influenza Sentinel Surveillance System module of the Cyprus Innovative Public Health information and communications technology (ICT) System shall be operational and a system monitoring its effectiveness shall be in place.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
8	C1.1I2 Cyprus Innovative Public Health information and communications technology (ICT) System	Target	Sentinels entering data in the Influenza Sentinel Surveillance System module	-	Number	0	30	Q2	2024	The Ministry of Health shall assign at least 30 doctors as sentinels that enter data in the ISS module of the Cyprus Innovative Public Health ICT System.
9	C1.1I3 Purchase/replacement of medical equipment in hospitals	Target	Health institutions having benefitted from the financial support scheme	-	Number	0	10	Q4	2023	At least ten of the applicant health institutions of various categories have received financial support from the scheme for medical equipment acquisition.
10	C1.1I3 Purchase/replacement of medical equipment in hospitals	Target	Health institutions having benefitted from the financial support scheme	-	Number	10	23	Q4	2025	At least 23 of the applicant health institutions of various categories have received financial support from the scheme for medical equipment acquisition.
12	C1.1I4 Accreditation of public and private hospitals	Target	Health institutions having benefitted from the scheme covering accreditation related costs	-	Number	0	45	Q2	2026	At least 45 of the applicant health institutions of various categories have been supported from the scheme for gaining accreditation.
13	C1.1I6 Deployment of generic cross	Milestone	Completion of the analysis, design and	Completion of the analysis,	-	-	-	Q4	2023	The analysis, design and development of the IT System phase shall be completed. Specifications shall include:

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	border e-health services in Cyprus		development phase of the IT System for cross-border e-health services	design and development phase of the IT System, as provided in a dedicated report by the deliverables acceptance team in the contracting authority						a) Service Location and capability lookup Profile / the Cross-Community Patient Discovery Profile (to locate communities that hold patient relevant health data and the translation of patient identifiers across communities holding the same patient's data). b) open source National Contact Point (OpenNCP) update that supports the eHDSI Automatic Data Collection (eADC). c) Update Patient Summary (PS-A), e-Prescription (eP), e-Dispencing (eD), unstructured clinical documents, and patient access to cross border data services, based on Wave 6 Clinical Document Architecture (W6 CDA) Implementation Guidelines by the e-Health network.
14	C1.1I6 Deployment of generic cross border e-health services in Cyprus	Milestone	Operation of cross-border healthcare data exchange	Approval of the system by the National eHealth Authority	-	-	-	Q2	2025	Operation of cross-border data exchange between Cyprus and countries with Operational National Contact Points for eHealth (for example e-prescriptions, e-dispensations, patient summaries exchanged with Cyprus) and also, a new service shall be created to enable the exchange of unstructured original clinical documents (OrCD), for example discharge forms, laboratory and imaging reports.
15	C1.1I7 Public warning system for supporting emergency operations	Milestone	Established public warning system and its monitoring system are operational	The Technical Committee signs off final Systems Acceptance	-	-	-	Q4	2025	The public warning system shall be operational and a monitoring system shall be in place using SMS or mobile application. The terminal points machines for SMS sending shall be operational.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
				and go-live Report for the public warning system						
17	C1.1I5 Enhancement, modernisation and upgrade of Cyprus State Hospitals	Target	Actions to enhance, construct and/or upgrade State hospitals		Number	0	4	Q2	2024	At least four actions to enhance, construct and/or upgrade State hospitals shall be implemented. The Haemodyalisis unit at Paphos Hospital, the new Mental Health Hospital, the new building of Makarios Hospital for children and the Health Center at Akaki shall have a primary energy demand that is at least 20% lower than defined by the nearly zero-energy building (NZEB) requirement.
18	C1.1I5 Enhancement, modernisation and upgrade of Cyprus State Hospitals	Target	Actions to enhance, construct and/or upgrade State hospitals		Number	4	13	Q2	2026	Thirteen actions to enhance, construct and/or upgrade State hospitals shall be implemented. The Haemodyalisis unit at Paphos Hospital, the new Mental Health Hospital,the new building of the Makarios Hospital for children and the Health Center at Akaki shall have a primary energy demand that is at least 20% lower than defined by the nearly zero-energy building (NZEB) requirement. The end of works shall be attested by taking over issued certificates of the completed works.

A.3. Description of the reforms and investments for the loan

Reform 3 (C1.1R3): Gradually shifting of the healthcare provision and reimbursement framework towards value-based models

The aim of the reform is to introduce and gradually move to value-based healthcare models to complement current volume-based healthcare models, to improve health outcomes and limit costs.

It shall consist in the development of appropriate value-based models and initiatives, with relevant monitoring mechanisms to measure and track the success of the reform, and the introduction of value-based models in the Reimbursement Decision for primary and in-patient care as per the General Health System Legislation.

The implementation of the reform shall be completed by 31 March 2023.

A.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
16	C1.1R3 Gradually shifting the healthcare provision and reimbursement framework towards value-based models.	Milestone	Value-based reimbursement to be reflected for primary and in-patient care	Value-based reimbursement to be reflected in the Reimbursement Decision	-	-	-	Q1	2023	Annual reimbursement decisions in the general health system shall be adjusted to include value-based reimbursement for primary and in-patient care.

B. COMPONENT 2.1: CLIMATE NEUTRALITY, ENERGY EFFICIENCY AND RENEWABLE ENERGY

This component of the Cypriot Recovery and Resilience Plan aims to address the challenge of climate change mitigation by contributing to the country's transition to climate neutrality.

The objectives of the component are to improve the environment policy through measures relating to green taxation, the opening up of the electricity market and the facilitation of licensing of renewable energy and renovation projects. The component aims to improve the energy efficiency of the building stock and other infrastructure and to support green investments for SMEs, households, the wider public sector and NGOs. The component also targets the alleviation of energy poverty and aims to address Cyprus' energy isolation.

The component supports addressing the Country Specific Recommendations for the years 2019 and 2020 that recommend focusing investment and investment-related policies on energy efficiency and renewable energy (Country-Specific Recommendation 4 of 2019 and Country-Specific Recommendation 3 of 2020).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

B.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C2.1R1): Green Taxation

The objectives of the measure are to promote a shift towards a more efficient use of environmental resources, reduce greenhouse gas emissions and to increase the penetration of renewable energy.

The reform shall consist in legislative changes introducing a carbon tax on transport fuels. The reform shall also entail the introduction of an increase of existing water fees, as well as the introduction of a charge on the landfill of municipal waste. The reform aims at making a tangible contribution to reaching the 2030 climate and energy targets to reduce greenhouse gas emissions and increase the share of renewable energy. The legislative changes shall be based on the findings of an independent study to be undertaken.

The implementation of the reform shall be completed by 30 June 2026.

Reform 2 (C2.1R2): Independence of Cyprus Transmission System Operator (TSOC) from the incumbent Electricity Authority of Cyprus

The objective of the measure is to enhance competition in the electricity market by creating conditions for new investors to participate in the generation, storage, aggregation, demand response and supply of electricity.

The reform shall consist in ensuring the independence of the Cyprus Transmission System Operator (TSOC) from the incumbent Electricity Authority of Cyprus (EAC) in terms of governance, financial and personnel management. The measure shall also facilitate supplier switching, which is expected to reduce the cost of electricity for domestic and commercial/industrial customers.

The implementation of the reform shall be completed by 31 December 2021.

Reform 3 (C2.1R3): Digital One-Stop Shops to streamline RES projects permitting and to facilitate Energy Renovation in Buildings

The objective of the measure is to promote the implementation of RES projects by streamlining the RES projects permitting process. The reform shall also aim at accelerating the energy renovation of buildings.

The reform shall consist in digitalising the licensing permitting process for RES projects and establishing a single point of contact for technical and financial support for the purposes of energy renovation of buildings.

The implementation of the reform shall be completed by 31 December 2022.

Reform 4 (C2.1R4): Energy Storage Regulatory Framework

The objective of the measure is to establish a regulatory framework for promoting the participation of storage facilities in the electricity market.

The reform shall consist in amending the Transmission and Distribution Rules (TDRs) and the Trading and Settlement Rules (TSRs) to allow storage facilities to participate in the wholesale electricity market. This shall promote the generation of electricity from renewable energy systems and to contribute to the efficiency and economic viability of the electricity market as a whole.

The implementation of the reform shall be completed by 31 December 2021.

Investment 1 (C2.1I1): Promoting energy efficiency investments in SMEs and non-profit organisations

The objective of the measure is to reduce the primary and final energy consumption and the CO2 emissions in buildings and/or facilities owned or operated by SMEs and non-profit organisations.

The investment shall consist in providing support for building renovation and for making production processes more efficient through the implementation of at least 275 energy efficiency projects. The grant scheme shall also promote the execution of energy audits, as well as the adoption of digital technologies and the integration of renewables. The investment aims at achieving on average at least a 30% primary energy demand reduction.

It is expected that this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01). In particular, the call for proposals for this measure shall reflect that the purchasing of biomass boilers shall comply with the provisions of the Directive 2008/50/EC on ambient air quality and cleaner air for Europe, the Renewable Energy Directive 2018/2001/EU and relevant national legislation on air pollutant emissions.

The implementation of the investment shall be completed by 31 December 2025.

Investment 2 (C2.1I2): Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty, including in households with vulnerable electricity consumers

The objective of the measure is to encourage the use of renewable energy sources and energy savings by the large stock of old dwellings, as well as to subsidise the implementation of small-scale energy renovations in households with vulnerable electricity consumers including energy-poor households and people with disabilities.

The investment shall consist in providing grants to at least 16 200 dwellings (including households of vulnerable electricity consumers) for thermal insulation of roofs and/or for the installation of a photovoltaic system and/or for the installation or replacement of Solar Water Heating (SWH) Systems of an existing dwelling.

The investment shall achieve on average at least a 30% primary energy demand reduction.

The implementation of the investment shall be completed by 30 June 2026.

Investment 3 (C2.1I3): Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate mitigation & adaptation

The objective of the measure is to promote the use of RES and energy savings by the large stock of old infrastructure used by local authorities, as well as to build a pipeline of sustainable energy and climate adaptation investment projects across rural communities in Cyprus.

The investment is composed of two sub-measures: (i) encouraging the use of renewables and energy savings by local/wider public authorities; and (ii) facilitating the transition of local communities towards climate mitigation and adaptation.

Sub-measure 1: Encouraging the use of renewables and energy savings by local/wider public authorities

The sub-measure shall consist in setting up a grant scheme for providing support for large-scale energy efficiency and RES measures in buildings, infrastructure, and social housing targeting local and wider public authorities.

The sub-measure shall lead to a reduction of at least 45% in primary energy consumption per year (11 250 MWh/y) of local and wider public authorities.

Sub-measure 2: Facilitating the transition of local communities towards climate mitigation and adaptation

The sub-measure shall consist in providing technical support to Local (Community) Councils in developing Sustainable Energy and Climate Plans and implementing energy and climate investments, as well as in setting up a grant scheme to support sustainable climate adaptation investments.

The implementation of the investment shall be completed by 30 June 2026.

Investment 4 (C2.1I4): Encourage the reduction of CO2 emissions in businesses

The objective of the measure is to encourage businesses to engage in transformations targeting decarbonisation, starting with the measurement of their greenhouse gas emissions (GHG) and the formulation of action plans to reduce (GHG) emissions in their operations and/ or supply chains (roadmaps to decarbonisation).

The investment consists in setting up a support scheme providing financing for businesses to produce their decarbonisation roadmap to 2030. The scheme aims to support the businesses to measure, verify and monitor their GHG emissions resulting from the activities of their undertaking/s, and set up a

GHG emissions reduction action plan containing certain investments/actions towards their decarbonisation until 2030. In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the investments/actions to be included in the supported action plans shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use[1]; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks[2]; (iii) activities related to waste landfills, incinerators[3] and mechanical biological treatment plants[4]; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

The implementation of the investment shall be completed by 31 December 2024.

Investment 5 (C2.1I5): Energy Efficiency Upgrading of public buildings

The objective of the measure is to facilitate the energy upgrading and increased energy efficiency of selected public buildings, i.e. fire service properties, schools, the Nicosia General Hospital, water treatment plants and water pumping stations.

The investment is composed of three sub-measures: (i) Fire Service Properties and Schools; (ii) Nicosia General Hospital; and (iii) Installation of Grid connected Photovoltaic Energy Systems in Water Treatment Plants and water pumping stations.

Sub-measure 1: Fire Service Properties and Schools

The sub-measure consists in the implementation of energy upgrades in 17 urban and rural fire stations in Cyprus including the Fire Brigade Headquarters. The sub-measure shall also cover the installation of thermal insulation and photovoltaic systems in at least 405 schools.

The investment aims at achieving on average at least a 30% primary energy demand reduction.

Sub-measure 2: Nicosia General Hospital

The sub-measure shall consist in the setting up and installation of photovoltaics system at the Nicosia General Hospital of a total capacity of 943 KW.

[1] Except projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01).

[2] Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

[3] This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

[4] This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

Sub-measure 3: Water Treatment Plants and water pumping stations

The sub-measure shall consist in the installation of grid connected photovoltaic energy systems of total power of 2 MWp in water treatment plants and water pumping stations.

The implementation of the investment shall be completed by 31 December 2025.

Investment 6 (C2.1I6): Upgrading renewable energy and smart grids testing infrastructure at the University of Cyprus

The objective of the measure is to upgrade the renewable energy and smart grids testing infrastructure at the University of Cyprus and to integrate this infrastructure in the future smart grid.

The investment shall consist in delivery, installation, testing, calibration, commissioning and acceptance of smart grids equipment, followed by final infrastructure integration. The measure shall also include personnel orientation and training.

The implementation of the investment shall be completed by 31 December 2024.

Investment 7 (C2.1I7): Mass installation and operation by the Distribution System Operator (DSO) of Smart Metering Infrastructure (Advanced Metering Infrastructure)

The objective of the measure is to facilitate the mass roll-out of smart meters in Cyprus.

The investment shall consist in the delivery of 400 000 smart meters to the EAC and installation of 250 000 of these to final electricity customers, including natural and legal persons.

The implementation of the investment shall be completed by 30 June 2026.

Investment 8 (C2.1I8): Monitoring and reduction of GHG emissions in agriculture

The objective of the measure is to enhance the monitoring for greenhouse gas emissions from agriculture in Cyprus and contribute to their reduction.

The investment shall consist in the establishment of a GHG monitoring system for agriculture, which shall provide data for the implementation of more efficient mitigation practices and contribute to achieving a 10% reduction of GHG emissions from agriculture by end 2025.

The implementation of the investment shall be completed by 31 December 2025.

Investment 9 (C2.1I9): Forests fire protection

The objective of the measure is to upgrade the capabilities of relevant authorities in Cyprus to cope with fire hazards and to strengthen the protection against the risks faced by citizens, infrastructure and forests.

The investment shall consist in the purchasing of firefighting aircraft, vehicles, equipment and related training and servicing for the period of implementation of the measure. This shall include the supply of the following vehicles, machinery and equipment: 75 transport vehicles for patrol purposes for forest protection and transfer of staff in fire incidents; 12 large fire trucks; 25 emergency firefighting vehicles; four bulldozers for the construction of fire protection works with the possibility of transport by truck for rapid transport to fires; four ground bulldozers for the construction of fire protection works; six agricultural tractors equipped with the necessary tools for the implementation of fire prevention measures; four-wheel excavators / loaders; six branch shredders; four loaders (trucks) and six water tank (trucks) for fire protection purposes; one firefighting aircraft.

The implementation of the investment shall be completed by 30 June 2026.

Investment 10 (C2.1I10): Market Management System (MMS) to facilitate the opening of the electricity market to competition

The objective of the measure is to introduce a Market Management System (MMS) by the Cyprus Transmission System Operator as a tool for facilitating the opening of the electricity market to competition.

The investment shall consist in the installation and finalisation of the MMS, the opening of the competitive Cyprus electricity market with accessibility of the platform granted to target users in full functionality (go-live) and the related training of 100% of the personnel of the Transmission System Operator that shall operate the MMS.

The implementation of the investment shall be completed by 30 September 2025.

B.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
19	C2.1R1 Green Taxation	Milestone	Entry into force of a legislative framework introducing a carbon tax on transport fuels, an increase of existing water fees and a charge on the landfill of municipal waste	Provision in the law/ regulations indicating the entry into force of a) a law introducing a carbon tax on transport fuels, b) regulations introducing an increase of existing water fees and c) regulations introducing a charge on the landfill of municipal waste	-	-	-	Q1	2024	Entry into force of legislative changes that aims at making a tangible contribution to reaching the 2030 target for reducing greenhouse gas emissions. The amendments shall be based on the findings of an independent study to be undertaken. The legislative framework shall in particular (a) introduce a carbon tax on transport fuels, (b) introduce an increase of existing water fees that shall reflect the scarcity of this natural resource and the cost to the environment of its use and (c) introduce a country-wide charge on the landfill of municipal waste.
20	C2.1R1 Green Taxation	Milestone	Impact assessment report measuring the reform's effect on the environment and the economy	Publication of the impact assessment report measuring the reform's effect on the environment	-	-	-	Q2	2026	Impact assessment report measuring the reform's effect on the environment and the economic effect on households and businesses, as well as recommending further tax amendments, as necessary.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
				and the economy						
21	C2.1R2 Independence of Cyprus Transmission System Operator (TSOC) from the incumbent Electricity Authority of Cyprus	Milestone	Law for the Regulation of the Electricity Market of 2021	Provision in the law indicating the entry into force of the 2021 "Law for the Regulation of the Electricity Market"	-	-	-	Q4	2021	Entry into force of the Law for the Regulation of the Electricity Market of 2021, which shall facilitate the opening of the electricity market to competition and boost the uptake of RES by: (a) achieving the independence of the Cyprus Transmission System Operator (TSOC) from the incumbent Electricity Authority of Cyprus (EAC) (autonomy in governance, financial autonomy and independence of TSOC personnel), (b) introducing the necessary steps for reducing the cost of electricity for domestic and commercial/industrial customers and (c) creating conditions of transparency and trust to motivate new investors in generation and supply of electricity.
22	C2.1R3 Digital One-Stop Shops to streamline RES projects permitting and to facilitate Energy Renovation in Buildings	Milestone	Fully operational IT platform	Fully operational IT platform accepted by the Ministry of Energy, Commerce and Industry	-	-	-	Q4	2022	Fully operational IT platform for (1) guiding the applicant through the administrative permit application process in a transparent manner up to the delivery of one or several decisions by the responsible authorities, (2) providing the applicant with all necessary information and involve, where appropriate, other administrative authorities.
23	C2.1R4 Energy Storage Regulatory Framework	Milestone	Amendment of the Transmission and Distribution Rules (TDRs) and Trading	Publication on the website of the Cyprus Energy Regulatory Authority of Amendment of the	-	-	-	Q4	2021	Entry into force of an amendment to the Transmission and Distribution Rules (TDRs) and Trading and Settlement Rules (TSRs) which shall provide the necessary regulatory framework (market rules) and technical modalities that shall allow storage facilities to: - participate in the wholesale electricity market,

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
			and Settlement Rules (TSRs)	Transmission and Distribution Rules (TDRs) and the Trading and Settlement Rules (TSRs)						- promote the development of an economically viable, efficient, safe and consumer-oriented electricity market that prioritises the generation of electricity from renewable energy systems.
24	C2.1I1 Promoting energy efficiency investments in SMEs and non-profit organisations	Milestone	Support scheme for Promoting energy efficiency investments in SMEs, municipalities, communities and the wider public sector	Publication of call for proposals for the support scheme for Promoting energy efficiency investments in SMEs, municipalities, communities and the wider public sector	-	-	-	Q4	2021	Issue call for proposals for the support scheme for promoting energy efficiency investments in SMEs, municipalities, communities and the wider public sector, following verification of state aid regulation to be applied by Commissioner for State Aid Control and Council of Ministers' decision approving the scheme's objectives. The investment shall aim at achieving on average at least a 30% primary energy demand reduction.
25	C2.1I1 Promoting energy efficiency investments in SMEs, and non-profit organisations	Target	Entities (SMEs, non-profit organisations) having implemented energy efficiency interventions		Number	0	125	Q4	2024	At least 125 projects (undertaken by SMEs or non-profit organisations) have been implemented through energy efficiency interventions (energy efficiency measures) in buildings or energy efficiency measures related to their production processes with an objective to achieve on average at least a 30% primary energy demand reduction. The projects selected shall be in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
26	C2.1I1 Promoting energy efficiency investments in SMEs, and non-profit organisations	Target	Entities (SMEs, non-profit organisations) having implemented energy efficiency interventions		Number	125	275	Q4	2025	At least 275 projects (undertaken by SMEs or non-profit organisations) have been implemented through energy efficiency interventions (energy efficiency measures) in buildings or energy efficiency measures related to their production processes with an objective to achieve on average at least a 30% primary energy demand reduction. The projects selected shall be in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
27	C2.1I2 Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty in households with vulnerable electricity consumers	Milestone	First call for proposals for Promoting renewables and individual energy efficiency measures in dwellings	First call for proposals published	-	-	-	Q2	2021	The first call for proposals for promoting renewables and individual energy efficiency measures in dwellings has been published on the RES and Energy Conservation Fund website. The investment shall aim at achieving on average at least a 30% primary energy demand reduction.
28a	C2.1I2 Promoting renewables and individual energy efficiency measures in dwellings and	Target	Dwellings and households with vulnerable electricity consumers (including people with	-	Number	0	16 200	Q4	2023	At least 16 200 dwellings, including 1 600 households with vulnerable electricity consumers (including people with disabilities), have improved their energy performance due to the financial support provided, with an objective to achieve on average at least a 30% primary energy demand reduction.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	tackling energy poverty in households with vulnerable electricity consumers		disabilities) having improved their energy performance							
30	C2.1I3 Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate mitigation & adaptation	Milestone	First call for proposals to support local authorities in energy efficiency measures	Publish first call for proposals	-	-	-	Q3	2021	The first call for proposals to support local authorities in energy efficiency measures has been published on the RES and Energy Conservation Fund Website. The investment shall aim at achieving on average at least a 30% primary energy demand reduction.
31a	C2.1I3 Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate	Target	Investments undertaken by local and wider public authorities that have improved their energy performance	-	MWh per year	0	3600	Q4	2024	Investments undertaken by local and wider public authorities have improved their energy performance due to the financial support provided and have achieved a primary energy consumption reduction of at least 3600 MWh per year.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	mitigation & adaptation									
32c	C2.1I3 Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate mitigation & adaptation	Target	Grant scheme to support sustainable climate adaptation investments in local (Community) Councils	Number	-	0	27	Q2	2026	At least 27 local communities have been supported to implement climate adaptation investments.
33	C2.1I4 Encourage the reduction of CO2 emissions in businesses	Target	Undertakings having developed their GHG emissions reduction action plans	-	Number	0	300	Q4	2024	At least 300 undertakings have developed their GHG emissions reduction action plans, due to the support provided. The action plans formulated shall be in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the provision for compliance with the relevant EU and national environmental legislation.
35	C2.1I5 Energy Efficiency Upgrading of public buildings	Target	Thermal insulation and photovoltaic systems installed in schools	-	Number	0	405	Q1	2022	Thermal insulation and photovoltaic systems installed in at least 405 schools with an objective to achieve on average at least a 30% primary energy demand reduction.
36	C2.1I5 Energy Efficiency	Target	Completion of set up and installation of	-	Number	0	943	Q4	2023	Completion of set up and installation of PV system at the Nicosia General Hospital of total capacity of 943 KW.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Upgrading of public buildings		photovoltaics system at the Nicosia General Hospital							
37	C2.1I5 Energy Efficiency Upgrading of public buildings	Target	Completion of installation of photovoltaic systems in water pump stations and fire stations	-	Number	0	2 200	Q4	2025	Completion of installation of photovoltaic systems, of a total capacity of 2 200KW, in water pump stations and fire stations.
38	C2.1I6 Upgrading renewable energy and smart grids testing infrastructure at the University of Cyprus	Milestone	Signature of contracts for the installation of equipment to upgrade the electricity grid into a smart grid	Contracts Signature	-	-	-	Q4	2023	Signature of contracts for the installation of equipment to upgrade the electricity grid into a smart grid following a successful public procurement procedure.
39	C2.1I6 Upgrading renewable energy and smart grids testing infrastructure at the University of Cyprus	Milestone	Delivery, successful installation and acceptance of the equipment for smart grids	Issued acceptance report	-	-	-	Q4	2024	Delivery, successful installation, testing, calibration, commissioning and acceptance of the equipment for smart grids, followed by final infrastructure integration.
40	C2.1I7 Mass installation and operation by	Milestone	Contract Signature for smart electricity	Contract Signature	-	-	-	Q1	2024	Contract Signature for smart electricity metering infrastructure (Hardware, software and support & other services).

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	the Distribution System Operator (DSO) of Smart Metering Infrastructure (Advanced Metering Infrastructure)		metering infrastructure							
41	C2.1I7 Mass installation and operation by the Distribution System Operator (DSO) of Smart Metering Infrastructure (Advanced Metering Infrastructure)	Target	Delivery and installation of smart meters	-	Number	0	50 000 delivered to EAC 15 000 installed to final electricity customers	Q3	2024	Delivery and acceptance of at least 50 000 smart electricity meters to EAC and installation of 15 000 of these to final electricity customers, including natural and legal persons.
42	C2.1I7 Mass installation and operation by the Distribution System Operator (DSO) of Smart	Target	Delivery and installation of smart meters	-	Number	50 000 delivered to EAC 15 000 installed to final electricity customers	40 0 000 delivered to EAC 250 000 installed to final electricity customers	Q2	2026	Delivery and acceptance of 400 000 smart electricity meters to EAC and installation of 250 000 of these to final electricity customers, including natural and legal persons.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Metering Infrastructure (Advanced Metering Infrastructure)									
43	C2.1I8 Monitoring and reduction of GHG emissions in agriculture	Milestone	Purchase and installation of monitoring units for measuring GHG emissions from agriculture	Approval of the equipment and installation by the receiving committee	-	-	-	Q2	2023	Purchase and installation of automobile unit and permanent monitoring units, for measuring GHG emissions from agriculture with the objective of implementing adequate policies to mitigate GHG emissions.
44	C2.1I8 Monitoring and reduction of GHG emissions in agriculture	Target	Reduction of GHG emissions from agriculture	-	% (Percentage)	0	10	Q4	2025	Achieve a 10% reduction of GHG emissions from agriculture through monitoring GHG emissions and calculation of National Emission Factors for GHG emissions and implementation of Emission Factors through the National Inventory for GHG emissions of the country. Reference total emissions from Agriculture soils based on the National Inventory Report of the country is 122,8 kt CO2 equivalent for 2019.
45	C2.1I9 Forests fire protection	Milestone	Signing of 8 Agreements/ Contract Signatures for the purchase of vehicles, equipment and provision of services and issue of call for tenders for the purchase	Signing of 8 Agreements/ Contract Signatures	-	-	-	Q2	2022	Signing of 8 Agreements/ Contracts Signatures with suppliers for the purchase of vehicles, equipment and provision of services and issue of call for tenders for the purchase of firefighting aircraft with the objective of contributing to climate change adaptation and to the reduction of the risk of explosion and expansion of forest fire and the strengthening protection against the risks faced by citizens, infrastructure and forests from a possible fire incident.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
			of firefighting aircraft							
46	C2.1I9 Forests fire protection	Milestone	Delivery of firefighting aircraft, vehicles and equipment	Acceptance certificates issued for the delivery of firefighting aircraft, vehicles and equipment	-	-	-	Q4	2025	Delivery and acceptance of firefighting aircraft, vehicles and equipment.
47	C2.1I9 Forests fire protection	Milestone	Delivery of firefighting aircraft, vehicles and equipment and cCompletion of services	Acceptance certificates issuedfor the delivery of firefighting aircraft, vehicles and equipment and to confirm the acceptance of services	-	-	-	Q2	2026	Delivery and acceptance of firefighting aircraft, vehicles and equipment and Ccompletion of the following services: (1) firefighting operations and training of pilot type rating, (2) silvicultural practices and (3) services for 3 unmanned aerial vehicle (UAV) – drones.
48	C2.1I10 Market Management System (MMS) to facilitate the opening of the electricity market to competition	Milestone	Installation of the Market Management System	Issuing of Final Acceptance Certificate for the Market Management System.	-	-	-	Q1	2023	Installation of the Market Management System (MMS) for the Cyprus Electricity Market.
48a	C2.1I10 Market Management System (MMS) to facilitate the opening of the	Milestone	Go-live of the MMS and related training of the personnel.	Certification of the MMS by an independent auditor with regards to				Q3	2025	The final trial phase of the MMS is completed, and the Regulator declares commercial market operation with the first financial transactions completed. Furthermore, 100% of the personnel operating the MMS has been trained on the certified version of the MMS.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	electricity market to competition			compliance with the Electricity Market Trading and Settlement Rules (TSR) and evidence on the completion of the first electricity market financial transactions, as a result of the settlements conducted through the MMS. Proof of the training of the personnel on the certified version of the MMS.						

B.3. Description of the reforms and investments for the loan

Investment 11 (C2.1I11) Ending energy isolation – Project of Common Interest "EuroAsia Interconnector"

The objective of the measure is to ensure security of supply and more competitive wholesale electricity prices, and to enable the increased use of electricity from cleaner sources, in particular renewables, by connecting the electricity network of Cyprus to the EU continental system.

The investment shall consist in the completion and commissioning of the PCI 3.10.2 Interconnection between Cyprus and Greece, which shall include a DC 1 000 MW converter station in Cyprus and related infrastructure in Cyprus and Crete, connected through 898 km of HVDC submarine cables with 1 000 MW capacity. This is expected to be part of a broader investment building a cross-border interconnector with a total length of 1 208 km between Crete, Cyprus and Israel. Different parts of the project are expected to receive funding from different sources, namely the Recovery and Resilience Facility, the Connecting Europe Facility, a loan from the European Investment Bank, commercial loans and equity.

It is expected that this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01). In particular, the mitigating measures targeting the conservation of the marine environment shall be duly respected during the implementation of the project as set out in the Environmental Impact Assessment and the building permit. Any measures identified in the framework of the EIA and the assessment under Directive 2000/60/EC as necessary to ensure compliance with the DNSH Technical Guidance (2021/C58/01) shall be integrated into the project and complied with at the stages of construction, operation and decommissioning of the infrastructure.

The implementation of the investment shall be completed by 31 December 2025.

B.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
49	C2.1I11 Ending energy isolation - Project of Common Interest "EuroAsia Interconnector"	Milestone	Start of the construction works of the HVDC Converter Station in Kofinou and the onshore infrastructure in Cyprus	Signed agreement for the construction of Kofinou Converter Station	-	-	-	Q4	2022	Start of the construction works of the HVDC Converter Station in Kofinou and the onshore infrastructure in Cyprus following the securing of relevant funding sources outside of the RRF.
50	C2.1I11 Ending energy isolation - Project of Common Interest "EuroAsia Interconnector"	Milestone	Completion of construction of converter station	Issuance of the taking over certificate for the construction of converter station	-	-	-	Q4	2024	Completion of construction of converter station including installation of high-voltage and control-equipment
51	C2.1I11 Ending energy isolation - Project of Common Interest "EuroAsia Interconnector"	Milestone	Completed and fully operational facility of the electricity interconnection between Cyprus-Crete (Greece)	Deliverables acceptance team signs off the operational efficiency of the project; public announcement of the start of operation of the interconnector	-	-	-	Q4	2025	Completed and fully operational facility of the electricity interconnection between Cyprus-Crete (Greece) to: (1) end the energy isolation of Cyprus as an EU member state and (2) ensure the security of energy supply (3) achieve national climate targets as specified in the National Climate Plan

C. COMPONENT 2.2: SUSTAINABLE TRANSPORT

This component of the Cyprus recovery and resilience plan aims at promoting cleaner, smarter, safer and fairer urban mobility by encouraging a modal shift from private cars to more sustainable modes of transport such as public transport, cycling, walking, and to promote the use of zero or low-emission vehicles (LEVs) as well as the use of digital systems in the transport sector.

The component addresses the country-specific recommendations on investment in sustainable transport (Country-Specific Recommendation 4 of 2019 and Country-Specific Recommendation 3 of 2020).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

C.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C2.2R1): Establishment of an Intelligent Transport System using Digital Twin technologies

The objective of the measure is to enhance technological infrastructure, to enable better and more efficient monitoring of the infrastructure and to introduce smart features to it.

The reform consists in developing and implementing an Intelligent Transport System in order to improve the mobility management in urban areas and the Cyprus TEN-T network, also by improving the cooperation between various stakeholders. The reform shall include the delivery, installation and connection to the National Access Point of 300 sensors. This equipment aims to constitute the basis for the digitalisation of the physical mobility networks in a geographical information system (GIS) database and the integration of mobility services.

The implementation of the reform shall be completed by 31 December 2025.

Reform 2 (C2.2R2): Provide the regulatory framework for an interoperable and effective electric vehicle (EV) recharging infrastructure and an efficient EV recharging market

The objective of the measure is to facilitate the creation of an efficient electro-mobility infrastructure for recharging EVs.

The reform consists in the entry into force of legislation on recharging infrastructure for EV. The reform aims at creating a mechanism for (i) implementation and monitoring of the recharging market for EV and (ii) coordinating data analysis allowing for the effective network monitoring as well as for ensuring compliance with national and EU law.

The implementation of the reform shall be completed by 31 December 2024.

Reform 3 (C2.2R3): Progressively phase out the most polluting vehicles, especially in polluted urban areas

The objective of the reform is to provide the regulatory framework to create impetus for replacing old and polluting rolling stock, and to provide incentives for using sustainable commuting and mobility solutions.

This reform shall set up the legal framework allowing the implementation of measures aiming at the exclusion of polluting vehicles from key areas, for example no-emission zones, levies for the circulation of vehicles in certain areas, and compulsory use of EV in certain transport operations. The reform is supported by Investment 3 (Promote widespread use of EV, LEVs and alternative means of transport).

The implementation of the reform shall be completed by 31 December 2025.

Investment 2 (C2.2I2): Creation of electro-mobility infrastructure

The objectives of the measures are to create the necessary infrastructure to facilitate the transition to electro-mobility and to contribute to the deployment of charging points.

The investment is composed of three sub-measures: (i) the installation of publicly accessible EV fast charging stations and of charging points for the public sector fleet in public service buildings; (ii) a grant scheme for the installation of publicly accessible charging points on the premises of businesses and local authorities; and (iii) a grant scheme for charging EV from Renewable Energy Sources (RES).

Sub-measure 1: the installation of publicly accessible EV fast charging stations and of charging points for EVs of the public sector fleet

The investment consists in the installation of 10 fast charging publicly accessible stations, as a demonstration project for the promotion of electro-mobility, as well as in the installation of 169 charging points for EVs of the public sector fleet. The first intervention shall provide access to fast recharging infrastructure for EVs and therefore it aims to contribute to removing consumer inhibitions concerning EV autonomy. The 10 fast charging stations shall be placed in publicly accessible areas, for example hospitals, large publicly accessible parking places or outside public services buildings

Sub-measure 2: a grant scheme for the installation of publicly accessible charging points in the premises of businesses and local authorities

The scheme shall promote the installation of charging points in publicly accessible areas owned by businesses or other authorities.

Sub-measure 3: a grant scheme for charging EVs from RES

The scheme shall provide financial incentives to promote the development of the necessary infrastructure for electro-mobility especially through the charging of EVs from RES. The grant scheme shall include the installation of photovoltaic systems and charging equipment in dwellings for the charging of electric private vehicles. The electricity for the public charging points aims to be generated in large part from RES.

The implementation of the investment shall be completed by 30 June 2026.

Investment 3 (C2.2I3): Promote widespread use of Electric Vehicles (EVs)

The objective of the measure is to promote the purchase of EVs, LEVs (i.e. a car emitting less than 50 g/km of CO2), electric bicycles and public or non-motorised modes of transport (may include but is not limited to bus, bicycle), while simultaneously gradually removing older polluting vehicles from circulation. The investment aims at complementing Reform 3 (Progressively phase out the most polluting vehicles, especially in polluted areas).

The investment is composed of three sub-measures: (i) kick-start the transition to electro-mobility in the public sector and local authorities; (ii) a support scheme for the purchase of EV; and (iii) a scrapping scheme for the most polluting vehicles combined with incentives for non/low emission mobility options.

Sub-measure 1: kick-start the transition to electro-mobility in the public sector and local authorities

The investment includes measures aiming to kick-start the gradual replacement of government conventional vehicle fleet with electric vehicles and promote the transition to electro-mobility. It shall include the purchase of 100 electric vehicles for the needs of the general government and the installation of the relevant charging points on government premises. It shall also include the purchase of 125 electric vehicles for the needs of the public sector and local authorities.

This aims to serve as a demonstration project for the promotion of electro-mobility to the wider public.

Sub-measure 2: a support scheme for the purchase of EVs

The scheme shall provide incentives, by means of grant, for the purchase and registration of EVs and the purchase of electric bicycles. It is directly linked to Reform 3, "Progressively phase out the most polluting vehicles, especially in polluted urban areas", as a parallel, supportive and complementary measure.

Sub-measure 3: a scrapping scheme for the most polluting vehicles combined with incentives for non/low emission mobility options

The scheme shall incentivise motorists to give up older and more pollutant vehicles in exchange for alternative mobility options, for example the purchase of a LEV or of an electric bicycle and/or free annual bus tickets. The removal of older vehicles aims to contribute to the reduction of greenhouse gas (GHG) emission from transport, as well as to the mitigation of its impact on air, water, soil and noise pollution. The scrapped vehicles shall be recycled, by licensed recyclers.

The implementation of the investment shall be completed by 30 June 2026.

C.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
52	C2.2R1 Establishment of an Intelligent Transport System using Digital Twin technologies	Target	Delivery and installation of at least 150 sensors	-	Number	0	150	Q1	2024	Delivery, installation and connection to the National Access Point of at least 150 traffic sensors to digitalise the networks and support the development of an Intelligent Transportation System.
53	C2.2R1 Establishment of an Intelligent Transport System using Digital Twin technologies	Target	Delivery and installation of a total of 300 sensors	-	Number	150	300	Q4	2025	Delivery, installation and connection to the National Access Point of a total of 300 traffic sensors to digitalise the networks and support the development of an Intelligent Transportation System.
54	C2.2R2 Provide the regulatory framework for an interoperable and effective electric vehicle (EV) recharging infrastructure and an efficient EV recharging market	Milestone	Entry into force of legislation related to electric vehicle charging points	Provision in the law indicating the entry into force of the legislation	-	-	-	Q4	2024	Entry into force of legislation regarding electric vehicle (EV) recharging infrastructure and an efficient EV recharging market. The regulatory framework shall promote: (1) a mechanism for implementation and monitoring of the recharging market of electric vehicles; and (2) a coordinated analysis of data allowing for effective network monitoring as well as for ensuring compliance with national and EU legislation.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
55	C2.2R3 Progressively phase out the most polluting vehicles, especially in polluted urban areas	Milestone	Entry into force of the legislative act related to the phasing out of the most polluting vehicles	Provision in the legislative act indicating the entry into force of the legislation	-	-	-	Q4	2023	Entry into force of the legislative act regarding the exclusion of polluting vehicles from areas or operations. The legislative act shall create the legal basis to enforce the adoption of restrictive measures related to the circulation of motor vehicles, with the aim to progressively phase out the most polluting vehicles.
56	C2.2R3 Progressively phase out the most polluting vehicles, especially in polluted urban areas	Milestone	Implementation of at least two measures aiming at the exclusion of polluting vehicles	Implementation of two measures	-	-	-	Q4	2025	At least two measures are effective aiming at the exclusion of polluting vehicles from areas or operations, for example no-emission zones, applying levies for the circulation of vehicles in certain areas, applying compulsory measures for use of electric vehicles in certain transport operations, or equivalent measures.
60	C2.2I2 Creation of electro-mobility infrastructure	Target	Installation of at least 330 charging points, due to the support granted	-	Number	0	330	Q4	2024	Due to the support granted by the support scheme, at least 330 charging points have been purchased and installed in public buildings, and on the premises of authorities, businesses and/or private households.
61	C2.2I2 Creation of electro-mobility infrastructure	Target	Installation of at least 1 000 charging points, due to the support granted	-	Number	330	1 000	Q2	2026	Due to the support granted by the support scheme, at least 1 000 charging points have been purchased and installed in public buildings, and on the premises of authorities, businesses and/or private households.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
62a	C2.2I3 Promote widespread use of Electric Vehicles (EVs)	Target	Purchase of electric vehicles, electric bicycles, due to the support granted	-	Number	0	1523	Q4	2024	Due to the support granted by the support scheme and the public procurement, at least 1523 electric vehicles of categories M1, M2-3, N, L1e-L7e and bicycles have been purchased.
63a	C2.2I3 Promote widespread use of Electric Vehicles (EVs)	Target	Purchase of electric vehicles, electric bicycles, due to the support granted	-	Number	1523	3483	Q2	2026	Due to the support granted by the support scheme and the public procurements, at least 3483 electric vehicles of categories M1, M2-3, N, L1e-L7e and bicycles have been purchased.
64	C2.2I3 Promote widespread use of Electric Vehicles (EVs)	Target	Scrapping of high emission vehicles, due to the support granted	-	Number	0	1 000	Q4	2024	Due to the support granted by the support scheme, at least 1 000 high emission vehicles have been scrapped and replaced by electric bicycles, annual bus tickets and no- or low-emission vehicles (below 50g CO2/km).
65	C2.2I3 Promote widespread use of Electric Vehicles (EVs)	Target	Scrapping of high emission vehicles, due to the support granted	-	Number	1 000	1 271	Q2	2026	Due to the support granted by the support scheme, at least 1 271 high emission vehicles scrapped and replaced by electric bicycles, annual bus ticket(s) and low emission vehicles (below 50g CO2/km).

C.3. Description of the reforms and investments for the loan

Investment 1 (C2.2I1): Implementation of Sustainable Urban Mobility Projects (SUMP) and accessibility-enhancing measures

The objectives of the measures are to create the necessary infrastructure to enhance urban mobility with more environmentally friendly options, improve the city environment and road safety in Limassol and Larnaca. The investment shall also include measures to enhance the accessibility and safe movement of pedestrians, cyclists and persons with disabilities in all urban centres.

More specifically, the investment consists in the introduction of cycle ways, bus lanes and the relevant ITS equipment (i.e. smart traffic light system with bus priority system), as well as the introduction of cycle stands, bus shelters and improvement of road safety conditions at selected junctions. It also includes the creation of Park & Ride stations and the relevant ITS equipment as well as upgrades on existing road network in the urban centres (for example walkways, crossings for pedestrians, cyclists and/or people with disabilities, warning systems for the visually impaired, bicycle parking hubs, walkway ramps).

The implementation of the investment shall be completed by 31 March 2026.

C.4. Milestones, targets, indicators, and timetable for monitoring and implementation for loan

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
57	C2.2I1 Implementation of Sustainable Urban Mobility Projects (SUMP) and accessibility enhancing measures	Milestone	Contracts signature for the construction work of sustainable transport infrastructure and ancillary installations	Signed contracts	-	-	-	Q2	2024	Signature of contracts for (1) the construction of cycle ways, bus lanes and park & ride stations of the Sustainable Urban Mobility Projects (SUMP) and (2) the provision of ancillary installations related to sustainable transport, including bicycle-parking facilities and crossings for pedestrians, cyclists and/or people with disabilities.
58	C2.2I1 Implementation of Sustainable Urban Mobility Projects (SUMP) and accessibility enhancing measures	Target	Completion of construction work for at least 52km of sustainable transport routes	-	Number	0	52	Q1	2026	Completion of construction work for at least 52km of sustainable transport routes, including at least 33km of cycle ways, at least 11km of bus lanes and at least 8km of walkways.
59	C2.2I1 Implementation of Sustainable Urban Mobility Projects (SUMP) and accessibility enhancing measures	Target	Completion of construction work for at least 644 ancillary installations related to sustainable transport	-	Number	0	644	Q1	2026	Completion of construction work for at least 644 ancillary installations related to sustainable transport, including at least 4 park & ride stations, at least 40 crossings, at least 300 ramps, at least 300 bicycle-parking hubs.

D. COMPONENT 2.3: SMART AND SUSTAINABLE WATER MANAGEMENT

This component of the Cypriot recovery and resilience plan addresses inefficiencies in water management. The objectives of this component are to ensure adequate and uninterrupted supply of good quality drinking water, maximising the infrastructure for sewerage collection systems, sewerage treatment and reuse of treated effluent in agriculture; reducing water loss, non-revenue water and groundwater abstraction, improving anti-flood infrastructure, improving operational efficiency of the services being provided to the consumers through technological advances and establishing transparency in financial transactions.

The component addresses the Country Specific Recommendation on water management (Country-Specific Recommendation 3 of 2020 and Country-Specific Recommendation 4 of 2019).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

D.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C2.3R1): Water Resource Management Reform

The objective of the measure is to define actions addressing structural weaknesses in the water resource management in Cyprus and improving its efficiency and sustainability.

The reform consists of the establishment of a high-level Working Party (the "Working Party") which shall serve as the body for cooperation between the various water management authorities and as a coordination and monitoring body for the implementation of the investments and actions to be proposed. The Working Party shall propose an action plan with the necessary regulatory and adaptation measures to be implemented within the next 10 to 15 years and provide technical assistance for its implementation.

The implementation of the reform shall be completed by 30 June 2025.

Investment 2 (C2.3I2): Water Treatment Plants: upgrade for water quality improvement

The objectives of the measure are to improve water quality, reduce energy consumption and the cost of drinking water production by limiting the need for water desalination, as well as decrease disruptions to the supply and distribution of water.

The measure consists of refurbishing the Water Treatment Plants of Limassol, Asprokremmos, Tersefanou, Kornos and Kannaviou. This shall include replacing the existing chlorination infrastructure for these five Water Treatment Plants, installing activated carbon polishing units for Limassol, Asprokremmos and Tersefanou Water Treatment Plants, extending the capacity of Asprokremmos Water Treatment Plant by 10 000 m3/day and upgrading the monitoring and control system as well as its automation system.

The implementation of the investment shall be completed by 31 December 2025.

Investment 3 (C2.3I3): Integrated Monitoring and Control Management System for the Water Development Department's infrastructure

The objective of the measure is to improve the water resource management efficiency and increase the operational capacity of the Water Development Department (WDD). The measure aims to provide tools to WDD employees to enable them to operate WDD infrastructure more efficiently and provide security against cyber and physical threats.

The measure consists of creating an integrated platform that shall be composed of a number of subsystems where each of them shall address key challenges, including water quality, flood management, water demand management, energy efficiency as well as cyber- and physical security. The implementation of the measures shall include: (i) the installation of 500 hydraulic and quality sensors in WDD infrastructure up to the level of the communities; (ii) the installation of energy meters to monitor the energy consumption of pumping stations that shall be transmitted and stored in a database; (iii) a software platform to help the decision-making process in relation to the production of water from different sources (desalination and treatment of water from reservoirs). The project shall be implemented by the following sequence of actions: detailed requirement analysis with the help of specialised consultants; procurement and installation of equipment; and implementation, assessment and commissioning of the IT sub-systems.

The implementation of the investment shall be completed by 30 June 2026.

Investment 4 (C2.3I4): Smart Water and Sewerage Networks Management

The objective of the measure is to enhance operational and energy efficiency through the digitalisation of the District Local Government Organization of Larnaca, and the Limassol District Local Government Organisation, notably by upgrading the organisations' operation and services and integrating the IT systems currently used into a unified system to operate under cloud services.

The measure consists of a series of smart and digital upgrades in each of the two organisations: (i) The District Local Government Organization of Larnaca shall take measures to reduce the energy consumption of the Larnaca Wastewater Treatment Plant through solar and biogas solutions. Further, it shall install water quality and pressure sensors in its distribution networks, with the objective to replace at least 50% of its conventional consumer meters with smart meters. Moreover, it shall develop a Digital Twin decision support tool and a data bank. These systems shall draw information from the installed sensors, smart water meters and existing systems to be combined to accurately estimate water flow, pressure and quality of water for the timely detection of events. (ii) The Limassol District Local Government Organisation shall replace conventional consumer meters with automated smart meters and install pressure and quality sensors for infrastructure monitoring and development of innovative customer services, for example an early warning in the case of a leakage. Furthermore, a customised software integrating all its operations shall be designed to support data-driven decision making.

The implementation of the investment shall be completed by 30 June 2026.

Investment 5 (C2.3I5): Anti-flood and water collection measures

The objective of the measure is to mitigate the negative effects on human health, the environment, cultural sites and income from flooding events through managing flood risk. A specific objective resulting from the actions to be implemented is the reduction of erosion from extreme runoffs, both in agricultural and urban areas.

The measure consists of a series of anti-flood and water collection measures. The works shall concentrate in three areas, namely Livadia, Kladeri and the centre of Nicosia, as follows: (i) In Livadia, the Municipality of Larnaca shall upgrade and embellish flood channels, through improvements to the riverbed and riverbanks. (ii) In Kladeri area, the Kourion Municipality shall construct a complete rainwater collection network of 4 600 meters in length to cover the area ending in 35 absorption pits. (iii) In Nicosia, the Municipality of Nicosia has already selected eleven areas where a complete sewer system shall be constructed. The works shall include the reconstruction of streets and pavements and the expansion of the rainwater network.

The implementation of the investment shall be completed by 30 June 2026.

Investment 6 (C2.3I6): Enhance water security for Nicosia and Larnaca regions

The objective of the measure is to increase the water adequacy for the needs of the Nicosia District Local Government Organization and the District Local Government Organization of Larnaca .

The measure foresees the construction of four new generation Glass Lined Steel (GLS) water reservoirs in Nicosia Region and the construction of a concrete water reservoir in a specific designated area at Klavdia, Larnaca.

The implementation of the investment shall be completed by 30 June 2026.

Investment 8 (C2.3I8) Protection of the marine ecosystem from hazards through oil spills

The objective of the measure is to protect marine ecosystems through an upgrade of the operational capacity of the Department of Fisheries and Marine Research to respond promptly, adequately and effectively to incidents from oil pollution to marine pollution.

The measure consists of the purchase of three antipollution vessels with the possibility of autonomous oil recovery operations, two of which shall operate close to the shoreline and the larger one on the high seas, as well as the purchase of two autonomous oil dispersant air spraying units.

The implementation of the investment shall be completed by 31 December 2025.

D.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
66	C2.3R1 Water Resource Management Reform	Milestone	Adoption of an action plan on water resource management	Publication of the action plan on the website of the Ministry of Agriculture, Rural Development and Environment	-	-	-	Q2	2025	Adoption of an action plan on water resource management with regulatory and adaptation measures. The objectives of the suggested action plan shall be: (1) to improve water use and (2) to enhance the safety and sustainable operation of water infrastructure.
69a	C2.3I2 Water Treatment Plants: upgrade for water quality improvement	Milestone	Completion of the works for the installation of activated carbon polishing units in Tersefanou, Asprokremmos and Limassol Water Treatment Plants	Issued completion certificates by the project engineer for each of the three contracts	-	-	-	Q4	2024	Completion of the works for installation of activated carbon polishing units of a) 30 000 m^3/day capacity for Tersefanou Water Treatment Plant; b) 30 000 m^3/day capacity for Asprokremmos Water Treatment Plant; and c) 20 000 m^3/day capacity for Limassol Water Treatment Plant.
69b	C2.3I2 Water Treatment Plants: upgrade for water quality improvement	Milestone	Completion of the works for the replacement of the chlorination infrastructure for the five WTPs	Issued completion certificates by the project engineer for the works	-	-	-	Q4	2025	Completion of the works for thereplacement of the chlorination infrastructure for the Water Treatment Plants of Limassol, Asprokremmos, Tersefanou, Kornos and Kannaviou.
70	C2.3I2 Water Treatment Plants: upgrade for	Target	Completion of extension works and automation system at Asprokremmos		m3/day	0	10 000	Q4	2025	Completion of works resulting in the extension of the capacity of Asprokremmos Water Treatment Plant by 10 000 m3/day, including upgrading the monitoring and control system and also the automation system.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	water quality improvement		Water Treatment Plant							
71	C2.3I3 Integrated Monitoring and Control Management System for the Water Development Department's infrastructure	Milestone	Completion of the detailed requirements analysis and system design document	Approval of detailed requirements analysis and system design document by the Steering Committee of the Water Development Department	-	-	-	Q2	2022	The requirements analysis and system design document shall describe all the aspects, features and functionalities of the system, including: quality sensors, operational sensors (such as flow flow, level and pressure), energy meters, communications devices, IT equipment (hardware, software). The detailed requirements analysis and system design shall determine the exact number and type of equipment required for this project.
72	C2.3I3 Integrated Monitoring and Control Management System for the Water Development Department's infrastructure	Target	Delivery and installation of at least 50% of the equipment		% Percentage	0	50	Q2	2025	Delivery and installation of at least 50% of the total number of units that are prescribed in the Detailed Requirements analysis and system design (for example quality sensors, communication devices and quality meters).
73	C2.3I3 Integrated Monitoring and Control Management System for the Water Development Department's infrastructure	Milestone	Completion of a fully functional Integrated Monitoring and Control Water Management System	Water Development Department project implementation team and responsible officer approves the operation and functionality of the entire system	-	-	-	Q2	2026	Completion of the Integrated Monitoring and Control Management System, which shall include verification that the system is capable of detecting, at an early stage, events that require immediate actions from the Water Development Department's personnel. The system shall be able to respond automatically to certain events and at the same time alert operators and/or the public. The system shall be capable of collecting and analysing a large amount of data that

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										may be used for forecasting and to aid in decision making.
74a	C2.3I4 Smart Water and Sewerage Networks Management	Target	Delivery and installation of photovoltaics at the Larnaca Wastewater Treatment Plant		Number	0	700	Q1	2023	Delivery and installation of photovoltaic equipment at the Larnaca Wastewater Treatment Plant generating power of at least 700KW.
74b	C2.3I4 Smart Water and Sewerage Networks Management	Target	Delivery and installation of biogas unit at the Larnaca Wastewater Treatment Plant		Number	0	90	Q2	2026	Delivery and installation of biogas unit at the Larnaca Wastewater Treatment Plant generating power of at least 90KW.
75	C2.3I4 Smart Water and Sewerage Networks Management	Target	Delivery and installation of at least 200 quality and pressure sensors		Number	0	200	Q4	2024	Delivery and installation of at least 200 quality and pressure sensors in the Larnaca and Limassol water networks.
76a	C2.3I4 Smart Water and Sewerage Networks Management	Target	Installation and operation of at least 100 000 smart meters		Number	0	100 000	Q2	2026	At least 100 000 smart meters in operation (delivering consumption readings) and a complete smart water metering system, monitoring system, as well as installed and operational control and support systems in Larnaca and Limassol.
76b	C2.3I4 Smart Water and Sewerage Networks Management	Target	Development of Digital Twin decision support tool and data bank in Larnaca and design of a customised software		Number	0	2	Q2	2026	The Digital Twin decision support tool and data bank in Larnaca are developed and operational; a customised software solution integrating all its operations and supporting data-driven decision making in Limassol is designed.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
			solution in Limassol							
77a	C2.3I5 Anti-flood and water collection measures	Milestone	Completion of construction works of drainage network and reconstruction of streets and pavements in areas of Nicosia	Project management team certifies the completion of the construction	-	-	-	Q4	2022	Completion of construction of drainage network and reconstruction of streets and pavements in Agios Antonios, Old city, Likavitos and Agioi Omologites areas of Nicosia with a total length of approx. 6.5km.
77b	C2.3I5 Anti-flood and water collection measures	Milestone	Completion of construction works of drainage network and reconstruction of streets and pavements in areas of Nicosia	Issued certificates of completion of the construction	-	-	-	Q2	2026	Completion of construction of drainage network and reconstruction of streets and pavements in remaining seven areas: Palouriotissa, Trypiotis, Agios Antonios, two areas in Agioi Omologites and two areas in the Nicosia city.
78	C2.3I5 Anti-flood and water collection measures	Milestone	Completion of construction works for the rainwater collection and recycling system in Kladeri area	Issued certificates of completion of the construction	-	-	-	Q2	2024	Completion of construction of the rainwater collection and recycling system covering a total water collection system area of 4,5km in Kladeri area.
79	C2.3I5 Anti-flood and water collection measures	Milestone	Completion of construction works for the flood channel in Livadia	Issued certificate of completion of the construction				Q4	2025	Completion of construction works for the flood channel with a total capacity of approx. 30 000m3 in Livadia.
80	C2.3I6 Enhance water security for	Target	Completion of construction of two glass lined		m3	0	16 000	Q2	2024	Completion of construction of two glass lined steel reservoirs in Nicosia District of a total capacity of 16 000m^3.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Nicosia and Larnaca regions		steel reservoirs in Nicosia district							
81	C2.3I6 Enhance water security for Nicosia and Larnaca regions	Target	Completion of construction of two additional glass lined steel reservoirs in Nicosia district and 1 concrete water reservoir in Larnaca district		m3	16 000	46 000	Q2	2026	Completion of construction of two additional glass lined steel reservoirs in Nicosia district and one concrete water reservoir in Larnaca district of a total capacity of 46 000m³.
84	C2.3I8 Protection of the marine ecosystem from hazards through oil spills	Milestone	Delivery, quality inspection to verify their operational effectiveness and acceptance of three vessels and two aerial spraying systems	Expert's reporting and issuance of quality certificate of the operational effectiveness and acceptance of vessels and aerial spraying systems	-	-	-	Q1	2025	Delivery, quality inspection to verify their operational effectiveness and acceptance of three vessels (one vessel of 25m in length approximately to operate within the Cypriot Exclusive Economic Zone and two vessels of 8-11m in length approximately to operate within coastal waters and two aerial spraying systems.

M.3. Description of the reforms and investments for the loan

Investment 1 (C2.3I1): Choirokitia-Famagusta Conveyor Replacement

The objectives of the measure are 1) to enhance water supply security through an improved conveyor infrastructure with increased capacity of the duct between key water sources (for example water treatment plants) and consumption areas, as well as 2) to contribute to minimising water losses and the occurrence of failures, improving water quality by mixing desalinated and refined water before it reaches the final consumers, and achieving energy savings through reduced water pumping.

The measure consists of the construction of a replacement of the existing water conveyor. The project shall include conducting topographical studies and environmental impact assessments. Following the aforementioned preliminary steps and the issuance of the necessary permits, the Water Development Department shall assign the construction works to a contractor who shall be selected via public procurement procedures to carry out the works.

The implementation of the investment shall be completed by 30 June 2026.

M.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
67	C2.3I1 Choirokitia-Famagusta Conveyor Replacement	Milestone	Preparation of tender documents and issue call for tenders	Published call for tender for the conveyor replacement works	-	-	-	Q3	2023	Preparation of tender documents and issue of call for tenders following the completion of detailed design of the Choirokitia-Famagusta Conveyor replacement, including bill of quantities by quantity surveyor, topography, permits, other technical and environmental studies and licencing. Completed environmental impact assessment on the Environment from Projects Law (127(I)/2018) / Public Procurement procedures (Law 73(I)/2016).
68	C2.3I1 Choirokitia-Famagusta Conveyor Replacement	Target	Installation of new pipeline with total length of 20km		Number	0	20	Q2	2026	Completion of the construction and installation of a new pipeline with total length of 20km and operation of the equipment. A qualified engineering bureau shall verify the executed work.

E. COMPONENT 3.1: NEW GROWTH MODEL AND DIVERSIFICATION OF THE ECONOMY

The component addresses the challenges of the Cypriot economy with regards to competitiveness, productivity and investment, as well as overreliance on certain economic sectors, such as tourism.

The objective of the component is to help the economy to transit to a new economic growth model (Sustainable Business and Trade Centre of Europe) by addressing sectoral challenges as follows:

Primary Sector: the objective is to develop a competitive agriculture sector primarily through agri-tech and strong collaboration with business, higher-education institutions and research centres to excel.

Secondary Sector: the objective is to develop a competitive light manufacturing sector that includes a focus on areas such as green-tech and agri-tech.

Sustainable Tourism: the objective is to develop a strong agri-tourism and sustainable hospitality infrastructure and attracting health & wellness tourists through competitive and reputable healthcare.

Circular economy (with emphasis on waste management): the objective is to help move towards a circular economy by making better use of raw materials, reducing waste, raising awareness for sustainable development and switching to renewable energy in order to mitigate the climate crisis, protect social well-being and build a resilient economy. The component contributes to addressing the country specific recommendation related to "focus investment on the green and digital transition" and "on waste and water management" (Country-Specific Recommendation 3 of 2020), "focus investment-related economic policy on sustainable transport, environment" and "on environment, in particular waste and water management" (Country-Specific Recommendation 4 of 2019)

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

E.1. Description of the reforms and investments for non-repayable financial support

Sub-Component 3.1.1 Resilient and competitive primary sector

Reform 1 (C3.1R1): Move agricultural practices from the 20th century to the 21st century by investing in a national centre for excellence in agri-tech

The objective of the reform is to address challenges in the primary sector, including low productivity and lack of technological knowledge, by establishing a centralised operating model through strong collaboration between the Agricultural Research Institute and public universities.

The reform shall consist in establishing Cyprus's Agricultural Research Institute as the country's centre of excellence in agriculture, animal husbandry and environmental protection and to strengthen the cooperation between the Agricultural Research Institute and universities to develop new curricula.

The implementation of the reform shall be completed by 30 June 2023.

Reform 2 (C3.1R2): On-line platform for improving the trade and information symmetry in the fresh produce supply chain

The objectives of the reform are to address long-standing drawbacks of the fresh produce supply chain, especially regarding traceability, market price distortions and the information asymmetry, which weakens producers' position in the market.

The reform shall consist of a new law on unfair practices in transactions in the local fresh produce market. A Platform customised to Cyprus' market specificities shall be offered to the Producers' Organisations to kick start their cooperation.

The implementation of the reform shall be completed by 30 June 2024.

Reform 3 (C3.1R3): Genetic improvement of the Cyprus sheep and goat population

The objective of the reform is to enhance the productivity and sustainability of the primary sector through the promotion of the use of technological advancements in milk data recording and of genomic improvement information of sheep and goats to optimise milk production on farm.

The reform shall consist of support to the sheep and goat farmers to upgrade their record keeping on farm, their milk recording process and milk quality evaluation efforts. The reform shall also involve farmer participation in the nationally funded AGRICYGEN research project, in order for the farmers to gain advanced knowledge and guidance on the genetic merit of their animals, in the form of Genetic Breeding Values (GEBVs). GEBV information allows farmers to make informed decisions on animal reproduction in order to improve milk productivity in each subsequent generation on farm.

The implementation of the reform shall be completed by 30 June 2026.

Investment 2 (C3.1I2): Enhancing the existing isotopic databases of Cypriot local traditional food/drinks, by developing a Block Chain platform, to ensure their identity

The objective of the measure is to develop a mechanism and a fit for purpose verification methodology for the authentication of Cypriot products as well as of European food in general, by using isotopic databases. In particular, the measure shall develop a verification methodology for at least three areas of authenticity (for example dairy products, honey and spirits).

The investment shall consist in the establishment of a network of expertise that shall inform regulatory and production stakeholders about food authenticity issues , existing datasets, available methodology and secure sharing of data and information. Also, it shall develop a blockchain-based verification methodology for at least ten traditional or local food or drinks, The verification methodology shall be connected to the Isotopic Database "IsoDataBase".

The implementation of the investment shall be completed by 31 March 2025.

Investment 3 (C3.1I3): Upskill the existing farming community and professionalise future labour force by investing in human capital

The objective of the measure is the upskilling of the farming community, through knowledge transfer and the promotion of innovation. In this way, it aims at fostering a more competitive agricultural sector with higher potential, through capacity building and knowledge transfer.

The investment shall consist in the granting of ten scholarships in the agricultural sector, of EUR 10 000 each, for supporting the development of the future labour force in the sector. It shall also support transfer of knowledge and innovation within the existing labour force, through the use of the Agricultural Knowledge and Innovation System with links to academia, bridging the gap between practical application on the one hand and knowledge, science, experience and research on the other.

The implementation of the investment shall be completed by 31 December 2022.

Sub-Component 3.1.2 Innovative and competitive secondary sector

Investment 5 (C3.1I5): Creation of a National Commercial Identity and promotion of the traditional product "halloumi"

The objective of the measure is to establish a brand name for the Cypriot products in order to promote their export.

The investment shall consist in the development of action plans based on two studies: (a) one on the creation of a National Commercial Identity "Made in Cyprus" (branding) focusing on the quality and structural characteristics of Cypriot products and services combined with elements of the tradition and history of the island, and (b) a study for implementing a strategy for halloumi cheese in order to increase its distinctiveness as an authentic Cyprus product and designing a promotional and awareness campaign.

The implementation of the investment shall be completed by 31 March 2022.

Investment 6 (C3.1I6): Scheme for modernisation and digitalisation of enterprises engaged in manufacturing and trading of agricultural products

The objective of the measure is to strengthen the resilience of the agricultural sector and promote diversification of economic activity. The measure aims to incentivise investments in new businesses or in the technological advancement of existing businesses.

The investment shall consist in the use of a grant scheme that shall provide aid to existing and newly established enterprises, especially SMEs, engaged in the processing, marketing and development of agricultural products covered by Annex I of the Treaty on the Functioning of the European Union, except wine, wine vinegar and activities related to fisheries and aquaculture. The scheme shall assist enterprises to finance investments in tangible or intangible assets to modernise and improve their production facilities, expand and increase their productive capacity, introduce new technologies and procedures and develop new or higher-quality agricultural products. The funding shall also help businesses to improve their digital capabilities, thus helping them improve their processes.

The implementation of the investment shall be completed by 31 March 2026.

Investment 7 (C3.1I7): Scheme for the enhancement of the competitiveness and/or the energy efficiency of large enterprises in Cyprus

The objective of the measure is to help large enterprises with capital expenditures for modernisation efforts that are expected to enable these enterprises to grow, become more competitive, create employment and thus contribute to economic development of the country, including energy efficiency improvements.

The investment shall consist in the grant scheme of up to EUR 7 000 000, to develop and promote existing and new large enterprises, mainly in the manufacturing sector. The grant scheme shall provide incentives to the enterprises to maintain their activities and employment, as well as to undertake energy efficiency investments.

In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities[5]: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term

[5] All footnotes set out in the text on measure C2.1I4 are also applicable to this measure.

disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

The implementation of the investment shall be completed by 30 June 2026.

Sub-component 3.1.3 Sustainable, high value-added tourism sector

Investment 8 (C3.1I8): Enhancing the added value of the tourism sector

The objectives of the investment are to enrich the tourism product, attract new markets, while reducing seasonality and improving the built environment, especially in the countryside, mountainous and remote areas.

The investment shall consist of grant support to two categories of businesses: (1) SMEs in the accommodation industry, for example hotels, for renovation projects and (2) restaurants / taverns or businesses selling traditional food products, which may be included in the label "Taste of Cyprus", for renovation works.

Another objective of the measure is to promote Cyprus as a potential destination for conference events and tourism. The investment shall consist of the renovation of the "Filoxenia" conference centre in Nicosia.

The implementation of the investment shall be completed by 30 June 2026.

Investment 9 (C3.1I9): Promotion of circular economy in hotel establishments

The objectives of the investment are to facilitate the transition of hotels' business model to circular, or to develop circular products or services.

The investment consists of diagnostics, recommendations, training and coaching, and monitoring of the implementation of recommendations leading to certification.

The implementation of the investment shall be completed by 31 March 2026.

Investment 10 (C3.1I10): Enrichment of the tourism product in rural, mountainous and remote areas

The objective of the investment is to support the economy in rural, mountainous and remote areas, by developing the offer of activities to visitors. It aims at enhancing the diversification of the tourism sector, creating jobs, reducing out-migration.

The investment consists of (i) the completion of the 2km long Aphrodite Route, which shall connect historical, religious and environmental points of the area (for example nature trails) and complements the "Authentic Experience Route" project , and (ii) grant support to enterprises and local community boards for limited-scale restoration of buildings, including repurposing them to host micro and small businesses in the creative and manufacturing sectors and improving the infrastructure and overall visual aesthetic.

The implementation of the investment shall be completed by 31 December 2025.

Sub-component 3.1.4 Circular economy

Reform 4 (C3.1R4): Enhancement of circular economy in the Industry

The objective of the measure is to enhance the circular economy model in the country through the implementation of a concrete Action Plan. The Action Plan shall include a grant scheme to enhance business investment in the circular economy, as well as actions consisting for example in: (i) raising awareness among the consumers and the business community regarding the benefits of circular

products towards the environment and about the strengths and business opportunities that the circular economy offers, (ii) providing consulting services regarding business diagnostics, business coaching, training of employees and preparation of a roadmap for transitioning to circularity, and (iii) sharing a marketplace platform for the circular economy to connect supply and demand of materials, scrub and waste.

Furthermore, a grant scheme shall be implemented to SMEs aiming to move into a circular operating model. In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities[6]: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

The implementation of the reform shall be completed by 30 June 2026.

Reform 5 (C3.1R5): Establishment of a Coordinating Body between central and local government

The objective of the measure is to upscale waste management towards prevention of waste and separate collection, thus contributing to compliance with the EU waste management directives as well as promoting the circular economy. The reform shall provide a mechanism to support local authorities both technically and financially, help them to liaise with the central government, create expertise and exploit funding opportunities in the field of waste management.

The reform consists in the establishment of a Coordinating Body between central and local government that shall promote activities within the waste management hierarchy and the waste management plan and support local authorities in this perspective. It shall also participate in research programmes, support pilot programmes and conduct education and information campaigns that aim at waste prevention and separation of waste, as well as maintain the database of programmes and projects in the field of waste management.

The implementation of the reform shall be completed by 30 June 2025.

Investment 12 (C3.1I12): Waste management towards circular economy

The objective of the measure is to contribute effectively to upscaling efforts towards recycling of dry recyclables. The investment aims to assist the achievement of recycling targets, increase waste prevention as the most important way to improve resource efficiency and reduce the environmental impact of waste.

The investment consists of the development, set-up, installation and operation of 50 green kiosks for dry recyclables to help municipalities in remote areas to improve their waste management schemes.

The implementation of the investment shall be completed by 31 December 2025.

[6] All footnotes set out in the text on measure C2.1I4 are also applicable to this measure.

E.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
85	C3.1R1 Move agricultural practices from the 20th century to the 21st century by investing in a national centre for excellence in agri-tech	Milestone	Cooperation between the Agricultural Research Institute and public universities, for joint MSc and PhD programmes	Entry into force of signed cooperation agreement(s)	-	-	-	Q4	2022	Entry into force of legally binding document(s) establishing the collaboration for joint MSc and PhD programmes signed between the Agricultural Research Institute and public universities.
86	C3.1R1 Move agricultural practices from the 20th century to the 21st century by investing in a national centre for excellence in agri-tech	Milestone	New joint Masters and/or PhDs in the wider domain of Agriculture	Media announcement and communication by competent authorities	-	-	-	Q2	2023	Enrolment of students and start of new joint Masters and/or PhDs in the wider domain of Agriculture.
87	C3.1R2 On-line platform for improving the trade and information symmetry in the fresh produce supply chain	Milestone	Law on unfair practices in transactions in the local fresh produce market	Provision in the law indicating the entry into force of the new law on unfair practices in transactions in the local fresh produce market	-	-	-	Q2	2022	Entry into force of a new law which shall address unfair trading practices in transactions in the local fresh produce market, such as unilateral and retroactive amendments to contracts, last minute cancellations, payment deadlines longer than 30 days, payment for damaged or unsold products and other actions affecting those involved in the production and distribution chain of agricultural products.
88	C3.1R2 On-line platform for improving the trade and information	Milestone	Platform for recording transactions in the local fresh produce market	Platform available to Producers' Organisations and communication of its availability by	-	-	-	Q2	2024	Fully operational Platform for recording transactions in the local fresh produce market shall be available to Producers' Organisations.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	symmetry in the fresh produce supply chain			competent authorities						
90	C3.1R3 Genetic improvement of the Cyprus sheep and goat population	Target	Adoption of advanced milk recording methods and participation in the AGRICYGEN project to enable animal genomic evaluations	-	Number	0	20 000	Q2	2026	Farmers have adopted advanced milk recording methods. Through farmer participation in the AGRICYGEN project, the recorded data, along with DNA analysis results, have been used by ARI for dairy trait genomic evaluations for a total of 20 000 unique animals. Farmers have received genomic evaluation outputs to enable more informed decisions regarding animal reproduction, to improve milk productivity in each subsequent generation on farm.
93	C3.1I2 Enhancement of isotopic database of traditional Cypriot products	Milestone	Liquid Chromatography-Isotopic Ratio Mass Spectrometer (LC-IRMS) equipment	Signed statement of the acceptance of equipment to the standard quality and time specified in the tender documents and the signed contract	-	-	-	Q4	2021	Purchase and Install New Liquid Chromatography- Isotopic Ratio Mass Spectrometer (LC-IRMS) equipment for isotopic characterisation.
94	C3.1I2 Enhancement of isotopic database of traditional Cypriot products	Target	Local traditional foods/ drinks connected to the system	-	Number	0	10	Q1	2025	Integrated Isotopic DataBases (for at least ten traditional/local foods/ drinks) connected to a Blockchain system.
95	C3.1I3 Upskill existing and future farmers	Target	Scholarships granted	-	Number	0	5	Q4	2022	At least five scholarships granted to secondary school graduates to study degree courses related to agriculture, in cooperation with the Department of Agriculture, the Agricultural Research Institute and local universities.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
97	C3.1I5 Creation of a National Commercial Identity and promotion of the traditional product "halloumi"	Milestone	Action Plans for (a) the "made in Cyprus" branding, and (b) for the promotion of the halloumi cheese	Publication of the Council of Ministers' decision and of the action plan	-	-	-	Q1	2022	Adoption by the Council of Ministers of Action Plans that shall consist of: (1) assisting businesses to promote their products and services on the basis of the "made in Cyprus" branding, and (2) increasing the distinctiveness of the halloumi cheese as an authentic Cyprus product and designing a promotional and awareness campaign for it.
98	C3.1I6 Scheme for modernisation and digitalisation of enterprises engaged in manufacturing and trading of agricultural products	Target	Grants to SMEs engaged with trade and production of agricultural products	-	Number	0	65	Q4	2024	Signature of grant agreements with at least 65 Small and Medium Enterprises engaged in manufacturing and trading of agricultural products for their modernisation and digitalisation
99	C3.1I6 Scheme for modernisation and digitalisation of enterprises engaged in manufacturing and trading of agricultural products	Target	Grants to SMEs engaged with trade and production of agricultural products	-	Number	65	120	Q1	2026	Signature of grant agreements with at least 120 SMEs engaged in manufacturing and trading of agricultural products for their modernisation and digitalisation
100	C3.1I7 Scheme for the enhancement of the competitiveness and/or the energy efficiency of large enterprises in Cyprus	Milestone	Start of the grant scheme on large enterprises	Publication of the call for proposals on the Ministry website	-	-	-	Q3	2023	Following scheme approval by the Council of Ministers, issuance of call for proposals for the award of grants to large enterprises to expand existing business through investments that enhance the technological level, the production process and their productivity, as well as to undertake investments that improve their energy performance. The terms of reference including eligibility criteria that ensure that the selected projects comply with the

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
101a	C3.1I7 Scheme for the enhancement of the competitiveness and/or the energy efficiency of large enterprises in Cyprus	Target	Grants to large enterprises	-	Number	0	3	Q4	2024	Signature of grant agreements with at least three large enterprises, mainly in the Manufacturing Sector, to expand existing business through investments that enhance the technological level, the production process and their productivity, and to improve their energy performance. All the projects selected shall be in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
102a	C3.1I7 Scheme for the enhancement of the competitiveness and/or the energy efficiency of large enterprises in Cyprus	Target	Grants to large enterprises	-	Number	3	10	Q2	2026	Signature of grant agreements with at least 10 large enterprises, mainly in the Manufacturing Sector, to expand existing business through investments that enhance the technological level, the production process and their productivity, and to improve their energy performance. All the projects selected shall be in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
103	C3.1I8 Enhancing the added value of the tourism	Target	Grant to SMEs to promote the tourism sector	-	Number	0	186	Q2	2024	Signature of grant agreements with at least 186 SMEs, comprising food establishments, restaurants / taverns,

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	sector with emphasis on the country side, mountainous and remote areas									micro, small and medium enterprises selling traditional products, for investing in renovation or refurbishing.
104	C3.1I8 Enhancing the added value of the tourism sector with emphasis on the country side, mountainous and remote areas	Target	Grant to hotels to promote the tourism sector	-	Number	0	36	Q2	2026	Signature of grant agreements with at least 36 hotels and other tourism establishments, for investing in renovation or refurbishing, including digital investments.
104c	C3.1I8 Enhancing the added value of the tourism sector with emphasis on the country side, mountainous and remote areas	Milestone	Renovation of the Filoxenia Conference Centre	Completion of the renovation of the Filoxenia Conference Centre	-	-	-	Q4	2025	Renovation and technological upgrade of the Filoxenia Conference Centre making it ready for use
105	C3.1I9 Promotion of circular economy in hotel establishments	Target	Coaching scheme for circular economy	-	Number	0	50	Q2	2022	Signed collaboration agreements with at least 50 hotels have been signed for tailored business coaching for circular economy.
106	C3.1I9 Promotion of circular economy in hotel establishments	Target	Coaching scheme for circular economy	-	Number	0	18	Q1	2026	At least 18 hotels have been certified according to national standards as circular hotels following audit.
107	C3.1I10 Enrichment of the tourism product in rural, mountainous and remote areas	Milestone	Aphrodite Route	Signed statement of the acceptance of the project by project team (contracting authority)	-	-	-	Q1	2024	Completion of the Aphrodite Route, which shall connect historical, religious and environmental points of the area (for example nature trails) with a special 2km long route, enhancing environmental awareness and promoting biodiversity.
108	C3.1I10 Enrichment of the tourism product in	Target	Completed projects to enrich the tourism	-	Number	0	200	Q4	2025	At least 200 enterprises and local community boards have either renovated, refurbished or visually upgraded

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	rural, mountainous and remote areas		product in rural, mountainous and remote areas							building(s) or infrastructure(s) in countryside, mountainous and remote areas, including for repurposing them to host micro and small businesses in the creative and manufacturing sectors.
109	C3.1R4 Enhancement of circular economy in the Industry	Milestone	Approval of the National Action Plan for the Enhancement of Circular Economy in Cyprus	Publication of the Council of Ministers' decision for the approval of the National Action plan.	-	-	-	Q4	2021	Approval, by the Council of Ministers, of the National Action Plan for the Enhancement of Circular Economy in Cyprus
110	C3.1R4 Enhancement of circular economy in the Industry	Target	Aid for SMEs which are moving into a circular operating model	-	Number	0	25	Q2	2026	Signature of grant agreements with at least 25 SMEs moving to a circular operating model, in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
111	C3.1R5 Establishment of a Coordinating Body between central and local government	Milestone	Legislation on coordination between Central and Local Government	Provision in the law indicating the entry into force of the legislation	-	-	-	Q2	2025	Entry into force of Legislation, which shall establish a Coordinating Body between Central and Local Government. The Coordinating Body shall provide a mechanism to upscale waste management, contribute to compliance with EU waste management directives and promote circular economy.
112	C3.1I12 Waste management towards circular economy	Milestone	Signature of the contract for the installation of Green kiosks	Signature of the contract	-	-	-	Q3	2023	Signed contract for the set up and installation of at least 50 Green kiosks for dry recyclables.
115	C3.1I12	Target	Completion of installation and	-	Number	0	50	Q4	2025	At least 50 green kiosks for dry recyclables are set up, installed and operating.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Waste management towards circular economy		start of operation of the green kiosks							

E.3. Description of the reforms and investments for the loan

Investment 1 (C3.1I1): Construction of a collaborative marine aquaculture infrastructure (port and land facilities) in the Pentakomo coastal area

The objective of the measure is to cover the gap of not having sufficient port and land infrastructure for the daily needs of this activity, by covering existing as well as future needs of more than 70% of the marine aquaculture units operating in Cyprus, aiming at the smooth operation of this sector. The measure aims at maintaining the aquaculture's viability, improve its competitiveness and provide for its future further sustainable development and expansion, strengthening the resilience, competitiveness and contribution of the primary sector to sustainable development of the Cypriot economy.

The investment shall consist in the construction of a collaborative infrastructure for marine aquaculture in the Pentakomo area, which shall be specifically designed to accommodate the needs of marine offshore aquaculture activities (safe service vessels docking, maintenance areas of equipment, storage areas, loading and unloading areas and fuelling station). It shall cover the construction of a small port with the required and appropriate land facilities that shall have the capacity to serve at least 70% of the marine aquaculture units operating in Cyprus.

The implementation of the investment shall be completed by 31 March 2026.

Investment 11 (C3.1I11): Improvement and extension of the Cyprus Green Points Network

The objectives of the measure are the improvement of the management of solid waste, the protection of the environment and public health. It aims at mitigating uncontrolled and illegal dumping of waste in public areas, increasing the rate of recovery and recycling materials, and raising users' awareness of sustainable development and circular economy.

The investment foresees the start of operations of eight Green Points to serve citizens and local authorities to deposit specific household and municipal waste streams and the start of operations of small Green Points to give access to citizens of rural communities to dispose of their waste.

The implementation of the investment shall be completed by 30 June 2026.

E.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
91	C3.1I1 Marine aquaculture construction	Milestone	Construction of the collaborative marine aquaculture	Contract signature	-	-	-	Q1	2023	Signing the contract for the construction of a collaborative marine aquaculture infrastructure (port and land facilities) that shall specifically be designed for aquaculture activity.
92	C3.1I1 Marine aquaculture construction	Milestone	Operational collaborative marine aquaculture Infrastructure	Certificate confirming the delivery and operation of the infrastructure developed	-	-	-	Q1	2026	Delivery of a fully functional / operational collaborative marine aquaculture infrastructure (port and land facilities) that shall specifically be designed for aquaculture activity and shall cover the needs of at least 70% of the marine aquaculture units operating in Cyprus.
116b	C3.1I11Improvement and extension of the Cyprus Green Points Network and creation of a network of Collection Points and Recycling Corners	Milestone	Setting in operation of small Green Points	Acceptance certificate issued for the completion of installation of the small green points	-	-	-	Q2	2026	Setting in operation of small Green Points in accordance with the National Waste Managment Plan and the National Strategic Plan for the Development of Mountain Communities.
117	C3.1I11Improvement and extension of the Cyprus Green Points Network and creation of a network of Collection Points and Recycling Corners	Target	Setting in operation of 8 Green Points	-	Number	0	8	Q2	2026	Setting in operation of eight Green Points in accordance with the National Waste management Plan.

F. COMPONENT 3.2: ENHANCED RESEARCH AND INNOVATION

The component of the Cypriot recovery and resilience plan addresses the challenges that Cyprus faces as regards the Research and Development ecosystem that plays a relatively limited role in economic growth. This is mainly due to a low share of Science, Technology, Engineering and Math (STEM) graduates, limited interaction of the public research system with the business sector and limited access and availability of risk funding.

The objectives of the component are to strengthen links between research organisations and enterprises, commercialise research results, increase intensity in research & development (R&D) activity and investments by both public and private organisations, as well as to make all publicly funded research infrastructure accessible to the entire ecosystem. Furthermore, it aims to enhance financial support to start-ups, scale-ups, SMEs, internationalise the local research and innovation (R&I) ecosystem, develop local talent and attract talent from abroad to work in R&I with emphasis on specific thematic areas.

The component addresses the Country-Specific Recommendations on increasing the focus on investment-related economic policy on research and innovation (Country-Specific Recommendations 3 of 2020 and 4 of 2019).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

F.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C3.2R1): Comprehensive national Research and Innovation Policy supported by data-driven policy tools to support the R&I Ecosystem and to enhance links between policy making and implementation

The objective of the measure is to promote the efficient coordination of the R&I governance system, to foster awareness raising and nurture innovation culture, to mobilise stakeholders and to develop and augment the fundamental building blocks of the national R&I ecosystem (of three levels: policy making, strategy and implementation, stakeholders and users/citizens).

The reform shall consist in the implementation of the Action Plan for the National Strategy for Research and Innovation. This shall follow the political endorsement of the Action Plan, together with the adoption of a National Strategy for R&I and the revised Smart Specialisation Strategy for Cyprus. It shall also consist in the establishment of a mechanism for impact-driven monitoring and support of the seven Centres of Excellence and in the development of a digital tool for the dynamic mapping of the R&I ecosystem (for example stakeholders, policy measures and tools, R&I performance, registry of innovative companies and sector analytics).

The implementation of the reform shall be completed by 31 August 2026.

Reform 2 (C3.2R2): Incentives to encourage and attract investments and human capital in Research and Innovation

The objective of the measure is to attract investment in innovative companies and entrepreneurial and scientific talents from abroad.

The reform shall consist in the extension of the application of the tax scheme for investing in innovative companies to legal entities (from physical persons currently). Eligible investments of up to EUR 150 000 per investor, under this incentive, include equity, loans, guarantees and factoring. In addition, it shall consist in the review, promotion and, where appropriate, amendment of current incentive schemes aimed at attracting talents from third countries, including the Scientific VISA

scheme for researchers and their families and the Start-up VISA scheme for founders of innovative enterprises and their families.

The implementation of the reform shall be completed by 30 September 2022.

Reform 3 (C3.2R3): Introduce policies and incentives to facilitate and foster access to publicly funded research infrastructure and laboratories

The objective of the measure is to optimise utilisation of publicly funded research infrastructure and laboratories by the business community.

The reform shall consist in (i) the development and launch of a dynamic digital tool accessible to all stakeholders of the R&I ecosystem, providing information circulation, tools and services for the facilitation of a collaborative partnership arrangement between different R&I organisations and teams (public and private) in respect to publicly funded research infrastructures and laboratories; (ii) Introduction of measures or incentives in order to enhance the collaboration of Research Performing Organisations with business and spin-offs.

The implementation of the reform shall be completed by 31 December 2024.

Investment 1 (C3.2I1): Set up and operate a central knowledge transfer office

The objective of the measure is to improve technology transfer in Cyprus, through improved academia-business collaboration and commercialisation of research.

The investment shall consist in the creation and putting in operation of a Knowledge Transfer Office (KTO) by the Research and Innovation Foundation, to provide a cost-efficient solution for the support of technology transfer, built on the principles of acquiring a critical mass of research output and economies of scale. The KTO shall provide knowledge transfer services, facilitating commercialisation of research, to universities, other research organisations and enterprises. Indicative list of services: (a) evaluation of commercialisation prospects, (b) intellectual property rights advice, (c) patents filed and intellectual property rights maintenance cases, (d) development of commercialisation strategy, (e) technology marketing, (f) support in setting up spin-off companies, and (g) provision of funding to support translational research.

The CKTO shall carry out an evaluation of the market by Q2 2025 with regards to the demand and supply for KT Services and shall detail in a business plan by Q4 2025, the operational model of the CKTO to be implemented to become self-financed. The implementation of the investment shall be completed by 31 December 2025.

Investment 2 (C3.2I2): Innovation funding programmes & funding schemes for the enhancement of growth & competitiveness of start-ups, innovative companies and SMEs

The objective of the measure is to provide grant support through innovation programmes (for example Fast-Track Innovation, Pre-Seed, Seed, Innovate) as a means to improve access to funds for innovative SMEs and start-ups and to create open access research infrastructures.

The investment shall consist in a grant support through innovation programmes (for instance, Fast-Track Innovation, Pre-Seed, Seed, Innovate) for businesses to develop innovative products and services with international orientation from concept to ready-for-market and through a programme for research organisations to create open access research infrastructures The funding programmes shall (i) promote collaboration of businesses with research organisations; (ii) facilitate commercialisation of research results in targeting delivery of closer-to-market outputs and outcomes,

thus allowing for shorter-term economic effects; (iii) lead to the creation of employment; (iv) promote business clustering, (v) target accelerated transition to a green economy and towards a digital era of efficiency and productivity and (vi) create open access research infrastructures. These programmes shall require businesses to leverage private/own funds in conjunction with public funding (provided by the Research and Innovation Foundation), therefore contributing to the overall increase of R&D investment.

In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities[7]: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

The implementation of the investment shall be completed by 30 June 2026.

Investment 3 (C3.2I3): R&I funding program on green transition

The objective of the measure is to provide grant support through thematic R&I programmes of relatively high technology readiness levels focusing on green transition.

The investment shall consist in grant support of projects that shall be using new technologies to provide cost-effective solutions for green transition, thereby upgrading the country's research capacity. The supported projects shall focus on renewable energy, energy efficiency and sustainable transport, entail collaboration with Centres of Excellence for R&I and/or other stakeholders, and facilitate the commercialisation of research results.

In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities[8]: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

The implementation of the investment shall be completed by 30 June 2026.

Investment 4 (C3.2I4): Funding schemes to support organisations performing R&I activities on dual technologies, including the creation of new or upgrade of existing laboratories and the development of classified laboratories

The objective of the measure is to promote dual-use research and to use technologies, which would otherwise only serve government/military purposes, for civilian, commercial and societal interests.

The investment shall consist in a grant support that would enable research organisations and companies to engage in R&D on dual-use technologies. The funding schemes shall enable the upgrade of the R&I capabilities and capacity of Research Centres of Excellence, academic institutions, research organisations as well as companies engaged in R&D on dual use technologies. In particular,

[7] All footnotes set out in the text on measure C2.1I4 are also applicable to this measure.

[8] All footnotes set out in the text on measure C2.1I4 are also applicable to this measure.

they shall enable these organisations to acquire security classification certificates in order to be able to participate in consortia for European funding (for example Horizon Europe, European Defence Fund) as well as to enhance their R&I capabilities and competitiveness in the field of dual use technologies.

The funding shall focus on civil business only and research outcomes and infrastructure shall benefit civil applications only. The measure shall comply with the Council Regulation (EC) No 428/2009 of 5 May 2009 on setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, regarding dual use technologies during the implementation of the funding scheme, and shall be designed in line with 'EU Funding for Dual Use – A practical guide to accessing EU funds for European Regional Authorities and SMEs'.

In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities[9]: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

The implementation of the investment shall be completed by 30 June 2026.

[9] All footnotes set out in the text on measure C2.1I4 are also applicable to this measure.

F.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
120	C3.2R1 National R&I Policy and policy tools	Milestone	Adoption of the national R&I Strategy and of the Action Plan to implement it	Publication of the Council of Ministers' decision	-	-	-	Q4	2022	Develop an integrated R&I Strategy, providing a long-term perspective framework, ensuring a focused effort and commitment for implementation, over time, on behalf of the State and stakeholders involved in the national R&I system, and a digital tool for the dynamic mapping of the R&I ecosystem.
121	C3.2R1 National R&I Policy and policy tools	Milestone	Completion of the Action Plan for the R&I Strategy	Publication of the Council of Ministers' approval of the final report, attesting the completion of the action plan	-	-	-	Q2	2026	Implementation of the measures in the Action Plan of the National Research and Innovation Strategy, as evidenced by a final report.
122	C3.2R2 Incentives for investments and human capital in R&I	Milestone	Tax exemption of legal entities for investing in innovative companies	Provision in the law indicating the entry into force of the legislation	-	-	-	Q1	2022	Entry into force of a law establishing the tax exemption of corporate investors (legal entities) for investing in innovative companies.
123	C3.2R3 Policies to foster access to publicly funded research infrastructure and laboratories	Milestone	Digital registry to record and publish research infrastructure	Link to the digital registry published in the Deputy Ministry for Research, Innovation and Digital Policy website	-	-	-	Q4	2022	Development and start of operation of a digital registry to record and publish research infrastructure that shall facilitate the request of access of interested parties to such infrastructure. It shall include the mapping of all publicly funded research institutions (under Horizon 2020, national schemes). It shall also improve visibility of the Research

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										Institutions and support collaboration with the private sector.
124	C3.2R3 Policies to foster access to publicly funded research infrastructure and laboratories	Milestone	Collaboration of Research Performing Organisations with business and spin-offs	Publication of measures or incentives introduced on the Research and Innovation Foundation website	-	-	-	Q4	2024	Introduction of measures or incentives to enhance the collaboration of Research Performing Organisations with business and spin-offs.
125	C3.2I1 Set up and operate a central Knowledge Transfer Office (KTO)	Milestone	Launch of KTO	Opening of KTO's first case	-	-	-	Q2	2022	The Research and Innovation Foundation, responsible for putting in operation the KTO, has hired or contracted highly trained staff and/or experts to provide expert knowledge transfer services. Systems and tools shall be in place to support KTO operation. The KTO shall start the provision of services to universities, other research organisations or enterprises.
126	C3.2I1 Set up and operate a central Knowledge Transfer Office (KTO)	Target	Case files closed attesting provision of relevant knowledge transfer services	-	Number	0	30	Q4	2025	At least 30 completed cases of knowledge transfer services provided by the central KTO to universities, or other research organisations or enterprises.
127	C3.2I2 Innovation funding programmes for start-ups, innovative	Milestone	Signature of grant agreements for 50% of budget	Grant agreements signed	-	-	-	Q4	2022	Signing of grant agreements which commit at least 50% of total budget (contracts of a total value of at least EUR 26 000 000 total budget) for innovation funding programmes for start-ups, innovative companies and SMEs, with terms of reference

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	companies and SMEs									including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
128	C3.2I2 Innovation funding programmes for start-ups, innovative companies and SMEs	Target	Completed projects to carry out R&I related activities	-	Number	0	70	Q3	2023	At least 70 completed projects to carry out R&I related activities.
129	C3.2I2 Innovation funding programmes for start-ups, innovative companies and SMEs	Target	Completed projects to carry out R&I related activities	-	Number	70	231	Q2	2026	At least 231 completed projects to carry out R&I related activities in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
130	C3.2I3 R&I funding program on green transition	Milestone	Signature of grant agreements for a R&I funding programme of EUR 6 million budget	Grant agreements signed by the Director of the Research and Innovation Foundation	-	-	-	Q4	2022	Signing of grant agreements for the selected proposals to be funded under a R&I funding program on green transition, with a total budget of EUR 6 million, with terms of reference including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										compliance with the relevant EU and national environmental legislation.
131a	C3.2I3 R&I funding program on green transition	Target	Completed projects on green transition R&I activities	-	Number	0	10	Q2	2026	At least 10 completed projects on green transition R&I activities.
132	C3.2I4 Funding to organisations performing R&D activities on dual technologies	Milestone	Signing of grant agreements which commit 80% of total budget for funding to organisations performing R&D activities on dual technologies	Grant agreements signed	-	-	-	Q2	2023	Signing of grant agreements which commit 80% of total budget (contracts of at least a total value of 2 400 000 euro total budget) for funding to organisations performing R&D activities on dual technologies, with terms of reference including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
133	C3.2I4 Funding organisations performing R&D activities on dual technologies	Target	Completed projects for the development of classified Laboratories	-	Number	0	16	Q2	2026	At least 16 completed projects for the development of classified laboratories in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

G. COMPONENT 3.3: BUSINESS SUPPORT FOR COMPETITIVENESS

This component of the Cypriot Recovery and Resilience addresses the challenges of low productivity and competitiveness of the economy, driven by the enterprises' small size on average, the complex licensing process requested for an investment and difficulties of access to funding to business. The objectives of this component are to support entrepreneurs and enterprises and improve their competitiveness and contribution to the growth of the economy by improving the regulatory framework regarding investment and entrepreneurial activity and to enhance SMEs productivity, mainly through digitalisation. It consists of six reforms and four investments, to be completed by Q2 2026.

The component addresses the Country-Specific Recommendation 3 of 2020 and Country-Specific Recommendation 4 of 2019.

G.1. Description of the reforms and investments for non-repayable financial support

Investment 1 (C3.3I1): Integrated Information system for the Department of Registrar of Companies and Intellectual Property.

The objectives of the measure are the design, development, implementation, maintenance and operation of an Integrated Registry Platform solution supporting the processes and services of the Companies Section and Intellectual and Industrial Property Section of the Department of Registrar of Companies and Intellectual Property, in such a way to drive the digital transformation of the two aforementioned sections to become established as frontrunners in digital presence, online capabilities and outstanding customer service delivered by efficient internal processes and supported by flexible IT systems.

The investment shall consist in the installation of the hardware and software of the system, completing the network infrastructure, and the training of the personnel for the new system.

The implementation of the investment shall be completed by 31 December 2025.

Reform 1 (C3.3R1): Facilitation of Strategic investments

The objective of the measure is to develop a new system supporting strategic investments, aiming at stimulating investment activity in the country through streamlined rules and mechanisms, simplifying the licencing and permit procedures, reducing the administrative burden and making the strategic investment environment more efficient. The definition of strategic investment refers to investments in strategic sectors (including Health and Social Care, Education, Culture, Sport, Environment, Industry, Tourism, Energy, Research, Development and Innovation) that significantly contribute to the development of the economy.

The reform shall consist in the entry into force of a legislation for the facilitation of strategic investments, in regards to the efficiency of obtaining investment licenses and building permits. A dedicated governmental sector shall be assigned for the processing of strategic investments. It shall consist in the preparation of the operational guidelines, process flows, and other ISO 9001:2015 requirements for mainstreaming the process. It shall develop Memorandum of Understandings with other Departments relevant to parts of the process in order to ensure the fast-track mechanism's feasibility. Moreover, it shall include training of employees in the procedures to be introduced. In addition, the reform shall benefit from the set-up of a digital platform that shall enable applying, studying and issuing Planning and Building Permits digitally, through an application management tool and a GIS system (project under Component 3.4: "enhancing e-system for issuing building permits").

The implementation of the reform shall be completed by 30 June 2023.

Reform 2 (C3.3R2): Enhancing Fast-Track Business Activation Mechanism

The objectives of the measure are the simplification of the procedures, the digitalisation of the governmental services and the operation of a Business Support Centre that shall provide necessary and supportive information and services

The reform shall consist in the establishment of an interactive digital platform, enhancing the Business Facilitation Unit. Through the platform the investor shall be able to track his/her application but also the competent authorities shall be able to interact, exchange documents and process the application.

The implementation of the reform shall be completed by 31 December 2025.

Reform 3 (C3.3R3): Modernisation of the Companies Law

The objective of the measure is to support the improvement of the business environment by the review and simplification of the Companies Law, facilitating its application in practice.

The reform shall consist in updating the Cyprus Companies Law to aid its application in practice. The accompanying Regulations shall also be reviewed. Moreover, Cyprus shall assign a team of legal experts to undertake the project for advisory and drafting services of the new Companies Law and Regulations. Moreover, the law review shall include the insolvency proceedings under the Companies Law, which are Liquidations, Receivership and Examinership. Also, the reform shall include the undertaking of an SME test during the preparing of the bill.

The implementation of the reform shall be completed by 30 June 2026.

Reform 4 (C3.3R4): Design and establish a National Promotional Agency

The objective of the reform is to improve access to finance for Small Medium Enterprises (SMEs) by facilitating access to loans and guarantees and enhance the absorption capacity of EU financing through EU tools.

The reform shall consist of an ex-ante assessment analysis covering SMEs' access to finance in all sectors of the economy with a focus on green transition, digital enablement and alternative financing. The report shall define the scope of intervention of the proposed National Promotional Agency (NPA). The legal and organisational set-up of the NPA shall be defined after the final selection of its scope of activity. The proposed structure shall allow a high transparency of NPA's operations and autonomy. The Agency shall not operate with a banking license and therefore shall not need to be capitalised a priori. A steering committee, with the participation of representatives of the Ministry of Finance and the Ministry of Energy, Commerce and Industry shall monitor the implementation.

The implementation of the reform shall be completed by 30 September 2025.

Reform 5 (C3.3R5): Strategic Investor of the Cyprus Stock Exchange

The objective of the reform is the privatisation of the Cyprus Stock Exchange.

The reform shall consist in a tender process, which is currently underway whereby the Cyprus Stock Exchange seeks to appoint a reputable independent advisor or consortium thereof, with extensive relevant expertise to find the most suitable strategic investor for the Cyprus Stock Exchange. The privatisation phase of the contract shall be concluded upon final approval by the House of Representatives of the Republic of Cyprus, after all other conditions have been met.

The implementation of the reform shall be completed by 31 December 2024.

Reform 6 (C3.3R6): Incentives to promote mergers & acquisitions

The objective of the measure is to incentivise the increase of SMEs' size.

The reform shall consist in targeted incentives to promote the mergers or acquisitions of enterprises in order to scale-up and become more competitive. In particular, the reform shall consist in the approval of a report and an accompanying action plan by the Council of Ministers, following the evaluation of similar regimes within the EU and consultation with stakeholders for specific incentives for promoting mergers and acquisitions.

The implementation of the reform shall be completed by 31 December 2022.

Investment 2 (C3.3I2): Creation of a Regulatory Sandbox to enable FinTech

The objective of the measure is to enable FinTech, start-ups, and other innovative companies to expand their offering in new products or services, by regulators establishing a "testing ground" that would allow them to conduct live experiments in a controlled environment under their supervision.

The investment shall consist in facilitating the development of a suitable and attractive regulatory regime on FinTech and innovative technologies and strike a balance between the seamless deployment of innovative products or services and ensuring investors' protection.

The implementation of the investment shall be completed by 30 September 2025.

Investment 4 (C3.3I4): Scheme for the digital upgrade of enterprises

The objective of the investment is to enhance the integration of digital technology in existing and future SMEs established in Cyprus. More specifically, the measure aims to enhance the digital identity of the businesses, increasing the share of Small and Medium Enterprises that use information and communication technologies, including the e-commerce sector, and to promote digital entrepreneurship.

The investment shall consist in the provision of financial grants of about EUR 30 000 to each beneficiary, as a share of what they shall have invested in eligible investment for the digital upgrade of their enterprises.

The implementation of the investment shall be completed by 30 June 2026.

Investment 6 (C3.3I6): State funded equity fund

The objective of the measure is the establishment of a Fund to support the efforts of the Government to enhance access to alternative sources of finance aiming to (i) foster economic development and growth and enhance the competitiveness of small-medium enterprises in Cyprus; (ii) increase the availability of alternative financing sources, particularly for innovative companies and start-ups; and (iii) contribute to the enhancement of the ecosystem for equity and venture capital investments.

The investment shall consist in a tender procedure to select and appoint an external fund manager for an investment period that is foreseen to be five years.

In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the legal agreement between Cyprus and the Fund in charge of the financial instrument and the subsequent investment policy of the financial instrument shall

i. require the application of the Commission's technical guidance on sustainability proofing for the InvestEU Fund; and

ii. exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use[10]; (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks[11]; (iii) activities and assets related to waste landfills, incinerators[12] and mechanical biological treatment plants[13]; and (iv) activities and assets where the long-term disposal of waste may cause harm to the environment; and

iii. require the verification of legal compliance with the relevant EU and national environmental legislation of the projects by Fund for all transactions, including those exempted from sustainability proofing.

The implementation of the investment shall be completed by 30 June 2026.

[10] Except projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01).

[11] Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

[12] This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

[13] This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

G.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
134	C3.3R1 Facilitation of Strategic investments	Milestone	Law for strategic investments	Provision in the law indicating the entry into force of the law	-	-	-	Q1	2022	Entry into force of a law supporting strategic investments in Cyprus which shall include the following elements: streamlining of procedures for licencing strategic investment, project manager for each project, timely issuance of building permits.
135	C3.3R1 Facilitation of Strategic investments	Milestone	Organisational capacity's enhancement for the facilitation of strategic investments	Publication in the official gazette the setup of a government sector facilitating the reform, and of the process system and guidelines, and stated verification by the coordinating authority of training completion	-	-	-	Q2	2023	Publication in the official gazette of the completion of the setup of a sector in the Department of Town Planning and Housing for the enhancement of the facilitation of strategic system; publication of the process system and of the guidelines design; and reporting by the Coordinating authority of key personnel training for the implementation of the reform.
136	C3.3R2 Enhancing Fast-Track Business Activation Mechanism	Milestone	Establishment of an electronic system where investors can submit their online application	Announcement by the Ministry of Commerce of the electronic system accepting applications	-	-	-	Q4	2022	Upgrade of the services of applications for business permit issuance, guidance for establishment and operation, provision of information for all the necessary permits required by the company to start operations, facilitation for the issuance of residence and employment permits in Cyprus for third-country nationals, application for registration as a foreign interest company through the establishment of an electronic system where investors may submit their online application.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
137	C3.3R2 Enhancing Fast-Track Business Activation Mechanism	Target	Establishment of a platform where investors can track their online application and interact with the competent authorities and assessments of applications for investment through the platform	-	Number	0	50	Q4	2025	Completion of the assessment of at least 50 applications for investment through the platform.
138	C3.3R3 Modernisation of the Companies Law	Milestone	Submission of the draft law to the Parliament for approval, restructuring the Companies Law	Submission of the draft law to the Parliament, after its adoption by the Council of Ministers	-	-	-	Q3	2025	Submission of the draft law to the Parliament for approval. The draft law shall restructure the Companies Law. It shall in particular update the Cyprus Companies Law for clearer interpretation and application.
139	C3.3R3 Modernisation of the Companies Law	Milestone	Entry into force of the Companies Law	Provision in the law indicating the entry into force of the law	-	-	-	Q2	2026	Entry into force of the Companies Law which shall restructure the Companies Law. It shall in particular update the Cyprus Companies Law for clearer interpretation and application.
140	C3.3R4 Design and establish a	Milestone	Approval by the Council of Ministers of	Publication of the Council of	-	-	-	Q2	2023	Approval by the Council of Ministers of the roadmap for the creation and establishment of a National Promotional Agency which

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	National Promotional Agency		the roadmap for the creation and establishment of a National Promotional Agency	Ministers' decision						shall facilitate access to loans and guarantees to Small and Medium Enterprises and enhance the absorption capacity of EU financing through EU tools.
141	C3.3R4 Design and establish a National Promotional Agency	Milestone	Start of operations of Cyprus National Promotional Agency	Initial set-up validated by Permanent Secretary	-	-	-	Q3	2025	Start of operations of Cyprus National Promotional Agency, including staffing with required staff
142	C3.3R5 Strategic Investor of the Cyprus Stock Exchange	Milestone	Selection of a strategic investor to buy a controlling stake in Cyprus Stock Exchange	Council of Ministers approves Agreement	-	-	-	Q4	2024	Selection of a strategic investor to buy a controlling stake in Cyprus Stock Exchange, signing of the relevant agreements, achieving financial closing of the transaction.
143	C3.3R6 Incentives to promote mergers and acquisitions.	Milestone	Action Plan for incentives for mergers and acquisitions	Council of Ministers adoption of a report and the accompanying action plan	-	-	-	Q4	2022	Approval of a report and an accompanying action plan by the Council of Ministers on specific incentives for promoting mergers and acquisitions, following the evaluation of similar regimes within the EU and consultation with stakeholders.
144	C3.3I2 Creation of a Regulatory Sandbox to enable FinTech	Milestone	Regulatory Sandbox with a view on FinTech and innovative technologies	Announcement for the launch of the regulatory Sandbox by Cyprus Securities and Exchange Commission.	-	-	-	Q2	2024	Launch a Regulatory Sandbox which shall facilitate the development of a suitable and attractive regulatory regime on FinTech and innovative technologies and strike a balance between the seamless deployment of innovative products or services and ensuring investors' protection.
147	C3.3I4	Milestone	Publication of call for	Official announcement of	-	-	-	Q2	2023	Publication of call for proposals for grants covering a percentage of expenditure that

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Scheme for the digital upgrade of enterprises		proposals following approval of the scheme by the Council of Ministers	the call for proposals in the press, the MECI/ITS website and MECI/ITS social media						shall enhance the digital identity of the businesses, or shall increase the amount of small and medium-size enterprises that use information and communication technologies (including the e-commerce sector), or shall promote digital entrepreneurship , following approval of the scheme for the digital upgrade of enterprises by the Council of Ministers.
148	C3.3I4 Scheme for the digital upgrade of enterprises	Target	SMEs supported following submission of payment applications.	-	Number	0	290	Q2	2026	At least 290 SMEs supported following submission of payment applications and administrative and on the spot verifications performed by the responsible Scheme Management Team.
151	C3.3I6 State funded equity fund	Milestone	Setup of the Fund	Registration of the Fund	-	-	-	Q4	2022	The setup of the Fund is completed. The Fund shall increase the availability of alternative financing sources, particularly for innovative companies and start-ups. The investment policy shall include eligibility criteria for investees to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) of supported transactions under this measure through the use of sustainability proofing, the requirement of compliance with the relevant EU and national environmental legislation, and the requirement for beneficiaries that derived more than 50% of their revenues during the preceding financial year from activities or assets in the exclusion list to adopt and publish green transition plans.
152	C3.3I6 State funded equity fund	Target	Investees supported	-	Number	0	12	Q2	2026	At least 12 investees (start-ups and innovative companies) supported through the Fund.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
			through the Fund							
153	C3.3I1 Integrated Information system for the Department of Registrar of Companies and Intellectual Property	Milestone	System hardware and software installation and networking completed	Issuance of completion and of operation for the installation of system hardware & software and networking completed	-	-	-	Q1	2024	Installation of system hardware & software and networking completed (servers, hard disks, PCs and peripherals, RDBMS, operating systems and routers).
154	C3.3I1 Integrated Information system for the Department of Registrar of Companies and Intellectual Property	Target	Training of personnel	-	% (Percentage)	0	100	Q4	2025	Training of 100% of personnel of the Department of Registrar of Companies and Intellectual Property and the Department of Information Technology Services on the information system and related operational procedures.

H. COMPONENT 3.4: MODERNISING PUBLIC AND LOCAL AUTHORITIES, MAKING JUSTICE MORE EFFICIENT AND FIGHTING CORRUPTION

This component of the Cypriot recovery and resilience plan addresses long-standing challenges in the functioning of public administration, at both the central and the local levels, the justice system and the anti-corruption framework. The objectives of the component are: (i) to increase the effectiveness, efficiency and relevance of government processes, considering current challenges, needs, and expectations of citizens and businesses, (ii) to strengthen the administrative capacity and cooperation of the Ministry of Interior and local governments to ensure the effective implementation of the new local administration model, (iii) to improve the effectiveness, including quality and efficiency, of the justice system, through accelerating the administration of justice and reducing the backlog of cases, and (iv) to achieve greater coherence to the government's efforts to fight corruption.

The reforms and investments included in the component contribute to addressing the Country-Specific Recommendations on improving efficiency in the public sector, in particular as regards the functioning of the public administration and of local governments (Country-Specific Recommendations 1 of 2019 and 4 of 2020), on promoting flexible working arrangements (Country-Specific Recommendation 2 of 2020), on improving the efficiency and digitalisation of the judicial system (Country-Specific Recommendation 5 of 2019 and Country-Specific Recommendation 4 of 2020) and on anti-corruption reforms (Country-Specific Recommendation 5 of 2019).

H.1. Description of the reforms and investments for non-repayable financial support

Subcomponent 3.4.1: Modernising the Public Sector

Reform 1 (C3.4R1): Enhance the administrative capacity and improve the functioning of public administration for better policy making and implementation

The objective of the reform is to improve the functioning of general public administration by improving its human resource management framework and to restructure and enhance the administrative capacity of the Cyprus Police.

The reform shall consist of two elements:

i) Development and implementation of an action plan to strengthen the administrative capacity and the strategic role in human resource management of the Public Administration and Personnel Department relating to the formulation and monitoring of implementation of public administration and human resource management policies in the public sector, such as policy setting, formulation of guidelines and basic principles on human resource management matters, review of existing policies, legislation and practices, and industrial relations. In parallel, the reform shall enhance line Ministries' capacity to implement public administration policies and human resource functions, while ensuring adequate accountability and responsiveness;

ii) reorganisation and modernisation of the Cyprus Police by designing and implementing a new model of policing and operations, a new management framework for learning and development, and a new human resources management framework.

The implementation of the reform shall be completed by 31 December 2025.

Reform 2 (C3.4R2): Regulate flexible working arrangements in the public sector

The objective of the reform is to increase productivity and effectiveness of the public service through the use of flexible working arrangements, such as working remotely, partly remotely, and part-time.

The reform shall consist in implementing flexible working arrangements in the public sector on the basis of an assessment by the Public Administration and Personnel Department of the recommendations. of an external study of best practices and possible limitations noted by other

national public administrations. The study shall review the terms and conditions for flexible working arrangements in the public service as applied in other jurisdictions.

The implementation of the reform shall be completed by 31 December 2024.

Reform 3 (C3.4R3): Introduce new framework for evaluation and selection process for filling public service vacancies and new regulations for the evaluation of employees' performance

The objective of the reform is to improve the functioning of the public service through a review of the recruitment and promotion framework and of the performance appraisal system.

The reform shall consist of: (i) introducing a new framework in the public service for the evaluation and selection of candidates for promotion posts, including managerial posts, based on merit; (ii) introducing a new performance appraisal system to be used for development and promotion purposes in order to make appraisal and promotion more transparent, fair, skill-based and effective; and (iii) improving the recruitment procedures through training, update of the Schemes of Service (the set of requirements and duties for jobs in the public administration) and changes in the two relevant laws for recruitment.

The implementation of the reform shall be completed by 31 March 2025.

Reform 4 (C3.4R4): Strengthen administrative capacity and transparency through the professionalisation of public procurement and further digitalisation of its process

The objective of the reform is to increase the efficiency and effectiveness of public procurement by introducing new procurement processes using digital tools and increasing knowledge and expertise of personnel.

The reform shall consist in introducing an integrated fully digitalised e-procurement system using modern technologies, thus reducing administrative burden for participants while safeguarding accountability and transparency. It shall be accompanied by measures aimed at the professionalisation of public procurement, for example by revising the organisational structure of the central professional public procurement function and training and certification of procurement professionals.

The implementation of the reform shall be completed by 31 December 2025.

Reform 5 (C3.4R5): Enhancement of the capacity of the Law Office

The objective of the reform is to implement a digital transformation of the Law Office, aiming to increase its efficiency and effectiveness, as well as the productivity, quality of work and working conditions of the employees.

The reform shall consist in digitalising the processes and procedures of the Law Office by introducing an IT system (eLaw System). During the implementation of the project, a business analysis shall assess needs for process re-engineering.

The implementation of the reform shall be completed by 31 December 2023.

Investment 3 (C3.4I3): Economic Policy Modelling Hub

The objective of the investment is to improve policymaking and implementation by increasing the use of quantitative modelling techniques for regulatory impact assessment.

The investment shall consist in developing modelling tools and expertise among public personnel to allow for better policy impact assessment. This shall be achieved by (i) establishing an Economic

Policy Modelling Hub disposing of the tools and data for policy analysis and evaluation; (ii) transferring the policy analysis and evaluation knowledge to the employees of the Ministry of Finance; and (iii) developing tools for big data and data analytics.

The implementation of the investment shall be completed by 31 December 2025.

Subcomponent 3.4.2: Local Administration and Spatial reform

Reform 6 (C3.4R6): New legal framework for Local Authorities and relevant support measures

The objective of the measure is to reform the local government system in Cyprus to improve its decision-making power and administrative autonomy, to increase efficiency of governance and to align resources and responsibilities to ensure financial sustainability.

The reform shall consist in adopting new legislation that shall: reduce the number of municipalities and create community clusters for the centralised provision of services in order to improve administrative capacity; introduce a new model of administration and a new staff structure for municipalities; transfer competences and resources from the central government to the municipalities/district organisations for local administration, in particular in the areas of issuing permits, social policy, local infrastructure maintenance, schools and the provision of local services to the citizens; reform the financing of municipalities; and ensure adequate legal supervision, transparency and democratic accountability. The reform shall also include capacity building through training.

The implementation of the reform shall be completed by 31 December 2024.

Reform 7 (C3.4R7): Urban land consolidation

The objective of the reform is to reduce the pressure for municipalities' expansion and increasing soil seal by facilitating the utilisation of available land for construction purposes.

The reform shall consist in setting up a legislative framework for urban land consolidation and promoting implementation of urban land consolidation master plans in selected areas or in areas of strategic significance for the island. The reform shall also include the preparation of an expert study, a digital platform for enabling urban land consolidation, and the preparation of urban land consolidation pilot master plans.

The implementation of the reform shall be completed by 31 December 2025.

Investment 4 (C3.4I4): Enhancing e-system for issuing building permits

The objective of the investment is to increase the efficiency of building permit procedures.

The investment shall consist of (i) expanding the e-application environment of the existing Hippodamos IT system for planning and permitting, to enable all planning authorities and building authorities (municipalities) to submit applications for planning and building permits from a common platform; (ii) upgrading the Hippodamos system to enable applying, studying and issuing planning and building permits digitally; and (iii) upgrading or expanding other Hippodamos modules, such as construction contract management and administration.

The implementation of the investment shall be completed by 31 December 2024.

Investment 5 (C3.4I5): Smart cities

The objective of the investment is to coordinate on-going smart cities initiatives into a nationwide implementation plan.

The investment shall consist in putting forward a Smart City National Master Plan, focussing on three priority smart solutions for municipalities: smart parking, smart lighting and smart waste collection

management. The investment shall entail the design and implementation of the smart city infrastructure (central platform) as well as the design and implementation of the three priority smart solutions, including the installation of sensors. The central platform shall have the necessary flexibility for future additions of new smart cities solutions.

The implementation of the investment shall be completed by 30 June 2026.

Investment 6a (C3.4I6): Regeneration and Revitalisation of Nicosia Inner City

The objective of the investment is to revitalise the Nicosia inner city by attracting young residents, new investments and fostering economic activity.

The investment shall consist of (i)) the purchase and renovation of buildings in the inner city to be transformed into student accommodation and (ii) the introduction of private sector incentives to provide student accommodation in the area.

The implementation of the investment shall be completed by 30 June 2026.

Subcomponent 3.4.3: Efficient Justice System

Reform 8 (C3.4R8): Efficiency of Justice

The objective of the reform is to reduce the high backlog of cases pending before the courts and to increase the overall efficiency and quality of the justice system.

The reform shall consist in preparing an action plan to reduce the backlog of cases and appeals with specific annual targets and setting up a taskforce of judges, which is expected to coordinate the implementation of the action plan to reduce the backlog of pending cases. The action plan is expected to be completed by 31 December 2021. Pending cases shall be defined as cases pending for more than two years. On 31 December 2020 there were: 24 777 pending civil cases, 2 222 pending appeals of civil cases, and 475 pending appeals of administrative cases.

Furthermore, the objective of the reform is to increase efficiency in the judicial proceedings including in adjudicating cases. The reform shall consist in the adoption and entry into force of the revised Rules of Civil Procedure.

The implementation of the reform shall be completed by 30 June 2024.

Reform 9 (C3.4R9): Digital transformation of courts

The objective of the reform is to address the inefficiencies of the justice system caused by the courts operating based on manual and paper-based systems. The digitalisation of the system shall streamline and expedite justice.

The reform shall consist in installing and operating the i-justice system that shall be accessible to courts, lawyers, citizens, the Law Office of the Republic and the Police. The implementation of the reform shall be completed by 30 June 2026.

Investment 7 (C3.4I7): Training of judges

The objective of the investment is to address the low level of training and lifelong learning for judges.

The investment shall consist in training of judges on the revised Civil Procedure Rules and/or other judicial trainings on various legal topics and judicial skills organised by the Cyprus School for Judicial Training.

The implementation of the investment shall be completed by 31 December 2025.

Investment 8 (C3.4I8): Upgrading the infrastructure of courts

The objective of the investment is to address inefficiencies of the justice system caused by inadequate court buildings, both in terms of quantity and quality.

The investment shall consist of the construction of an extension to the Famagusta District Court building.

The implementation of the investment shall be completed by 31 December 2021.

Subcomponent 3.4.4: Fighting Corruption

Reform 10 (C3.4R10): Improving the legal and institutional framework for fighting corruption

The objective of the reform is to achieve greater coherence in the fight against corruption by implementing the national horizontal action plan against corruption.

The reform shall consist of: (i) legislation to protect whistle-blowers, to enhance transparency in public decision-making processes and to prevent conflict of interest, (ii) establishment and operation of an independent authority against corruption, which shall coordinate the efforts of all bodies engaged in the fight against and prevention of corruption and shall supervise the timely implementation of actions by the different competent services (iii) anti-corruption public awareness and trainings and (iv) reinforcement of the Internal Audit Units in all the Ministries and the Internal Audit Service.

The implementation of the reform shall be completed by 30 June 2024.

H.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
155	C3.4R1 Enhance the administrative capacity and improve the functioning of public administration for better policy making and implementation	Milestone	Action Plan on the efficient management of human resource issues in the national public administration	Adoption of the Action Plan by the Council of Ministers	-	-	-	Q1	2022	The Council of Ministers has adopted an Action Plan that shall include: - Guidelines, templates and implementation support by the Public Administration and Personnel Department (PAPD) to line ministries' administration in relation to human resource management issues such as re-organisation and re-structuring, simplification of procedures and workforce planning; - Implementation of a revised organisational structure of PAPD - Learning and Development Plan for PAPD staff; - Training Plan for line ministries' administration
156	C3.4R1 Enhance the administrative capacity and improve the functioning of public administration for better policy making and	Milestone	New human resources management framework for Cyprus Police	Adoption by the Chief of Police	-	-	-	Q4	2023	The new human resources management framework for Cyprus Police shall cover following areas: - Analysis and creation of job descriptions - Recruitment - Motivation - Training and Development - Compensation and Benefits - Labour and employee relations and communication - Management of retired members - Safety and Health

	implementation									- Human resource management strategy
157	C3.4R1 Enhance the administrative capacity and improve the functioning of public administration for better policy making and implementation	Milestone	Implementation of the Action Plan on the efficient management of human resource issues in the national public administration	Final report approved by the Council of Ministers on the implementation of the Action Plan	-	-	-	Q4	2025	The Action Plan has been implemented, including: - Guidelines and manuals for line ministries' administration regarding recruitment procedures, disciplinary procedures, workforce planning, re-organisation and simplification of processes reviews - Legislative amendments where appropriate - Training of staff in line ministries' administration
158	C3.4R2 Regulate flexible working arrangements in the public sector	Milestone	Decision on flexible working arrangements in the public sector	Decision by the Council of Ministers	-			Q1	2023	A study regarding flexible working arrangements in the public sector shall be conducted. The PAPD shall assess the study's recommendations considering appropriate safeguards aiming at improving the effectiveness of the public service. Following the assessment of the study's recommendations, a decision regarding their implementation shall be taken by the Council of Ministers.
159	C3.4R2 Regulate flexible working arrangements in the public sector	Milestone	Implementation of flexible working arrangements	Final report by the PAPD on implementation of the Council of Ministers Decision	-	-	-	Q4	2024	Implementation of the decision of the Council of Ministers, through, where relevant, amendment of law/regulations, communication of policies and trainings, on the basis of an action plan developed by the Public Administration Personnel Department.
160	C3.4R3 Introduce new framework	Milestone	Entry into force of legislation for the	Provision in the relevant law(s) and regulations	-	-	-	Q4	2021	The main elements shall be: (i) entry into force of a law providing for the evaluation and selection of candidates to fill the

	for evaluation and selection process for filling public service vacancies and new regulations for the evaluation of employees' performance		evaluation and selection process for public service vacancies and regulations for employees' performance evaluation.	indicating their respective entry into force						public service promotion posts, including managerial posts, with new criteria and methods based on objective assessment and merit, and amendment of the Public Service Law where deemed necessary, and (ii) entry into force of new regulations for implementing a new performance appraisal system for public employees, to be used for development and promotion purposes in order to make the performance appraisal procedure and the promotion mechanism more transparent, fair, skill-based and effective
161	C3.4R3 Introduce new framework for evaluation and selection process for filling public service vacancies and new regulations for the evaluation of employees' performance	Milestone	New framework for performance evaluation and filling of vacancies in the public service.	Entry into use of the new framework	-	-	-	Q1	2025	Civil servants' performance shall be evaluated and public service vacancies filled in accordance with the new legal framework, following its effective implementation including through training of relevant employees.
162	C3.4R4 Strengthen administrative capacity and transparency through the professionali	Milestone	New integrated e-procurement system	First calls for tender have been launched under the new e-procurement system	-	-	-	Q4	2025	The new integrated e-procurement system shall be fully operational including all development, testing and training of users. The main functionalities of the system shall be:

	sation of public procurement and further digitalisation of its process									- support the only once principle for submission of data by private users - statistical reporting - support the use of emerging technologies that may be used by both contracting authorities and economic operators in their administrative functionalities - Facilitate the administrative work of the contracting authorities - User-friendly interface to economic operators with emphasis on SMEs - Publication of open data regarding the public procurement procedures - Provide the contracting authorities and the decision-makers information regarding public procurement procedures, throughout the project life cycle.
163	C3.4R5 Enhancement of the capacity of the Law Office	Milestone	New IT system for the Law Office	Entry into service of the new IT system	-	-	-	Q4	2023	The e- Law system is made operational for the Law Office and used. It includes the following functionalities: - creation of electronic case files and folders, - case management and monitoring, - internal communication and work flows, - tracking of cases, financial management and payments, - digitalisation of paper files.Training of users has been concluded. The paper files of the Law Office are digitalised.
167	C3.4I3 Economic Policy	Milestone	Setting up a Modelling Hub for	Entry into service of the Hub	-	-	-	Q4	2023	Operationalisation and equipment of the Hub including appointment of the team of scientific staff. The

	Modelling Hub		Economic Policy Analysis							team shall consist of experts on macroeconometric models, econometricians, data analytics experts and economists.
168	C3.4I3 Economic Policy Modelling Hub	Target	Number of developed impact assessment models and data analysis tools	-	Number	0	20	Q4	2025	Complete development of at least 20 macro-econometric impact assessment models and new data analytics tools for the Cyprus economy based on different methodologies shall be simulated, tested and applied for economic policy analysis and forecasting.
169	C3.4R6 New legal framework for Local Authorities and relevant support measures	Milestone	New legal framework on local authorities	Provision in the law indicating the entry into force of the legislation	-		-	Q2	2024	The intervention shall consist of the entry into force of three laws: Municipalities Law, Communities (Amending) Law and the Law on District Local Government Organisations). The new legal framework shall entail: - Reduction in the number of municipalities - Creation of community clusters for the provision of services - Transfer of new competences and resources from central government to the municipalities/district organisations for local administration - New system of financing of municipalities - Rules on legal supervision, transparency and accountability - Improvement of the efficiency of water supply, sewerage and solid waste management as well as permitting by creating five District Organisations for Local Administration.

170	C3.4R6 New legal framework for Local Authorities and relevant support measures	Target	Number of local authority staff participating in capacity building	-	Number	0	500	Q4	2024	Completion of a series of thematic capacity building programmes for local administration, providing training to at least 500 participants (members and staff of local authorities).
171	C3.4R7 Urban land consolidation	Milestone	Entry into force of the law on urban land consolidation	Provision in the law indicating the entry into force of the law	-	-		Q2	2024	Entry into force of the law on urban land consolidation with the aim to reduce urban sprawl through rational utilisation of existing residential areas
172	C3.4R7 Urban land consolidation	Target	Number of master plans for urban planning	-	Number	0	10	Q4	2025	Master plans for urban planning have been drafted, published and approved for utilisation in selected areas or in areas of strategic significance. The master plans shall integrate and redistribute into land parcels segmented and inaccessible land (within the development limits of an area).
173	C3.4I4 Enhancing e-system for issuing building permits	Milestone	Enhancement of the e-application environment of the Hippodamos System	Applications being received through the enhanced e-application environment	-	-	-	Q4	2022	Completion of the enhancement of the e-application environment of the existing Hippodamos system to enable the submission of applications for planning and building permits for all planning authorities and building authorities (municipalities) from a common platform.
174	C3.4I4 Enhancing e-system for issuing building permits	Milestone	Enhancement of planning and control and project management functionalities of Hippodamos	Fully digital process for permit issuance and construction contract management	-	-	-	Q4	2024	Completion of the enhancement of the planning and control tool, project management tool and of the upgrade of the hardware and software of existing Hippodamos System to support the additional functionalities.

176	C3.4I5 Smart cities	Target	Development of mobile applications developed as part of the smart cities initiative and installation of smart sensors in service as part of the smart cities initiative	-	Mobile Applications: Number Smart sensors: Number	Mobile Applications: 0 Smart sensors: Number 0	Mobile Applications: 3 Smart sensors: 97 000	Q2	2026	Development of three mobile applications (for smart parking, smart lighting, smart waste management), which shall be available for download by users, and full operationalisation of at least 97 000 smart sensors as part of the smart cities initiative consisting of smart parking sensors, smart lighting sensors and smart waste management sensors delivered and installed in municipalities and connected to the central smart cities platform.
177	C3.4I6 Regeneration and Revitalisation of Nicosia Inner City	Target	Rooms renovated and converted to student dorms	-	Number	0	80	Q4	2024	At least 80 rooms in Nicosia's inner city have been renovated and converted to student dorms
178	C3.4I6 Regeneration and Revitalisation of Nicosia Inner City	Target	Rooms renovated and converted to student dorms	-	Number	80	310	Q2	2026	At least 310 rooms in Nicosia's inner city have been renovated and converted to student dorms
180	C3.4R8 Efficiency of Justice	Milestone	Entry into force of new Rules of Civil Procedure	Provision in new Rules of Civil Procedure (published in the Official Gazette) indicating the entry into force of the Rules of procedures (1 September 2023)	-	-	-	Q3	2023	Entry into force of the new Rules of Civil Procedure for the new cases submitted to the court as from 1 September 2023. The new Rules of Civil Procedure shall modernise the hearing of cases in order to deliver a less costly, more accessible and timelier service to parties.

181	C3.4R8 Efficiency of Justice	Target	Reducing the backlog of cases and appeals	-	% (Percentage)	0	40	Q2	2024	Reduction of the backlog of cases and appeals pending for over two years before the District Courts and the Supreme Court by 40% from the 31 December 2020 level, as verified by an Annual Progress Report of the Action Plan to reduce backlog.
183	C3.4R9 Digital transformation of courts	Milestone	i-justice system	The i-justice system is operational and accessible through the court's website	-	-	-	Q2	2026	The i-justice shall introduce several functionalities, for example: digital case filing and payment, case categorisation, case searching, document production and management, tracking and monitoring systems to support the streaming of cases, managing allocations of cases to hearing, execution of judgements and management, case closing and evidence management.
185	C3.4I7 Training of judges	Target	Training of judges	-	Number	0	110	Q4	2025	At least 110 (out of 130) judges have completed trainings on the new Civil Procedure Rules and other judicial skills.
186	C3.4I8 Upgrading the infrastructure of courts	Milestone	Extension of the Famagusta District Court	Project management team certifies the completion of the construction.	-	-	-	Q4	2021	Completion of construction of the extension to the Famagusta District Court building to support the operation of new courtrooms to try in addition to criminal also civil cases.
187	C3.4R10 Improving the legal and institutional framework for fighting corruption	Milestone	Entry into force of the law establishing the Independent Authority against Corruption	Provision of the law indicating the entry into force of the law and start of operation of the Independent	-	-	-	Q1	2022	The Independent Authority against Corruption has been established on the basis of the entry into force of the corresponding law and is operational. The Authority shall coordinate the efforts of all bodies engaged in the fight against and prevention of corruption and shall supervise the timely

				Authority against Corruption with key management positions filled and staff recruited.						implementation of actions by the different competent services.
188	C3.4R10 Improving the legal and institutional framework for fighting corruption	Milestone	Entry into force of the law on Transparency in Decision-Making and Related Matters	Provision of the law indicating the entry into force of the law	-	-	-	Q4	2021	Entry into force of the law on Transparency in Decision-Making and Related Matters, including provisions to prevent conflict of interest. The law shall create the obligation to publicise contacts made between persons interested in being involved in public decision-making procedures and officials or members of the State service or of the wider public sector or with employees for the benefit of officials who, by their very position, have competence or possibility of initiating such procedures or formulating their content or contributing or determining the final outcome of such procedures. Information on such a contact, as well as its content and purposes, shall be officially recorded and be publicly available.
189	C3.4R10 Improving the legal and institutional framework for fighting corruption	Milestone	Entry into force of the law to protect whistle-blowers	Provision of the law indicating the entry into force of the law	-	-	-	Q4	2021	Entry into force of a law to protect whistle-blowers reporting fraud and corruption from internal sanctions. The law shall include supplementary provisions on the protection of persons reporting acts of corruption both in the public and the private sectors (whistle-blowers, persons not involved in

										the acts), further to the protection already provided for in the Protection of Witnesses Law 95(I)/2001. The law shall also provide measures of leniency for those who are involved in acts of corruption, but voluntarily report to the police and/or offer cooperation with the authorities resulting in the full investigation and prosecution of the case.

H.3. Description of the reforms and investments for the loan

Investment 2 (C3.4I2): Digitalisation of the law-making process

The objective of the investment is to improve the quality of regulation and increase legal certainty and transparency by modernising the legislative drafting process and publication of applicable legislation.The investment shall consist in establishing a legislation preparation platform enabling easier drafting, consolidation, management and storing of laws and regulations. The system shall also become the official government single point of digital access for the public to all legislation texts in an interoperable format. The investment shall cover the upload of all existing laws and regulations into the new platform.The implementation of the investment shall be completed by 30 June 2026.

Investment 6b (C3.4I6): Regeneration and Revitalisation of Nicosia Inner City

The objective of the investment is to revitalise the Nicosia inner city by attracting young residents, new investments and fostering economic activity. The investment shall consist of the renovation of the Faneromeni School to be used as a department of the University of Cyprus by June 2026.

Investment 9 (C3.4I9): Aid Scheme for the private and public sector for certification with ISO 37001 (Anti Bribery)

The objective of the investment is to contribute to the fight against corruption by introducing to the private and public sector the accreditation ISO 37001, which shall help in increasing transparency, stamping out bribes and creating an ethical business culture.

The investment shall consist of grant support to the private and public sector, including local governments, for consulting services and certification against bribery in accordance with the standard ISO 37001.

The implementation of the investment shall be completed by 31 December 2025.

H.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
165	C3.4I2Digitalisation of the law-making process	Milestone	Implementation of the Cyprus Legislation Preparation Platform	Entry into service of the new system	-	-	-	Q2	2026	Entry into operation of the Platform and completion of training for administrators and privileged users. The fully functioning Legislation Preparation Platform shall enable: - drafting and management of bills through a web editor, with possibility to export in XML format at all stages of the law preparation process, - a central database to store and disseminate the legal texts as open data though Application Programming Interfaces, as well as in bulk; - a tool to consolidate laws and amendments.
166	C3.4I2Digitalisation of the law-making process	Milestone	Digitalisation of laws & regulations in the new platform	Public announcement on the platform	-	-	-	Q2	2026	All past laws and regulations have been uploaded into the new platform, so that all legislation is available online on a governmental platform.
179	C3.4I6 Regeneration and Revitalisation of Nicosia Inner City	Milestone	Renovation of Faneromeni School	Completion of the renovation of Faneromeni school	-	-	-	Q2	2026	Faneromeni School has undergone extensive renovation and complete anti-seismic upgrade to house the School of Architecture of the University of Cyprus and is ready for use
190	C3.4I9 Aid Scheme for the private and public sector for certification with ISO 37001 (Anti Bribery)	Target	ISO 37001 anti-bribery management systems	-	Number	0	81	Q4	2025	At least 81 organisations are ISO accredited for the Standard “ISO 37001 ANTI-BRIBERY MANAGEMENT SYSTEMS” due of the support granted

I. COMPONENT 3.5: SAFEGUARDING FISCAL AND FINANCIAL STABILITY

This component of the Cypriot recovery and resilience plan addresses the challenges of fiscal and financial vulnerabilities, including macroeconomic imbalances related thereto. The aim is to safeguard financial stability by reducing legacy risks in the banking sector, putting in place measures against high private indebtedness, and improving supervision in the non-bank sector. To ensure fiscal stability, Cyprus aims at combating tax evasion, tax avoidance and aggressive tax planning; and providing policy makers with comprehensive data in order to design a fair tax system. The envisaged measures are expected to make revenue collection more efficient and Cyprus' tax system fairer, reducing the spill-over effects from aggressive tax planning.

The component supports addressing the Country-Specific Recommendations on financial stability and private indebtedness (Country-Specific Recommendations 2 and 5 of 2019), and on addressing features of the tax system that facilitate aggressive tax planning by individuals and multinationals (Country-Specific Recommendation 4 of 2020 and Country-Specific Recommendation 1 of 2019).

I.1. Description of the reforms and investments for non-repayable financial support

Safeguarding financial stability

Reform 1 (C3.5R1): Legal Framework for crisis management for credit institutions

The objective of the measure is to improve the resilience of the banking sector by introducing a framework for a coherent and concrete procedure for supporting credit institutions facing financial difficulties.

The reform shall consist in (i) reviewing and amending the national insolvency framework for credit institutions to increase its effectiveness and efficiency, in line with best European practices; and (ii) laying down a framework for precautionary recapitalisation of credit institutions and for government stabilisation tools for the purpose of participating in the resolution of a credit institution.

The implementation of the reform shall be completed by 31 December 2025.

Reform 2 (C3.5R2): Framework and Action Plan for addressing non-performing loans

The objective of the measure is to address financial risks related to legacy non-performing loans in the banking sector by continuing efforts to improve the asset quality of banks and strengthening the working environment for servicing of loans.

The reform shall consist in (i) implementing an action plan to address the remaining stock of legacy non-performing loans and (ii) adopting a package of three amending laws regarding credit acquiring companies and servicers (placing of loan servicers under regulation and supervision by the Central Bank; granting access for loan servicers and credit acquiring companies to the Land Registry; and aligning notification requirements in case of purchase of a loan by a credit acquiring company). A progress report on the action plan shall be prepared by 30 June 2023 and approved by the Council of Ministers, tracking the reduction of non-performing loans in the banking sector towards the indicative reference values of 6% gross and 3% net non-performing loans ratio[14] and proposing policy measures where appropriate.

[14] These reference values are based on the definition of non-performing loans as used in the "Monitoring Report on Risk Reduction Indicators" (November 2020), available at https://www.consilium.europa.eu/media/ 46978/joint-risk-reduction-monitoring-report-to-eg_november-2020_for-publication.pdf

The implementation of the reform shall be completed by 30 June 2023.

Reform 3 (C3.5R3): Strategy for addressing inadequacies of the property transaction system (title deeds)

The objective of the reform is to address inefficiencies in the system of issuing and transferring title deeds, which results in property rights not being defined, complicates foreclosure procedures and hinders the liquidation of collateral.

The reform shall consist in: (i) examination of pending cases for the issuance of title deeds or rejection of the cases, (ii) extension of the new planning and building permit policy, currently up to two residential units, to four residential units in a plot, which shall reduce the time needed to issue building and spatial permits, (iii) review of the Streets and Buildings Law to introduce the right incentives for the supervising engineer to further discourage irregularities that would result in title deeds not being issued, (iv) amendment of the Sale of Property (Specific Performance) Law, which shall ensure in advance that the transfer of immovable property is executed as soon as the buyer fulfils his/her contractual obligations.

The implementation of the reform shall be completed by 31 December 2023.

Reform 4 (C3.5R4): New legal framework and system of exchange of data and credit bureau

The objective of the measure is to fight high private indebtedness by improving the assessment of credit risk for new lending through evolvement of the credit registry, to enable it to offer services such as credit scoring in full conformity with data protection rules.

The reform shall consist in amending the existing system for exchange of credit data, under which a private company owned by the Association of Cyprus Banks is the credit registry, so as to allow the provision of credit scoring services. The main elements of the amendment shall be to alleviate the legal uncertainty regarding the ownership of the system and the distinct role of the credit registry and other products offered by ARTEMIS as a credit bureau, to ensure continuation of the duty to collect data on credit facilities by credit institutions and other creditors (such as credit acquiring companies), to provide data from the Insolvency Department, and to define the terms and conditions of access to data and its protection.

The implementation of the reform shall be completed by 31 December 2024.

Reform 5 (C3.5R5): Action plan for the development of a liability monitoring register

The objective of the measure is to improve the ability of the authorities to design and implement targeted policies to prevent and manage the stock of private debt. This shall be pursued by creating a liabilities monitoring register covering the amounts of debts towards the public as well as towards credit institutions and credit acquiring companies.

The reform shall consist in implementing an action plan that shall involve the design and development of a credit liability register to generate reports for decision and policy making, including the production of person-by-person liability reports.

The implementation of the reform shall be completed by 31 December 2024.

Reform 6 (C3.5R6): Reinforcing and strengthening the insolvency framework

The objective of this reform is to strengthen the implementation of the insolvency framework, promote the use of insolvency schemes and tools, and ensure full and effective functioning of the Department of Insolvency.

The reform shall consist in (i) implementing the remaining measures and actions specified in the 2018 Action Plan that were not already implemented and (ii) setting-up digital systems necessary for improving the work of the Department of Insolvency and which promote the use of the insolvency tools. The Action Plan was approved by the Council of Ministers in 2018, and reflects the national policy for the field of insolvency. This reform shall include ,for example, digitalisation of systems (enhancement of existing systems and introduction of new ones), training delivered to the staff of the Department of Insolvency, implementation of a Customer Service line and a web portal for customers, and full implementation of the regulatory framework for Insolvency Practitioners.

The implementation of the reform shall be completed by 30 June 2025.

Reform 7 (C3.5R7): Strategy for Combating Financial Illiteracy

The objective of the measure is to promote financial literacy. It aims at enhancing financial education within the general population, improve financial decision making, correct wrong attitudes and biases, support more informed and financially responsible citizens and ultimately, help improve debt repayment discipline.

The reform shall consist in preparing a strategy for combating financial illiteracy by: (i) identifying the issues of financial illiteracy (ii) reviewing the international literature on the topic, and (iii) providing an action plan for implementation.

The implementation of the reform shall be completed by 31 December 2023.

Reform 8 (C3.5R8): Enhancing supervision of Insurance and Pension Funds

The objective of the measure is to enhance the supervision of the insurance and pension funds.

The reform shall consist in (i) increasing the administrative capacity of the supervisory authorities, (ii) preparing and implementing tools in line with the regulatory frameworks conveyed to the European Insurance and Occupational Pensions Authority (EIOPA) (for example, the revised Institutions for Occupational Retirement Provision (IORP II) Directive) and (iii) undertaking specific supervisory actions according to plans as conveyed to EIOPA and based on the authorities supervisory review processes, for ensuring financial stability and for protecting the interests of pension funds members and insurance policy holders.

The Department of the Registrar of Occupational Retirement Benefit Funds (RORBF) supervising the pension sector, shall increase permanent staff by 13 persons. The Insurance Companies Control Service (ICCS) supervising the insurance sector shall increase its permanent personnel by three persons.

The implementation of the reform shall be completed by 31 March 2025.

Investment 1 (C3.5I1): Enhancement of the Supervisory Function of Cyprus Securities and Exchange Commission

The objective of the measure is to enhance the supervisory capacity of Cyprus Securities and Exchange Commission (CySec) through digitalisation – allowing for better supervision of transactions.

The investment shall consist in developing an advanced digital system, based on cloud architecture, covering the supervision needs of European Market Infrastructure Regulation (EMIR)and the Securities Financing Transactions Regulation (SFTR). The new system shall support the following features: (i) connect to the European Securities and Markets Authority (ESMA) hub; load and pre-process transaction data, (ii) aggregate and perform queries on data to generate regulatory insights (iii) generate on-schedule and ad-hoc reports.

The implementation of the investment shall be completed by 31 December 2023.

Safeguarding fiscal stability

Reform 9 (C3.5R9): Improving tax collection and effectiveness of the Tax Department

The objective of the measure is to make tax collection more efficient and effective, through a higher level of digitalisation and tax compliance, and improve customer service.

The reform shall consist in integrating different tax units, procedures and processes, so as to offer single point of taxpayer service, legislative changes and implementing a new IT system and digitising the Tax department. The latter shall include: (a) a single registration to the tax base and Taxisnet (for electronic submission of Income Tax Returns by Individuals, Legal Persons and Employers); (b) an integrated tax auditing process based on risk assessment; (c) an integrated refunds audit; (d) an integrated and enhanced single point of service, including the direct payment of VAT and connecting businesses to a server held within the Tax Department, without the use of specialised mechanisms; (e) a process to issue single tax clearances; (f) possibility for immediate adjustments of the system to accommodate any changes in the legislation and/or procedures and extension of secure interfaces with other information systems; (g) data analysis capabilities and (h) scanning and electronic storage of all taxpayer paper documents regarding the real estate (immovable property) and capital gains with relevant security, integrity and confidentiality parameters. The newly acquired building for the integrated Nicosia District Office and Large Taxpayers' Office shall enhance the efforts of integrating the district tax offices in the capital, from five different office-buildings at different locations deemed technologically unsuitable previously, and allow the provision of taxpayer services from one single location in Nicosia district. The legislative changes shall include: a recently introduced legislation to implement the mandatory submission of tax returns by every natural person with income as defined in Article 5 of the Income Tax Law, regardless of the threshold starting from the tax year 2020 (subject to exceptions).

The implementation of the reform shall be completed by 31 March 2026.

Reform 10 (C3.5R10): Addressing Aggressive Tax Planning

The overall objective of the measures under the reform is to increase the effectiveness, efficiency and fairness of the tax system by combatting tax evasion and aggressive tax planning by Multinational Enterprises.

The measure shall consist in three different reform sub-measures.

The first reform sub-measure shall consist in imposing a withholding tax on outbound payments of interest, dividends and royalty payments and the introduction of a further corporate tax residency test based on the incorporation of each entity. A withholding tax shall be imposed to jurisdictions in Annex I of the EU list of non-cooperative jurisdictions on tax matters, as a first step through enactment of the Law by 31 December 2021, providing for its entry into force by 31 December 2022.

The corporate tax residency test shall be additional to the management and control test. It shall be enacted by 31 December 2021, providing for its entry into force by 31 December 2022. The first test shall be the management and control and, in cases where a company is incorporated in Cyprus but its

management and control is done from another jurisdiction, it shall be considered as a Cyprus tax resident and shall be taxed in accordance with the relevant provision of the Income Tax Law, provided that the company is not a tax resident elsewhere (to avoid dual residency status).

A second reform sub-measure shall consist in introducing a withholding tax on outbound payments of interest, dividends and royalty payments to low tax jurisdictions. In respect of interest and royalty payments, the Cypriot authorities may explore instead the approach of applying non-deductibility. Such legislative change shall enter into force by 31 December 2024.

As a third reform sub-measure, Cyprus shall assess the effectiveness of the overall set of measures related to aggressive tax planning, via an independent evaluation to be completed by 31 December 2024. This evaluation shall assess the Cyprus tax framework holistically including all measures adopted by then. The evaluation shall lead to policy action to be undertaken by Cyprus to address any shortcomings identified, including in the form of legislative changes, which shall enter into force by 30 June 2026.

The implementation of the reform shall be completed by 30 June 2026.

Investment 2 (C3.5I2): Modernisation of Customs and Electronic Payment System

The objective of the measure is to develop and implement the electronic systems envisaged under the Union Customs Code. The measure aims to simplify and expedite customs formalities and reduce the administrative cost for all stakeholders and thus make revenue collection more efficient.

The investment shall consist in developing and putting into operation twelve systems, consisting in three different types: (i) the Declaration Systems (for example Manifest, Automated Import, Transit, Automated Export and Excise Movement Control System), which shall communicate with the Operational Components, the Management Components and External Interfaces using the Integration Layer; (ii) the Operational Systems, which shall consist of the Risk Analysis, Accounting, Audit, Tariff, Customs Warehouse, Case Management, Surveillance and Quota and (iii) the Management Systems, which shall consist of the Business Rule Management, Business Process Management, Reference Data Management, Internal IAM and Reporting.

The implementation of the investment shall be completed by 31 December 2025.

I.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
191	C3.5R1 Completing the legal framework for Crisis Management for Credit Institutions	Milestone	Entry into force of the amendment of the national insolvency framework for credit institutions, and introduction of government tools for preservation of financial stability	Provision in the laws indicating their entry into force	-	-	-	Q4	2025	Entry into force of the following two legislative packages: (a) the 'Liquidation of Credit Institutions' law which shall introduce flexibility and necessary tools to competent authorities for the effective liquidation of insolvent credit institutions and (b) the Extraordinary Public Financial Support to Licensed Credit Institutions Law and the Resolution of Credit Institutions and Investment Firms (Amending) Law , which shall lay the framework for government intervention, in particular through precautionary recapitalisation of a credit institution and through government stabilisation tools for the purpose of participating in the resolution of an institution.
192	C3.5R2 Framework and Action Plan for addressing NPLs	Milestone	Entry into force of the package of amending laws regarding credit acquiring companies (CAC) and	Provision in the law indicating the entry into force of the respective laws	-	-	-	Q4	2021	Entry into force of the following three laws: (a) The Credit Facilities Purchase and Related Matters (Amending) Law of 2021, which shall put non-performing loan servicers under regulation and supervision by the Central Bank; (b) The Immovable Property (Transfer, Registration and Valuation) (Amending)

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
			credit servicers to improve the working environment for non-performing loans management							Law of 2021, which shall give access for non-performing loan servicers and credit acquiring companies to the Land Registry (c) Evidence (Amending) Law 2020, which shall align notification requirements in case of purchase of a loan by a credit acquiring company.
193	C3.5R3 Strategy for addressing inadequacies of the property transaction system (title deeds)	Target	Reduction of backlog of cases for issuance of title deed either by issuing title deeds or by rejecting the case	-	% (Percentage)	0	80	Q2	2023	Reduction of backlog of pending cases for issuance of title deeds either by issuing title deeds (the legal document constituting the evidence of a right to the ownership of a property) or by rejecting the case. Title deeds for 1 050 developments are pending for assesment, corresponding to 20 000 title deeds. Of this total of 20 000 pending title deeds, 80% shall be resolved resulting either to the issuance of title deeds or to a rejection of the case.
194	C3.5R3 Strategy for addressing inadequacies of the property transaction system (title deeds)	Milestone	Extension of the New Planning and Building Permit Policy	Decree issued by the Minister of Interior	-	-	-	Q4	2022	Extension of the New Planning and Building Permit Policy for up to four residential units in residential plots. The Policy provides the possibility to submit applications electronically and introduces fixed deadlines to grant planning and building permits (ten to twenty days).
195	C3.5R3 Strategy for addressing inadequacies of the property transaction system (title deeds)	Milestone	Entry into force of the amendment of the Sale of Property (Specific Performance) Law	Provision in the law indicating the entry into force of the amended Sale of Property (Specific	-	-	-	Q4	2022	Entry into force of the amended Sale of Property (Specific Performance) Law to safeguard the buyers interests in advance. The amendment shall allow for transfer of Title Deeds, under full safety and legal certainty, while minimizing operational costs and delays through checks at a preliminary stage to identify specific

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
				Performance) Law						obstacles to the transfer before the payment of the purchase price. The aim is to create a mechanism to safeguard the interests of the buyers of immovable property and ensure in advance that the transfer of immovable property shall be executed as soon as the buyer fulfils his/her contractual obligations.
196	C3.5R3 Strategy for addressing inadequacies of the property transaction system (title deeds)	Milestone	Review of the Streets and Building Law	Provision in the law indicating the entry into force of the amended Streets and Building Law	-	-	-	Q4	2023	Entry into force of the Streets and Building Law which shall introduce the right incentives for the supervising engineer to (i) oversee the project development in accordance with the permit issued, to further discourage irregularities that would result in title deeds not being issued and (ii) submit to the competent authority a certificate confirming the completion of work in line with the permit issued.
197	C3.5R4 New legal framework and system of exchange of data and credit bureau	Milestone	Entry into force of the framework and system of exchange of data legislation	Provision in the legislation indicating the entry into force of the legislation	-	-	-	Q1	2023	Entry into force of the legislation on the framework and system of exchange of data by ARTEMIS credit bureau, which shall eliminate impediments in the current framework so as to allow it to provide credit scoring services. The main elements of the amendment shall be to broaden the supervisory role of the Central Bank of Cyprus, to maintain a duty to collect data for credit facilities by credit institutions and other creditors, to provide Insolvency Department data, and to define the terms and conditions of access to data and its protection.
198	C3.5R4 New legal framework and	Milestone	Upgraded digital system of exchange of	Successful Production of Credit Scores	-	-	-	Q4	2024	Full implementation and entry into service of the upgraded digital system of exchange of data by ARTEMIS credit

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	system of exchange of data and credit bureau		data and credit bureau							bureau in accordance with the legislation on the framework and system of exchange of data, and start of provision of credit scores services.
199	C3.5R5 Action plan for the development of a liability monitoring register	Milestone	Action Plan for the development of a liability monitoring register	Approval of the Action Plan by the Council of Ministers	-	-	-	Q4	2022	The Action Plan shall put forward the necessary steps for introducing the liability monitor register that shall: - utilise an electronic database, collecting data on liabilities from various public and private creditors, such as the credit registry under reform C3.5R4. - enable the design and implementation of targeted policies for preventing and managing private indebtedness.
200	C3.5R5 Action plan for the development of a liability monitoring register	Milestone	Action plan for the development of a liability monitoring register	Confirmation by the Council of Ministers on the implementation of the Action plan	-	-	-	Q4	2024	Implementation of the Action Plan for the development of a liability monitoring register that shall - utilise an electronic database to collect data on liabilities from public and private creditors., for example, the ARTEMIS credit registry - support the design and implementation of targeted policies for preventing and managing private indebtedness.
201	C3.5R6 Reinforcing and strengthening the insolvency framework	Milestone	Full implementation and full operation of the legal and institutional framework for insolvency	Appointment of staff confirmed by the Official Gazette. Council of Ministers' approval of the Progress Report	-	-	-	Q4	2022	Full implementation and full operation of the legal and institutional framework on insolvency through: (a) appointment of staff for all levels of the organisational structure of the Department of Insolvency, and delivery of trainings for the personnel, (b) establishment of a communication plan for promoting insolvency proceedings, (c) approval of a customer service line, (d) establishment of a framework for continuous

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										professional development for insolvency Practitioners.
202	C3.5R6 Reinforcing and strengthening the insolvency framework	Milestone	Operation of all digital systems developed for the Department of Insolvency	Approval of the Progress Report by the Council of Ministers	-	-	-	Q2	2025	The new digital systems shall increase the relevance and efficiency of the existing operational and technical systems of the Department of Insolvency.
203	C3.5R7 Strategy for Combating Financial Illiteracy	Milestone	Strategy for Combating Financial Illiteracy	Approval of the Strategy for Combating Financial Illiteracy by the Council of Ministers	-	-	-	Q4	2023	The Strategy for Combating Financial Illiteracy shall outline its goal and objectives, specify the channels for promoting financial literacy, and include specific actions for implementation. The reform shall also include completion of initiatives promoting financial literacy.
204	C3.5R8 Enhancing supervision of Insurance and Pension Funds	Target	Strengthening the human resources of the Registrar of Occupational Retirement Benefits Fund (RORBF) and the Insurance Companies Control Service (ICCS)	-	Number	0	16	Q1	2025	Increase staff by thirteen employees for the Registrar of Occupational Retirement Benefit Funds (RORBF) and by three employees for the Insurance Companies Control Service (ICCS). This shall be a permanent increase in staff.
205	C3.5R8 Enhancing supervision of Insurance and Pension Funds	Milestone	Supervisory tools including data collection and analysis tool	Support tools for enhancing the supervision of pension funds and insurance companies	-	-	-	Q4	2023	Implementation of tools (for example, procedures, checklists, fitness and propriety applications) in line with new legislation (providing for the establishment, activities and supervision of Institutions for Occupational Retirement Benefits Law of 2020 -L 10(I)/2020 and the legislation of the Insurance and Reinsurance Business and

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										Other Related Issues Law of 2016 (N.38(I)/2016.
206	C3.5I1 Enhancement of the Supervisory Function of the Cyprus Securities and Exchange Commission	Milestone	Digital system for supervision of transactions for the Cyprus Securities and Exchange Commission	Project management committee verifies acceptance of deliverables in due time; and quality and standards as specified in tender documents	-	-	-	Q4	2023	Implementation of a new digital system of supervision of transactions. The new digital system shall have the following features: - Loading and pre-processing of Transaction data. - Aggregations and queries on data to generate regulatory insights. - Generation of on-schedule and ad-hoc reports.
207a	C3.5R9 Improving tax collection and effectiveness of the Tax Department	Milestone	Operation of VAT Services within an Integrated Tax Administration System (ITAS)	Project Board Approval of the Project Deliverables for completion, installation and operation of a new integrated VAT System	-	-	-	Q1	2022	The Cyprus Tax Department (CTD) shall put into operation an Integrated Tax Administration System (ITAS) that shall support the tax administration functionalities and processes. The functionalities related to the VAT Services shall be completed and operational within this system.
207b	C3.5R9 Improving tax collection and effectiveness of the Tax Department	Milestone	Purchase of the new building for the integrated Nicosia District Office and Large Taxpayers' Office	Completion of the purchase and start of operations				Q3	2023	The new building for the integrated Nicosia District Office and Large Taxpayers' Office has been purchased.
208	C3.5R9 Improving tax collection and effectiveness of	Milestone	Integration of operations of the direct tax administration	Project Board approval of the System Deliverables	-	-	-	Q1	2026	The tax administration services related to direct taxes of natural and legal persons (in addition to VAT) shall be operational within the ITAS.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	the Tax Department		department within the ITAS	for completion installation and operation of ITAS for direct taxes and go-live acceptance report						
209	C3.5R10 Addressing Aggressive Tax Planning	Milestone	Entry into force of the law to tackle aggressive tax planning	Provision in the law indicating the entry into force of the law	-	-	-	Q4	2022	Entry into force of a law to tackle aggressive tax planning by (a) imposing a withholding tax on interest, dividends and royalty payments to jurisdictions included in Annex I of the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes and (b) introduction of a further corporate tax residency test based on the incorporation of each entity.
210	C3.5R10 Addressing Aggressive Tax Planning	Milestone	Entry into force of the law to tackle aggressive tax planning via payments to low tax jurisdictions	Provision in the law indicating the entry into force of the law	-	-	-	Q4	2024	Entry into force of a law to tackle aggressive tax planning via payments to low tax jurisdictions by introducing a withholding tax on interest, dividends, and royalty payments to low tax jurisdictions. In respect of interest and royalty payments, the Cypriot authorities may explore instead the approach of applying non-deductibility.
211	C3.5R10 Addressing Aggressive Tax Planning	Milestone	Entry into force of legislative changes addressing the findings of an independent evaluation on the effectiveness	Provision in the law indicating the entry into force of the law	-	-	-	Q2	2026	Cyprus shall assess the effectiveness of the overall set of measures related to aggressive tax planning, via an independent evaluation to be completed by 31 December 2024. This evaluation shall assess the Cyprus tax framework holistically including all measures adopted by then. The evaluation shall lead to policy action to be undertaken by Cyprus including in the form of

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
			of measures related to aggressive tax planning							legislative changes to address any shortcomings identified.
212	C3.5I2 Modernisation of Customs and Electronic Payment System	Target	Putting into operation the information systems– envisaged under the Union Customs Code (UCC)	-	Number	0	2	Q4	2023	At least two of the following import-related information systems have been completed, installed and put into operation: 1. Automated Export System 2. New Computerised Transit System 3. EU Single Window 4. Union Customs Code 5. Guarantee Management 6. Union Customs Code 7. SURVEILLANCE 3 8. Union Customs Code - Import Control System 2 9. Import Applications under the Union Customs Code 10. Customs Union Performance – Management Information System 11. Union Customs Code Proof of Union Status 12. Uniform User Management and Digital Signature
213	C3.5I2 Modernisation of Customs and Electronic Payment System	Target	Putting into operation of the information systems envisaged under the UCC	-	Number	2	12	Q4	2025	The 12 information systems have been completed, installed and put into operation

J. COMPONENT 4.1: Upgrade infrastructure for connectivity

This component of the Cypriot recovery and resilience plan contributes to addressing infrastructure challenges in the area of data connectivity, in particular in rural areas, with a view to narrowing the rural-urban divide, as well as differences along gender, age, income and education.

The objective of the component is to enhance access to communication infrastructure for all citizens, thus bridging the digital divide and supporting an inclusive digital transformation.

The component addresses the country-specific recommendation on investment in the digital transition and the digitalisation (Country-Specific Recommendation 4 of 2019 and Country-Specific Recommendation 3 of 2020).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

J.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C4.1R1): Empower the National Regulatory Authority (OCECPR)

The objective of the measure is to facilitate and accelerate investments in Very High Capacity Networks (VHCN) in underserved areas by providing stakeholders with the relevant information to improve transparency and enhance the incentives for market operators to invest faster in VHCN, thereby increasing connectivity in Cyprus.

The reform consists in providing the proper tools, through the adoption of secondary legislation, to the Office of the Commissioner of Electronic Communications and Postal Regulation (OCECPR) to launch a survey in order to collect geographical data on electronic communication networks. The data shall then be accessible through a web portal providing detailed information regarding network roll-out in areas where it is needed. This aims to help bridge the gap with private investments for VHCN.

The implementation of the reform shall be completed by 31 December 2024.

Reform 2 (C4.1R2): Empower the National Broadband Competence Office (DEC of the DMRIDP)

The objective of the measure is to facilitate the build-up of VHCN infrastructure by simplifying the necessary administrative procedures for its deployment while implementing the Connectivity Toolbox Recommendation (set of best practices for reducing the cost of deploying electronic communications networks and for efficient access to 5G radio spectrum).

The reform consists in identifying the administrative bottlenecks and barriers to the rapid deployment of VHCN and possible measures to address them. It shall be followed-up by the entry into force of administrative acts to effectively address such bottlenecks and barriers.

The implementation of the reform shall be completed by 30 June 2024.

Investment 1 (C4.1I1): Expansion of Very High-Capacity Networks in underserved areas

The objective of the measure is to improve connectivity with VHCN (such as fibre and 5G), by supporting the build-up of VHCN in areas of no private interest and thereby addressing territorial disparities of broadband availability.

The investment consists in organising public tenders through an open tender procedure addressed to telecom operators to select contractors that shall undertake the design, construction and operation of the network, as well as part of the financing. The geographical territory of the Republic of Cyprus which is under the control of the Government of Cyprus shall be divided into three lots. The maximum amount of public financial contribution shall be set separately for each lot, and award criteria aim to include the requested public support as well as the price offered to end-users and to other retail operators. Wholesale obligations shall be imposed to the contractors.

The implementation of the investment shall be completed by 31 December 2025.

Investment 2 (C4.1I2): Upgrade internet connection to be "Gigabit-ready" and promote connectivity take-up

The objectives of the measure are to encourage the digital transition through support of widespread take-up of VHCN.

The investment consists in the implementation of a demand subsidy (voucher) scheme, addressed exclusively to physical persons (i.e. excluding enterprises), encouraging them to proceed with the upgrade of their internet connection by subscribing to a Gigabit ready internet service. It applies to single tenant units, as well as apartments in multi-dwelling buildings with no connection capable of supporting very high capacity services. The voucher value per premise shall be fixed. End-users shall be able to select a service provider and the technology of their choice to upgrade the connection. After the upgrade of the connection, installers shall upload in the IT system the "Gigabit-ready" certificate for the household, along with the acceptance form signed by the owner/tenant who issued the voucher, thus triggering redemption of the voucher.

The implementation of the investment shall be completed by 30 June 2025.

J.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
214	C4.1R1 Empower the National Regulatory Authority (OCECPR)	Milestone	Launch of the geographical survey and entry into force of secondary legislation	Entry into force of the secondary legislation and launch of the survey	-	-	-	Q1	2022	The secondary legislation shall enter into force and cover the main aspects related to the survey such as the type, the degree of analysis and the form of the required information, as well as the persons from whom the required information is requested. Launch of the geographical survey of the reach of electronic networks capable of delivering broadband networks and physical infrastructures based on Article 22 of the European Electronic Communications Code.
215	C4.1R1 Empower the National Regulatory Authority (OCECPR)	Milestone	The web portal on broadband and infrastructure mapping is operational and accessible to the target audience	The web portal on broadband and infrastructure mapping is accessible	-	-	-	Q4	2024	The web portal on broadband and infrastructure mapping is completed, tested, operational and accessible to the target audience (such as the Office of the Commissioner for Electronic Communications and Postal Regulation, Public Authorities, Electronic Communication Network Operators and end-users).
216	C4.1R2 Empower the National Broadband Competence Office (DEC of the DMRIDP)	Milestone	Entry into force of the administrative acts for very high capacity networks' deployment	Provision in the administrative acts indicating the entry into force of the respective acts	-	-	-	Q2	2024	Entry into force of the administrative acts that shall effectively streamline and reduce administrative barriers (such as shortening permit granting procedures and lowering fees as well as facilitating access to physical infrastructure) for the deployment of very high capacity networks in line with the Connectivity Toolbox Recommendation (including a set of best practices for reducing the cost of deploying electronic communications networks and for efficient access to 5G radio spectrum).
217	C4.1I1	Milestone	Start of very high capacity	Signed contracts with	-	-	-	Q4	2023	Contracts have been signed with contractors, which shall have been selected through an open

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Expansion of Very High Capacity Networks in underserved areas		networks' deployment in underserved areas	contractors to deploy very high capacity networks in areas of no interest to private very high capacity network investors						tender procedure, to deploy very high capacity networks (in particular, fixed or mobile (5G) networks offering a download speed of at least 100Mbps, which shall be readily upgradable to Gigabit for fixed access) in areas of no interest to private very high capacity network investors.
218	C4.1I1 Expansion of Very High Capacity Networks in underserved areas	Target	Expansion of very high capacity networks' deployment in underserved areas	-	Number	0	10 000	Q4	2024	At least 10 000 premises in areas of no interest to private very high capacity network investors are covered by very high capacity networks with fixed or mobile (5G) network, offering a download speed of at least 100Mbps, which shall be readily upgradable to Gigabit (for fixed networks).
219	C4.1I1 Expansion of Very High Capacity Networks in underserved areas	Target	Completion of very high capacity networks' deployment in underserved areas	-	Number	10 000	44 000	Q4	2025	At least 44 000 premises in areas of no interest to private very high capacity network investors are covered by very high capacity networks with fixed or mobile (5G) network, offering a download speed of at least 100Mbps, which shall be readily upgradable to Gigabit (for fixed networks).

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
220	C4.1I2 Upgrade internet connection to be “Gigabit-ready” and promote connectivity take-up	Target	Expansion of Gigabit-ready internet connection take-up by households	-	Number	0	24 300	Q2	2023	Internet connection has been upgraded to be able to support provision of Gigabit connectivity in at least 24 300 homes.
221	C4.1I2 Upgrade internet connection to be “Gigabit-ready” and promote connectivity take-up	Target	Completion of Gigabit-ready internet connection take-up by households	-	Number	24 300	82 000	Q2	2025	Internet connection has been upgraded to be able to support provision of gigabit connectivity in at least 82 000 homes.

K. COMPONENT 4.2: PROMOTE E-GOVERNMENT

This component of the Cypriot recovery and resilience plancontributes to accelerating the digital transformation of Cyprus through the digitalisation of government services enhancing the efficiency and the provision of online, secure and prompt services to citizens, in a user friendly, efficient and effective way. This is expected to facilitate the interaction between citizens and the public services, without the need for physical presence.

The objective of the component is to build a secured, integrated and modern digital architecture to achieve the transformation to a digital government.

The component addresses the country-specific recommendation on investment in the digital transition and the digitalisation (Country-Specific Recommendation 4 of 2019 and Country-Specific Recommendation 3 of 2020).

K.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C4.2R1): Digital Services Factory (DSF)

The objective of the measure is to build a new Service Delivery Model for the development of end-to-end quality digital services to the public, in a user-friendly, efficient and effective way that shall ultimately facilitate the interaction with public services, without the need for physical presence.

The reform shall consist in designing and developing this new delivery model, the DSF. First, the project shall (i) set up the core team of the DSF (comprised of experts of different specialties with the appropriate skills and qualifications), (ii) define the standards and procedures for the development of digital services, and (iii) build and develop a number of digital services. Second, using the methodologies defined, digital services shall be developed in an industrialised fashion, in cooperation with the private sector. Services shall be provided to citizens through a single government website portal Gov.Cy. The reform aims to develop services that use single sign-on and digital identity as the basic key enablers for the secure provision of eServices. Furthermore, it aims to utilise existing common mechanisms like ‘ePayment’ and ‘notification’ (for example SMS, email) .

The implementation of the reform shall be completed by 30 June 2026.

Reform 2 (C4.2R2): Definition and implementation of a new cloud policy with regard to government IT systems and services

The objective of the measure is to elaborate the cloud policy of the government, notably the data classification, data residency, the hosting and operation of the government IT systems either in a public cloud or in a government private cloud (G-Cloud) environment.

The reform shall consist in setting up the G-Cloud to host the IT systems and digital services of at least three government departments / ministries. Those governmental systems may include, but are not limited to, the Registrar of Companies, the Digital Services Factory, and the Cyprus Customs system. Two local data centres shall be acquired through rental, while consultancy services as well as training shall be acquired for the development of the G-Cloud.

The implementation of the reform shall be completed by 31 December 2025.

Reform 3 (C4.2R3): Police procedures digitalisation (“Digipol”)

The objective of the measure is to eliminate the use of paper procedures and physical presence of the citizens by moving to digitalised procedures for the Cyprus Police Force. This aims to be beneficial for both citizens and police officers as procedures shall be simplified and efficient.

The reform shall consist in the creation of a new platform (Digipol) of demands for police procedures and services for citizens to achieve remote communications. Both citizens and police officers shall make use of it. Trainings (which may include, but it is not limited to online courses, videos, step-by-step guides) for police officers as well as for citizens shall be organised to help transitioning to online services.

The implementation of the reform shall be completed by 30 September 2025.

Reform 4 (C4.2R4): Setting up the beneficial ownership registry

The objective of the measure is to set up the register for the submission of the data of beneficial owners of all corporate and other legal entities. Such registration aims to improve corporate trust and transparency in Cyprus and shall make it clear who ultimately owns and controls companies and other legal entities.

The reform shall consist in setting up the register. Currently, an online platform has been developed as an interim solution but its functionalities are limited. The reform shall result in a solution with the necessary functionalities to support the maintenance of the register and management of relevant information (for example by sending out notifications for updating, enforcement of late filing fees, search facilities with prescribed levels of access). This aims to support the registration of the data of beneficial owners of all corporate and other legal entities and achieve interconnection with the beneficial ownership registers of other Member States.

The implementation of the reform shall be completed by 31 December 2023.

Investment 1 (C4.2I1): Digitalisation in various central government ministries/services

The objective of the measure is to digitalise key workflows in a number of ministries and central government services, to improve efficiency in the delivery of government services, simplify compliance with government regulations, strengthen citizen participation and trust in government, and yield cost savings.

The investment shall consist in digitalisation in the following ministries, deputy Ministries or services of the government: (i) Road Transport Department of the Ministry of Transport, Communication and Works, (ii) Deputy Ministry of Shipping, (iii) Ministry of Foreign Affairs, (iv) Directorate General Growth and (v) Department of Town Planning and Housing of the Ministry of Interior (for Architectural Heritage). Digitalisation of the Directorate General Growth shall include development of a transitory repository system and of a final dedicated Monitoring Information System for recording and storing the relevant data related to the implementation of the recovery and resilience plan (in particular on the achievement of milestones and targets, data on final recipients, contractors, subcontractors and beneficial owners).

The implementation of the investment shall be completed by 31 December 2025.

Investment 2 (C4.2I2): Digitalisation of the Cyprus Ports Authority

The objective of the measure is to digitalise key processes in the Cyprus Ports Authority (CPA) to improve their efficiency and effectiveness, including communications between vessels and the relevant authorities and improvements to monitoring vessel traffic in Cyprus waters. The latter is to ensure the safe navigation of vessels, reduce the risk of environmental damages due to spills from accidents and reduce vessel emissions by plotting more efficient routes.

The investment shall consist of (i) several upgrades to the CPA's network infrastructure, hardware and software, and server capacity; (ii) incorporation of new HR Management Systems to automate procedures; (iii) overhaul of the existing Port Community System to increase the efficiency of the maritime transport sector and to reduce administrative burdens; and (iv) installation of Vessel Traffic Control Stations at the Ports of Larnaca and Vassiliko (in addition to the existing one in Limassol port).

The implementation of the investment shall be completed by 31 December 2025.

K.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Timeline for completion (indicate the quarter and the year)		Description and clear definition of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
224	C4.2R1 Digital Services Factory	Milestone	Definition of the Service Delivery Model for the Digital Services Factory	Appointment decision of the Deputy Minister of Research, Innovation and Digital Policy establishing the team; publication of the standards on the website of the Deputy Ministry	-	-	-	Q4	2022	The Service Delivery Model for the Digital Services Factory has been defined so as to enable the efficient provision of high-quality and user-friendly digital services to the public. This shall include: (a) the establishment of the core Digital Services Factory team (including the procurement of services of experts from the private sector), and (b) definition of the standards and procedures for the development of digital services.
225	C4.2R1 Digital Services Factory	Target	Expansion of delivery of government services online through the Digital Services Factory	-	Number	0	20	Q4	2023	Digitalisation and delivery online of at least 20 services to the public through the Digital Services Factory, using the defined Service Delivery Model (under milestone with a sequential number 224) and agile methodologies.
226	C4.2R1 Digital Services Factory	Target	Delivery online of at least 70 services to the public through the Digital Services Factory	-	Number	20	70	Q2	2026	Digitalisation and delivery online of at least 70 services to the public through the Digital Services Factory, using the defined Service Delivery Model (under milestone with a sequential number 224) and agile methodologies.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Timeline for completion (indicate the quarter and the year)		Description and clear definition of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
227	C4.2R2 Definition and implementation of a new cloud policy with regard to government IT systems and services	Target	Two data centres are operational	-	Number	0	2	Q4	2024	Two data centres are operational, providing hosting facilities and networking equipment to government IT systems.
228	C4.2R2 Definition and implementation of a new cloud policy with regard to government IT systems and services	Target	The government cloud (G-cloud) is operational and offering cloud services to government IT systems.	-	Number	0	3	Q4	2025	The government cloud G-cloud shall be operational, providing cloud services to at least three governmental IT systems which have migrated to the new infrastructure.
229	C4.2R3 Police Procedures digitalisation Digipol	Milestone	Digipol prototype operational	Declaration by Cyprus Police confirming that the prototype platform (Digipol) is operational	-	-	-	Q2	2023	The prototype platform (Digipol) is operational. Police officers shall be the users and have access to the prototype Digipol for familiarity and training purposes.
230	C4.2R3 Police Procedures digitalisation Digipol	Target	Citizens use Digipol	-	Number	0	500	Q3	2025	Digipol shall be accessible online through the Cyprus Police ICT infrastructure. At least 500 citizens have used one or more of the services available on the Digipol platform for citizens.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Timeline for completion (indicate the quarter and the year)		Description and clear definition of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
231	C4.2R4 Setting up the beneficial ownership registry	Milestone	Beneficial ownership registry available for use	Beneficial ownership registry publicly available online at national and European Level	-	-	-	Q4	2023	The beneficial ownership registry shall be deployed and become available for use at national level and European level, enabling users to check the ultimate beneficial ownership information of legal entities and to achieve interconnection of the beneficiary ownership registers with other Member States.
232	C4.2I1 Digitalisation in various Central Government Ministries - Services	Milestone	Repository system for audit and control: information for monitoring implementation of RRF	An audit report confirming repository system functionalities	-	-	-	Q1	2022	A repository system for monitoring the implementation of the RRF shall be in place and operational. The system shall include, as a minimum, the following functionalities: (1) collection of data and monitoring of the achievement of milestones and targets; (2) collect, store and ensure access to the data required by Article 22(2)(d) (i) to (iii) of Regulation (EU) 2021/241.
233	C4.2I1 Digitalisation in various Central Government Ministries - Services	Target	Start of the digital upgrade of a number of central government ministries and departments	-	Number	0	4	Q1	2022	The contracts with providers selected through public procurement procedures have been signed to digitalise/digitally upgrade at least four of the following central government ministries/departments: 1. Road Transport Department of the Ministry of Transport, Communication and Works, 2. Deputy Ministry of Shipping. 3. Ministry of Foreign Affairs 4. Directorate General Growth 5. Department of Town Planning and Housing of the Ministry of Interior (for Architectural Heritage).

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Timeline for completion (indicate the quarter and the year)		Description and clear definition of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
234	C4.2I1 Digitalisation in various Central Government Ministries - Services	Target	Advancement of the digital upgrade of a number of central government ministries and departments	-	Number	0	2	Q4	2024	Development completed and systems put into operation for two government ministries/departments from the list in target with sequential number 233.
235	C4.2I1 Digitalisation in various Central Government Ministries - Services	Target	Finalisation of the digital upgrade of a number of central government ministries and departments	-	Number	2	5	Q4	2025	Development completed and systems put in operation for all five government ministries/departments from the list in target with sequential number 233.
236	C4.2I2 Digitalisation of the Cyprus Ports Authority	Target	Start of the digital upgrade of the Cyprus Ports Authority	-	Number	0	4	Q2	2023	The contracts with providers selected through a public procurement procedure have been signed to develop/upgrade at least four of the following seven systems for the Cyprus Ports Authority: 1. Upgrade of the Port Community System; 2. Installation of VTS Station; 3. Digitisation of CPA archives; 4. Upgrade of IT infrastructure (such as network, switches); 5. Update IS systems; 6. Installation of an HR Management System; 7. Upgrade CPA Servers; and contracts have been signed to develop the following e-service:

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Timeline for completion (indicate the quarter and the year)		Description and clear definition of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										• monitoring and safety of navigation to and from the ports of Larnaca and Vasiliko.
237	C4.2I2 Digitalisation of the Cyprus Ports Authority	Target	Advancement of the digital upgrade of the Cyprus Ports Authority	-	Number	0	4	Q2	2024	Finalisation and installation of at least four of the systems from the list in target with sequential number 236 for all relevant ports.
238	C4.2I2 Digitalisation of the Cyprus Ports Authority	Target	Finalisation of the digital upgrade of the Cyprus Ports Authority	-	Number	4	7	Q4	2025	All of the seven systems from the list in target with sequential number 236 for all relevant ports are installed and operational, with all hardware/equipment installed and set up and • administrative and reporting formalities between ships arriving and/or departing from the Republic of Cyprus; • monitoring and safety of navigation to and from the ports of Larnaca and Vasiliko.

COMPONENT 5.1: EDUCATIONAL SYSTEM MODERNISATION, UPSKILLING AND RETRAINING

This component of the Cypriot Recovery and Resilience plan addresses the challenges of low participation in vocational education and training (VET) and lifelong learning, rising skills mismatches (particularly among young graduates) and poor digital skills. It further addresses the quality of teaching and the availability and affordability of early childhood education and care (ECEC) for children aged four years old. Its objective is to (i) improve the quality and effectiveness of education and training at all levels, (ii) foster the uptake of labour market-relevant reskilling and upskilling opportunities, in particular regarding the twin transitions, across society regardless of employment status, skills level or age, and (iii) modernise the school structures making them fit for the digital transition.

The reforms and investments included in the component address the country-specific recommendations on education and skills (country-specific recommendation 2 2020 and country-specific recommendation 3 2019), early childhood education and care (country-specific recommendation 3 2019) as well as on digital skills (country-specific recommendation 4 2019 and country-specific recommendation 3 2020).

L.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C5.1R1): Addressing skills mismatch between education and labour market (Secondary and Higher Education)

The objective of the reform is to address the skills mismatch between the labour market and the secondary and higher education system.

For this purpose, key measures of the National Action Plan shall be implemented including the introduction of (i) a higher education graduate tracking system, (ii) a reform of secondary schools' educational curricula to improve soft and entrepreneurial skills, (iii) an in-job shadowing programme for secondary general education pupils, and (iv) new programmes of study in secondary general as well as vocational education and training tailored to labour market needs. It shall further entail the provision of high-quality training to secondary education teaching staff in close collaboration with labour market experts as well as the upgrading of school laboratories with the latest technology and equipment.

The implementation of the reform shall be completed by 31 December 2025.

Reform 2 (C5.1R2): A new teacher and school evaluation system

The aim of the reform is to improve the quality of education and consequently students' educational outcomes.

This reform shall modernise and update the current teachers and schools evaluation system by developing a single evaluation scheme for primary, secondary and technical and vocational education with differentiated elements. The reform shall be implemented through a two-phase approach, namely, (a) the establishment of a new school evaluation system from school year 2024/2025 and (b) the establishment of a new teacher evaluation system from school year 2025/2026 .This contemporary evaluation system of schools and teachers shall incorporate the training of teaching staff (for example teachers, deputy heads and school heads)and evaluators (for example inspectors, first education officers, school heads).

The implementation of the reform shall be completed by 30 June2026

Reform 3 (C5.1R3): Gradual extension of free compulsory pre-primary education from the age of four

The objective of this reform is to enhance the availability and affordability of early childhood education and care (ECEC) promoting the (re-)entry of people with childcare responsibilities, mostly women, into the labour market as well as children's educational outcomes and social inclusion.

It shall include the entry into force of a law providing for the gradual eight-month reduction of the entry age in free compulsory pre-primary education (from current entry age of four years and eight months to four years) starting in the academic year 2024-2025 until academic year 2031-2032.

The reform shall consist of the following: (i) gradual expansion of public kindergartens' capacity; (ii) an aid scheme to subsidise in full the tuition fees of communal kindergartens for children at the entry age in free compulsory pre-primary education; (iii) an aid scheme which shall subsidise the tuition fees for children above 4 years old and under the entry age in compulsory pre-primary education and are enrolled in private kindergartens, communal kindergartens and nurseries up to a maximum of 100% subject to a cap. The legislative reform shall be gradually implemented in line with the adopted law. An Action Plan shall indicate how the reform is implemented, through the gradual expansion of the capacity in public kindergartens and the gradual corresponding reduction of the two aid schemes from the time of the entry into force of the law until the completion of the decrease in compulsory age.

By 30 June 2026, the reform shall provide free and compulsory pre-primary education to children as of the age of 4 years and 5 months and subsidise tuition fees for children between the age 4 years and the age of free compulsory pre-primary education enrolled in private kindergartens, communal kindergartens and nurseries.

Reform 4 (C5.1R4): Digital transformation of school units with the aim of enhancing digital skills and skills related to STEM education

The aim of the reform is to support the digital transition of the education system.

This measure shall entail the modernisation of educational structures through the development of e-classes and the equipment of classrooms with digital tools, the transformation of curricula and educational material to enhance digital skills and STEM methodology, as well as the relieving of costs for the purchase of digital equipment (laptops/tablets) for students from low socio-economic background. It shall further include the provision of digital skills and STEM methodology training to at least 1500 primary, 1500 secondary general and 375 secondary vocational teachers (in total at least 3 375 teachers which accounts for around 32% of all teachers (primary and secondary)).

The implementation of the reform shall be completed by 30 June 2026.

Reform 5 (C5.1R5): E-skills Action Plan – Implementation of specific actions

This measure aims at enhancing digital competences across all population groups.

It shall include the (i) development of an e-skills policy framework and action plan, (ii) the design and delivery of targeted programmes for public sector professionals promoting cross-sectoral competencies, as well as (iii) the design of reskilling/upskilling interventions enhancing the digital literacy of the workforce in the private sector and unemployed persons, with a special focus on women and vulnerable groups. Furthermore, this measure shall entail a communication strategy to promote lifelong learning and a digital culture in Cyprus, investments in digital infrastructure to support digital

learning and the development of an e-learning platform with key content material on digital skills and cross-sectoral competences accessible to all target groups.

The implementation of the reform shall be completed by 31 December 2025.

Investment 1(C5.1I1): Construction of one Model Technical School

The objective of the investment is to provide students and educators with a modern well-equipped environment for learning increasing the capacity, quality and attractiveness of vocational education and training (VET) in Cyprus.

This measure shall comprise of the construction of one new technical school in Limassol (in replacement of current A' Technical School).

The implementation of the investment shall be completed by 30 June 2026.

Investment 2 (C5.1I2): Skilling, Reskilling and Upskilling

The aim of this investment is to strengthen the digital skills of the population in line with the e-skills action plan, to enhance the knowledge and skills of persons in green and blue sectors of the economy and to promote entrepreneurship competences.

The measure shall include the delivery of trainings for the strengthening of digital, green and blue skills for all, entrepreneurship trainings for the unemployed, with a special emphasis on women and vulnerable groups, as well as trainings in digital skills for people over the age of 55.

The implementation of the investment shall be completed by 31 December 2025.

L.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
239a	C5.1R1 Addressing skills mismatch between education and labour market (Secondary and Higher Education)	Milestone	Implementation of key measures from the National Action Plan	Publication of reports and communication by competent authorities	-	-	-	Q4	2024	Implementation of key measures from the National Action Plan, including at least: (a) report on the preliminary results of "Graduate Tracking of Cyprus Higher Education" survey is published; (b) 320 of the secondary schools' educational curricula are reformed to improve digital literacy, emotional intelligence, soft skills and entrepreneurship skills; and (c) two new programmes of study in secondary general as well as vocational education and training, tailored to labour market needs, are developed.
239b	C5.1R1 Addressing skills mismatch between education and labour market (Secondary and Higher Education)	Target	Completion of the in-job shadowing programme		Number	0	2250	Q2	2026	Complete an in-job shadowing programme for at least 2250 secondary general education pupils.
239c	C5.1R1 Addressing skills mismatch between education and labour market (Secondary and	Target	Laboratories equipped and updated	-	Number	0	170	Q2	2026	Upgrading of 20 laboratories related to Secondary Vocational Education and Training, and 150 laboratories related to General Secondary Education.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Higher Education)									
240	C5.1R1 Addressing skills mismatch between education and labour market (Secondary and Higher Education)	Target	Secondary education teaching staff trained	-	Number	0	3 100	Q4	2025	At least 3 100 secondary education teaching staff are trained in the reformed educational curricula.
241	C5.1R2 A new teacher and school evaluation system	Milestone	Council of Ministers Decision and Circular issued by the Ministry of Education, Sport and Youth for establishing a new School Evaluation system and entry into force of the legislation for establishing a new Teacher Evaluation system	Provision in the law(s) indicating the entry into force of the law(s)	-	-	-	Q2	2025	Issuance of Council of Ministers Decision and Circular by the Ministry of Education, Sport and Youth for establishing a new School Evaluation system from school year 2024/2025 and entry into force of the legislation for establishing a new Teacher Evaluation system, from the school year 2025/2026.
242	C5.1R2 A new teacher and school evaluation system	Target	Training of teaching staff	-	Number	0	1 100	Q2	2026	At least 1 100 teaching staff (teachers, deputy heads and school heads) have been trained for the new Teachers and School Evaluation system.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
243	C5.1R3 Gradual extension of free compulsory pre-primary education from the age of four	Milestone	Entry into force of the new Law regarding the gradual extension of free compulsory pre-primary education from the age of four years and adoption of aid schemes by the Council of Ministers	Provision in the law(s) indicating the entry into force of the law(s)	-	-	-	Q4	2023	Entry into force of the Law which shall gradually (starting in the academic year 2024-2025 until academic year 2032-2033) reduce the entry age in free compulsory pre-primary education from the age of four years and eight months to four years. Adoption by the Council of Ministers of aid schemes to (a) cover tuition fees for the free compulsory pre-primary education in communal kindergartens, for children that cannot be enrolled in public kindergartens, and (b) subsidise tuition fees in private and communal kindergartens and nurseries, for the enrolment of children aged under the entry level of compulsory pre-primary education and above the age of four.
244	C5.1R3 Gradual extension of free compulsory pre-primary education from the age of four	Target	Children aged between 4 years and 4 years and 8 months enrolled in public, communal and private kindergartens	-	Number	0	4800	Q2	2026	At least 2 400 children between the age of free compulsory pre-primary education and 4 years and 8 months enrolled in public and communal kindrergartens. At least 2 400 children, between the ages of 4 years and the age of free compulsory pre-primary education were enrolled in private and communal kindergartens and nurseries with subsidised fees.
245	C5.1R3 Gradual extension of free compulsory pre-primary education from the age of four	Target	New places developed in new or extended public kindergartens	-	Number	0	675 new places in public kindergartens	Q2	2026	At least 675 new places in public kindergartens in line with an Action Plan.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
246a	C5.1R4 Digital transformation of school units with the aim of enhancing digital skills and skills related to STEM education	Target	Classrooms digitally equipped	-	Number	0	700	Q2	2024	Classrooms in at least 700 schools have been digitally equipped with laptops, projectors, microphones, speakers, digital graphic boards.
246b	C5.1R4 Digital transformation of school units with the aim of enhancing digital skills and skills related to STEM education	Target	Partial reimbursement for the purchase of digital equipment for pupils	-	Number	0	15 000	Q2	2026	Partial reimbursement of the purchase of a tablet/laptop for 15000 primary and secondary school students from lower socio-economic background.
247	C5.1R4 Digital transformation of school units with the aim of enhancing digital skills and skills related to STEM education	Target	Curriculum transformation and production of educational material for digital skills and STEM methodology	-	Number	0	120	Q4	2024	Curriculum transformation and production of educational material for digital skills and STEM methodology for 120 school subjects.
248	C5.1R4 Digital transformation of school units	Target	Teachers benefitting from In-Service Training &	-	Number	0	3 375	Q2	2026	At least 3 375 primary and secondary teachers have benefitted from In-Service Training & Professional Development on Digital Competences.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	with the aim of enhancing digital skills and skills related to STEM education		Professional Development							
249	C5.1R5 E-skills Action Plan – Implementation of specific actions	Milestone	National e-Skills Action Plan is adopted by the Council of Ministers	National e-Skills Action Plan is adopted by the Council of Ministers	-	-	-	Q4	2021	National e-Skills Action Plan is adopted by the Council of Ministers, which shall include at least: • development of an e-learning platform, containing a self-assessment tool for digital fitness, index of all available skilling programmes, and content material on digital skills and cross-sectoral competences; • design and delivery of programmes and interventions for professionals within the public sector in areas such as Project management, Microsoft tools, cybersecurity, social media, e-collaboration and productivity tools; • investment in digital infrastructure.
250	C5.1R5 E-skills Action Plan – Implementation of specific actions	Milestone	Implementation of key measures from the e-Skills Action Plan	Publication of annual report by Deputy Ministry of Research, Innovation and Digital Policy and relevant postings /announcements on the e-learning platform	-	-	-	Q4	2025	Full implementation of key measures from the e-Skills Action Plan, which shall include at least: - design and delivery of targeted programmes for professionals within the public sector for digital skills and cross-sectoral competencies (for example project management); - relevant investments in digital infrastructure (for example laptops, computers);

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										- design of an e-learning platform with educational material ; - implementation of communication strategy through, for example, funded events.
251	C5.1I1 Construction of one Model Technical School	Milestone	Contract for the construction of one Technical School	Contract Signature and initiation of construction	-	-	-	Q4	2022	Signing of a contract with the contractor selected under a competitive call for proposals for the construction of one Technical School in Limassol and issue of construction initiation order by the project Engineer.
252	C5.1I1 Construction of one Model Technical School	Milestone	Completion of construction of one Technical School	Issue of Taking-Over Certificate for one construction project	-	-	-	Q2	2026	Completion of construction of one Technical School in Limassol and issue of taking over certificate. School fully operational from start of the school year 2026-2027.
253	C5.1I2 Skilling, Reskilling and Upskilling	Target	Completion of trainings for at least 11 500 participants	-	Number	0	11 500	Q4	2024	Completion of trainings for at least 11 500 participants in programmes for digital skills, skills related to blue and green economy, entrepreneurship programmes for unemployed and inactive people and training programmes for people over 55.
254	C5.1I2 Skilling, Reskilling and Upskilling	Target	Completion of trainings for at least 25 600 participants	-	Number	11 500	25 600	Q4	2025	Completion of trainings for at least 25 600 participants in programmes for digital skills, skills related to blue and green economy, entrepreneurship programmes for unemployed and inactive people and training programmes for people over 55.

M. COMPONENT 5.2: LABOUR MARKET, SOCIAL PROTECTION AND INCLUSION

This This component of the Cypriot Recovery and Resilience plan addresses: (i) inefficiencies and gaps in social protection notably for self-employed and people working in non-standard forms of employment, (ii) the lack of legislation for flexible working arrangements in the form of teleworking, (ii) challenges related to unemployment and youth unemployment and the high level of young people not in employment, education or training (NEETs), (iii) gaps in early childhood education and care (ECEC) and (iv) challenges with respect to social inclusion and welfare, including a high level of people at risk of poverty or social exclusion (AROPE) and increasing needs in long-term care.

The reforms and investments included in the component address the country-specific recommendations on improving the effectiveness of the public employment services and the education and training system (country specific recommendation 3 of 2019 and country specific recommendation 2 of 2020), providing social protection for all and introducing flexible working arrangements (country specific recommendation 2 of 2020), and improving the efficiency and digitalisation of the public sector (country specific recommendation 1 of 2019 and country specific recommendation 4 of 2020).

M.1. Description of the reforms and investments for non-repayable financial support

Reform 2 (C5.2R2): Flexible work arrangements in the form of telework

The objective of the reform is to promote flexible work arrangements in the form of telework to enhance work-life balance and increase employment opportunities.

The reform consists of new legislation for flexible work arrangements in the form of telework and the promotion of collective agreements to regulate telework. It shall also include a scheme relieving part of staff costs as an incentive for employers to hire unemployed persons who shall telework.

The implementation of the reform shall be completed by 30 September 2025.

Investment 1 (C5.2I1): Improving the effectiveness of the Department of Labour and Public Employment Services (PES) and reinforcing support for young people

The objectives of the investment are to: (i) safeguard the successful implementation of employment schemes through the digitalisation of their processes, and (ii) improve the operational performance of the PES and minimise the risk for young persons not in employment, education or training (NEETs) to become long-term unemployed, The investment consists of: 1. Digitalising the hiring schemes of the Department of Labour, 2. developing a Performance Management System for the PES and 3. developing an early warning and tracking system for NEETs. In addition, the investment shall include coaching and career guidance for the labour market orientation and integration of NEETs and an incentive scheme for employers to hire NEETs.

The implementation of the investment shall be completed by 30 June 2026.

Investment 2 (C5.2I2): Establishment of Multifunctional Centres and Childcare Centres

The objective of the investment is to increase the labour market participation of carers (often women), and to enhance the availability of quality care and social development infrastructure for children, thereby contributing to gender equality and equal opportunities for all.

The investment consists of a scheme targeted at local authorities and non-governmental organisations (NGOs) for establishing new or improving existing multifunctional centres and child centres for children aged 0 to 4 years , as well as for children until the age of 13 based on needs assessment and viability analysis. In addition, in line with Article 7 (2) of the Recovery and Resilience Facility Regulation, the investment includes a study under the Technical Support Instrument (TSI) to analyse the state of provision of early childhood education and care services for young children (aged 0 to

school age) in Cyprus and to develop recommendations for investment in the sector, and specifically in child centres. Following the recommendations of the TSI project, a national strategy on early childhood education and care (ECEC) and an accompanying action plan shall be adopted.

The implementation of the investment shall be completed by 30 June 2026.

Investment 3 (C5.2I3): Establishment of home structures for persons with disabilities and people in need of long-term care

The objectives of the investment are to: (i) enhance community-based supported living structures for persons with disabilities to avoid institutionalisation and social exclusion and (ii) address gaps in long-term care services.

The investment consists of the establishment of at least five state structures for persons with disabilities and at least five structures for people in need of long-term care (through tender procedures and State aid scheme).

The implementation of the investment shall be completed by 30 June 2026.

Investment 4 (C5.2I4): Child centres in municipalities

The objective of this investment is to facilitate the participation and re-entering of workers with caring responsibilities, mostly women, in the labour market, thereby promoting gender equality. It further aims at enhancing the social inclusion of children from disadvantaged and/or migrant background.

The investment consists of the construction of four (4) child care centres in the municipalities of Amathounta, Ayia Napa and Paralimni - Deryneia.

The implementation of the investment shall be completed by 31 December 2024.

Investment 5 (C5.2I5): Construction of two model special education schools

The objective of the investment is to improve the school environment for pupils with severe disabilities or other special educational needs and support their academic and social development.

The investment consists of the replacement of two special schools in the Limassol district: (i) the Special Education School of Apostolos Loucas and (ii) the Red Cross Recovery Special Needs School. The schools shall be constructed adjacent to each other and shall share the multi-purpose hall as well as a therapeutic indoor swimming pool.

The implementation of the investment shall be completed by 31 December 2025.

M.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
255	C5.2R2 Flexible Work Arrangements in the Form of Telework	Milestone	Entry into force of the law for flexible work arrangements in the form of telework	Provision in the law indicating the entry into force of the law for the flexible work arrangements in the form of telework	-	-	-	Q2	2023	Entry into force of a new law which shall regulate flexible work arrangements in the form of telework. The law shall include a definition of telework, description of the economic activities where telework is applicable, the conditions for taking up telework and the rights and obligations of employers and employees.
256	C5.2R2 Flexible Work Arrangements in the Form of Telework	Target	Grant awarded for at least 225 persons in telework	-	Number	0	225	Q3	2025	Grant awarded to employers to employ at least 225 previously unemployed persons (including 120 women out of the 225 persons) after completing 10 months of employment with at least 30% in telework.
258	C5.2I1 Improving the effectiveness of the Department of Labour and Public Employment Services and reinforcing support for young people	Target	Implementation of completed, fully operational platform/systems	-	Number	0	3	Q4	2024	Implementation of completed, fully operational platform/systems for (1) digitalising the hiring schemes of the Department of Labour, (2) developing a Performance Management System for the Public Employment Services and (3) developing an early warning and tracking system for young people not in education, employment or training (NEETs) for the Public Employment Services, through an additional functionality in the existing CPS system.
259	C5.2I1 Improving the effectiveness of the Department	Target	Grant awarded to employers for hiring at least 400 young people not	-	Number	0	400	Q4	2025	Grant awarded to employers for hiring at least 400 young people (aged 15-29) not in employment, education or training (NEETs), for a 8-month employment period, including the completion of a

	of Labour and Public Employment Services and reinforcing support for young people		in employment or in education or training (NEETs)							two-month subsidised training period (two months subsidised training and 6-month subsidised employment).
260	C5.2I1 Improving the effectiveness of the Department of Labour and Public Employment Services and reinforcing support for young people	Target	Coaching and career guidance for young people not in employment or in education or training (NEETs)	-	Number	0	1 500	Q2	2026	Coaching and career guidance for the labour market orientation and integration of young people offered to at least 1 500 young people (aged 15-29 years old) not in employment, education or training (NEETs) through the public employment services.
261	C5.2I2 Establishment of multifunctional centres and childcare centres	Milestone	Adoption of a national strategy on early childhood education and care (ECEC) and an accompanying action plan by the Council of Ministers	Publication of the national strategy on ECEC and the accompanying action plan	-	-	-	Q4	2024	A national strategy on enhancing early childhood education and care (ECEC) covering children aged zero to school age, and an accompanying action plan have been adopted by the Council of Ministers, taking into account the recommendations of the completed TSI project.
262	C5.2I2 Establishment of multifunctional centres and childcare centres	Target	Grant awarded to at least eight local authorities/ Non-Governmental Organisations for establishing or enhancing Multifunctional Centres or Child Centres	-	Number	0	8	Q4	2024	At least eight local authorities/ Non-Governmental Organisations have received a grant for establishing or enhancing Multifunctional Centres or Child Centres.
263	C5.2I2 Establishment of	Target	Grant awarded to at least 15 local authorities/ Non-	-	Number	8	15	Q2	2026	At least 15 local authorities/ Non-Governmental Organisations have received a grant for

	multifunctional centres and childcare centres		Governmental Organisations for establishing or enhancing Multifunctional Centres or Child Centres							establishing or enhancing Multifunctional Centres or Child Centres.
264	C5.2I3 Establishment of Home structures for persons with disabilities and people in need of long term care (LTC)	Target	Buildings for the needs of persons with disabilities and support for homes for people in need of long-term care (signing of contracts/funding agreements)	-	Number	0	10	Q3	2024	Signing of contracts/funding agreements for the establishment of at least 10 buildings (5 state structures for the needs of persons with disabilities and 5 structures for people in need of long-term care).
265	C5.2I3 Establishment of Home structures for persons with disabilities and people in need of long term care (LTC)	Target	Buildings for the needs of persons with disabilities and support for homes for people in need of long-term care (establishment)	-	Number	0	10	Q2	2026	Establishment of at least 10 buildings (5 state structures for the needs of persons with disabilities and 5 structures for people in need of long-term care).
266	C5.2I4 Child Centres in Municipalities	Target	Construction of at least one child centre	-	Number	0	1	Q4	2022	Completion of construction and issue of taking-over certificate of at least one child centre in one of the following municipalities: Ayios Athanasios, Ayia Napa, Paralimni and Yermasoyia.
267	C5.2I4 Child Centres in Municipalities	Target	Construction of at least four child centres	-	Number	1	4	Q4	2024	Completion of construction and issue of taking-over certificates of four child centres (two child centres in Amathounta, one in Ayia Napa and one in Paralimni -Deryneia).
268	C5.2I5 Construction of Two Model Special Education Schools	Milestone	Signing of contract with the selected tenderer (contractor)	The contract shall be signed with the selected tenderer (contractor)	-	-	-	Q4	2022	Signing of contract with the selected tenderer(s) (contractor (s)) selected under a competitive call for proposals for the construction of two model schools in Limassol - the Special Education School of Apostolos Loucas and the Red Cross Recovery Special Needs School.

269	C5.2I5 Construction of Two Model Special Education Schools	Milestone	Completion of construction of Apostolos Loukas & Red Cross Special needs school	Issue of taking-over certificates by the project engineer verified administrative ly and on the spot, by the Head of Technical Services of the Ministry of Education & Culture.	-	-	-	Q4	2025	Completion of construction of the Special Education School of Apostolos Loucas and of the Red Cross Recovery Special Needs School.

M.3. Description of the reforms and investments for the loan

Reform 1 (C5.2R1): Reform of the Social Insurance System and Restructuring of the Social Insurance Services

The objectives of the reform are to widen access to social protection and to improve the operational efficiency and effectiveness of the Social Insurance Services.

More specifically, the reform shall extend and improve the cover of benefits. This may include, for example, unemployment benefit, accident at work benefit and occupational disease benefit in particular for the self-employed, including people working with contracts or new forms of employment (such as platform workers). In addition, the reform shall improve the timeliness and accuracy of the services provided to citizens and minimise fraud and errors through risk analysis and quality control mechanisms.

The reform consists of: (i) a revision of the legislation for the Social Security System which shall incorporate the extension of the social security coverage to self-employed, including non-standard forms of employment, for example platform work, and (ii) the re-engineering of business processes, personnel training, set-up of data analytics capacity and digitalisation of services, as well as (iii) the gradual upgrading of the existing IT Systems to an Integrated Information System.

The implementation of the reform shall be completed by 30 June 2026.

M.4. Milestones, targets, indicators, and timetable for monitoring and implementation for the loan

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
270	C5.2R1 Reform of the Social Insurance System and Restructuring of the Social Insurance Services	Milestone	Entry into force of the revised Social Insurance Law	Provision in the amending law indicating the entry into force of the revisions to the Social Insurance Law	-	-	-	Q2	2023	Entry into force of the revised Social Insurance Law, which shall incorporate the extension of the social security coverage to self-employed, including non-standard forms of employment, for example platform work.
271	C5.2R1 Reform of the Social Insurance System and Restructuring of the Social Insurance Services	Milestone	Completion of the upgrading of the existing IT systems to an Integrated Social Security Information System	Deliverables acceptance team (contracting authority side) signs off on analysis, design and development report	-	-	-	Q2	2026	Completion and go-live of the Integrated Social Security Information System including payment module, benefits administration module, data analytics and interoperability with other systems.

N. COMPONENT 6.1: REPOWEREU

The REPowerEU chapter addresses the challenge of reducing reliance on fossil fuels. The objectives of the component are to strongly reduce Cyprus' dependence from imported fossil fuels in general. The new RePowerEU chapter contributes to the achievement of Cyprus's energy efficiency obligations and targets set for 2030, under the National Energy and Climate Plan. In order to limit its energy dependence, Cyprus shall further invest in energy efficiency improvements in buildings and road transport and accelerate the deployment of renewables.

The measures included in the REPowerEU chapter address most aspects of recent country-specific recommendations in the field of energy, as they shall foster research and innovation in the field of green transition and energy production, storage, transmission and distribution solutions, promote renewables and accelerate energy efficiency measures in various buildings in the public and private sector, enhance the regulatory framework for the operation of Energy Communities, and promote widespread use of Electric Vehicles.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the 'Do no significant harm' Technical Guidance (2021/C58/01).

The implementation of the measures are all expected to contribute to reducing dependency on fossil fuels. Increasing the share of renewable energy sources has a cross-border and multi-country dimension because it contributes to securing the energy supply in the Union as a whole.

N.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C6.1R1) Regulating and facilitating the participation of Active Customers, Renewable Self-consumers, Citizen Energy Communities, Renewable Energy Communities and Demand Response through Cumulative Representation in the electricity market

The objectives of this reform are the promotion of participation of citizens either as Active Customers and/or Renewable Self-consumers, through Citizen Energy Communities and/or Renewable Energy Communities, Demand Response through Cumulative Representation in the national energy market. This reform should enable the uptake of renewable energy projects in the country, thereby allowing a faster penetration of renewable energy in the economy.

Following the adoption of the relevant regulatory decisions by CERA, completing the framework regarding Active Customers and Renewable Self-consumers, Citizen Energy Communities, Renewable Energy Communities and Demand Response, the measure aims at creating one or more contact points for the above-mentioned groups and communities by expanding the single contact point established as per the Renewable Energy Directive (EU) 2018/2001, on the relevant permit-granting process. Those contact points shall, upon the request of an interested party, guide and facilitate the interested parties during the entire administrative procedure that is needed for the creation/participation in RECs and CECs as well as for becoming Renewable self-consumers or active customers. Moreover, the contact points aim at being responsible to provide to eligible entities, useful

information and reply to questions, facilitate meetings with stakeholders and relevant authorities, regarding the establishment of energy communities and/or their participation in the electricity market. Interested parties shall be allowed to submit relevant requests, queries and documents both in digital and physical form.

The implementation of the reform shall be completed by 31 December 2025.

Reform 2 (C6.1R2) Introduction of regulatory framework for the connection of EV recharging points to the distribution network

The objectives of this reform are the establishment of guidelines for the formulation of regulatory frameworks regarding the procurement of flexibility services by the DSO as well as the connection of Electric Vehicle Charging Points to the Distribution Network. This reform shall facilitate the rollout of electric vehicles (EVs) and enable final consumers to actively participate in the electricity market.

The reform consists in the introduction of a regulatory framework that facilitates the connection of charging points to the distribution network and ensures the interplay with the DSO, together with the guidelines on a fair tendering procedure for the public contracts; and provides the framework for the licencing of the DSO for the procurement of flexibility services, including congestion management.

The implementation of the reform shall be completed by 31 December 2025.

Investment 1 (C6.1I1). Scaled-up measure: Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty, including in households with vulnerable electricity consumers

The objective of this measure is to scale up Investment C2.1I2: Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty, including in households with vulnerable electricity consumers under Component 2.1. The scaled-up part of the measure shall increase the number of dwellings, including households of vulnerable electricity consumers, with improved energy performance thus aiming at increasing energy savings and further tackling energy poverty.

The investment shall also consist in providing technical support in at least 100 households with people with disabilities with the objective of facilitating their participation in the aid scheme and to effectively implement the supported small-scale energy renovations.

Investment 2 (C6.1I2). Scaled-up measure: Encouraging the use of renewables and energy savings by local/wider public authorities

The objective of this measure is to scale up Investment C2.1I3: Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate mitigation & adaptation under Component 2.1. The scaled-up part of the measure shall lead to further reduction in primary energy consumption per year for local and wider public authorities.

Investment 3 (C6.1I3) Promoting extensive energy upgrading of housing stock

The aim of this investment is to reduce the primary and final energy consumption and the CO2 emissions in existing households. In addition, the scheme shall promote the installation of Renewable Energy Systems in those households. The renovation programme shall lead to a 30% reduction in the Primary Energy Demand of the buildings renovated.

The eligible investments under the grant scheme shall include:

a. The cost of issuing the Energy Performance Certificate (EPC) of the household before and after the implementation of the interventions.
b. Energy efficiency measures (including building renovations) in buildings, for example thermal insulation of horizontal and vertical building elements, replacement of windows, external shading, solar systems for the production of hot water, installation of RES Systems for space heating / cooling, highly efficient air-conditioning systems.
c. Installation of Photovoltaic Systems (Net-Billing operation). Installation of batteries for energy storage.

Investment 5 (C6.1I5). Scaled-up measure: Scheme for the enhancement of the competitiveness and the energy efficiency of large enterprises in Cyprus

The objective of this measure is to scale up Investment C3.1I7: Scheme for the enhancement of the competitiveness and the energy efficiency of large enterprises in Cyprus, under Component 3.1. The scaled-up part of the measure shall increase the number of large enterprises supported, in all economic sectors, with the aim to improve their energy performance through energy efficiency measures, installation of photovoltaic systems and circular economy measures linked to the REPowerEU objectives as laid out in Article 21c(3) of Regulation (EU) 2021/241.

The scaled-up part of the investment shall consist in a grant scheme of at least EUR 10 000 000 dedicated to support energy efficiency investments undertaken by large enterprises, for example investments for improving the energy performance of buildings, for energy efficiency measures related to production processes, for renewable energy and cogeneration systems, as well as for circular economy.

In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities[15]: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

The implementation of the investment shall be completed by 30 June 2026.

Investment 6 (C6.1I6). Scaled-up measure: Thematic research and innovation funding program on green transition

[15] All footnotes set out in the text on measure C2.1I4 are also applicable to this measure.

The objective of this measure is to scale up Investment C3.2I3: R&I funding program on green transition, under Component 3.2. The scaled-up part of the measure shall increase the number of organisations engaged in green transition R&I activities, due to the support provided.

Investment 7 (C6.1I7). Thematic research in enterprises for energy production, storage, transmission and distribution solutions

The aim of this investment is the provision of grants to organisations for targeted R&I activities aiming to provide solutions to bottlenecks identified in energy production, storage, transmission and distribution that shall enhance the national grid's infrastructure functionality and efficiency, accelerate RES deployment and significantly reduce the country's energy needs.

In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities : (i) activities related to fossil fuels, including downstream use[16]; (ii) activities under the EU Emission Trading System achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks[17]; (iii) activities related to waste landfills, incinerators[18] and mechanical biological treatment plants[19]; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

[16] Except projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01).

[17] Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

[18] This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non- recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

[19] This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

N.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
272	C6.1R1 Regulating and facilitating the participation of Active Customers, Renewable Self-Consumers, Citizen Energy Communities, Renewable Energy Communities and Demand Response through Cumulative Representation in the electricity market	Milestone	Expanding the competencies of the single contact point established as per the Renewable Energy Directive (EU) 2018/2001, to also serve as a contact point regarding the Renewable Energy communities and Citizen Energy communities, Active customers and Renewable self-consumers	Publication of Council of Ministers' Decision in the official gazette	-	-	-	Q4	2025	Creation of at least one contact point regarding the renewable and citizens communities, Active customers and Renewable self-consumers by expanding the single contact point established as per the Renewable Energy Directive (EU) 2018/2001, on the relevant permit-granting process, as to include the provision of guidance and facilitation to the interested parties during the entire administrative procedure that is needed for the creation/participation in RECs and CECs.
273	C6.1R2 Establishment of the regulatory framework for the connection	Milestone	Regulatory Decision/s for the connection of EV recharging	Publication of Regulatory Decision/s in the official gazette	-	-	-	Q4	2025	Publication and entry into force of regulatory decision/s issued by CERA for the connection of Electric Vehicle Charging Points to the Distribution Network. Publication of the regulatory

	of EV recharging points to the distribution network		points to the distribution network							decision/s on procurement of flexibility services by the DSO, including provisions for the gradual entry into force of the decision/s, in line with the relevant guidelines established under this RRP reform.
29b	C6.1I1 Scaled-up measure: Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty in households with vulnerable electricity consumers	Target	Dwellings and households with vulnerable electricity consumers having improved their energy performance	-	Number	16 200	39 500	Q2	2026	At least 39 500 dwellings, including 5000 households of vulnerable electricity consumers (including people with disabilities) have improved their energy performance due to the financial support provided, with an objective to achieve on average at least a 30% primary energy demand reduction.
32b	C6.1I2 Scaled-up measure: Encouraging the use of renewables and energy savings by local/wider public authorities	Target	Reduced primary energy consumption due to investments undertaken by local and wider public authorities, improving their energy performance	-	MWh / year	3600	14 500	Q2	2026	Investments undertaken by local and wider public authorities have improved their energy performance due to the financial support provided and have achieved a primary energy consumption reduction of at least 14 500 MWh per year.
274	C6.1I3 Promoting	Milestone	Support scheme	Publication of call for	-	-	-	Q1	2024	Publication of the call for proposals for the support scheme for promoting extensive energy upgrading of housing stock,

	extensive energy upgrading of housing stock		promoting extensive energy upgrading of housing stock	proposals for the support scheme						following Council of Ministers decision approving the scheme objectives, with the aim to achieve at least a 30% primary energy demand reduction.
275	C6.1I3 Promoting extensive energy upgrading of housing stock	Target	Households being energy renovated, improving their energy performance	-	Number	0	1100	Q2	2026	Award of grants to at least 1100 households which shall be energy renovated, improving their energy performance, due to the support provided with an objective to achieve at least a 30% primary energy demand reduction.
101b	C6.1I5 Scaled-up measure: Scheme for the enhancement of the competitiveness and the energy efficiency of large enterprises in Cyprus	Target	Grants to large enterprises	-	Number	0	3	Q4	2024	Signature of grant agreements with at least three (3) large enterprises, in all sectors, to improve their energy performance. All the projects selected shall be in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
102b	C6.1I5 Scaled-up measure: Scheme for the enhancement of the competitiveness and the energy efficiency of large enterprises in Cyprus	Target	Grants to large enterprises	-	Number	3	12	Q2	2026	Signature of grant agreements with at least twelve (12) large enterprises, in all sectors, to improve their energy performance. All the projects selected shall be in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

131b	C6.1I6 Scaled-up measure: Thematic research and innovation funding program on green transition	Target	Completed projects on green transition R&I activities	-		10	20	Q2	2026	At least 20 completed projects on green transition R&I activities.
276	C6.1I7 Thematic research in enterprises for energy production, storage, transmission and distribution solutions	Milestone	Signature of grant agreements for the whole budget	Grant agreements signed by the Director of the Research and Innovation Foundation	-	-	-	Q3	2024	Signing of grant agreements for R&I funding program on energy production, storage, transmission and distribution solutions R&I activities, with terms of reference including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.
277	C6.1I7 Thematic research in enterprises for energy production, storage, transmission and distribution solutions	Target	Completed projects on energy production, storage, transmission and distribution solutions R&I activities	-	Number	0	20	Q2	2026	At least 20 completed projects on energy production, storage, transmission and distribution solutions R&I activities.

O. COMPONENT 7.1: AUDIT AND CONTROL

This component aims to ensure that the control framework of the Cypriot Recovery and Resilience Plan prevents, detects and corrects corruption, fraud and conflicts of interests when using the funds provided under the Recovery and Resilience Facility Regulation (RRF Regulation), as well as ensuring adequate arrangements to effectively avoid double funding under the RRF Regulation and other Union programmes.

O.1. Description of the reforms and investments for non-repayable financial support

Reform 1 (C7.1R1): Arrangements for the control framework of the Recovery and Resilience Plan

The objective of the measure is to improve the control framework of the Cypriot Recovery and Resilience Plan. To ensure an effective implementation of proportionate measures for the protection of the financial interests of the Union (PFIU) according to the Article 22 of the RRF Regulation,

The Council of Ministers shall adopt mandatory instructions prepared by the Coordination Authority and distributed upon their adoption to all relevant bodies.

The milestone under this measure shall be fulfilled by the time of submission of the next payment request to the Commission following the adoption of this Implementing Decision and shall be a prerequisite for any future payment.

The reform shall be completed by 31 December 2023.

O.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone
					Unit of measure	Baseline	Goal	Quarter	Year	
278	C7.1R1 Arrangements for the control framework of the Recovery and Resilience Plan	Milestone	Clear delimination between control and implementation duties	Adopted instructions and proof of dissemination to all Implementing Bodies.	-	-	-	Q4	2023	The Council of Ministers shall adopt mandatory instructions prepared by the Coordinating Authority which shall cover at least the following areas: • The risk assessment methodology to be applied for all verification types (administrative and on the spot), • Verifications for double funding and procedures for its avoidance, • The treatment of irregularities and the whistle blowing process followed for interventions (projects or schemes) funded by the Union, • Requirements for audit trail; • A central fraud risk assessment for all contracting authorities, taking into consideration all the elements outlined in the Guidance Note on Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures for ESIF 2014-2020. Each contracting authority functioning under the RRP is mandated to comply with the action plan devised by the central fraud risk assessment team. • Establishment of specific functions for PFIU, dedicated to tackling issues related to fraud, corruption, and conflicts of interest in Implementing Bodies implementing aid schemes under the RRP.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone
					Unit of measure	Baseline	Goal	Quarter	Year	
										The instructions shall be distributed to all entities involved in the implementation, monitoring and control of the RRP and shall clearly segregate their responsibilities, ensuring a clear separation between control and implementation duties and shall require that controls are conducted in alignment with them.

2. Estimated total cost of the recovery and resilience plan

The estimated total cost of the recovery and resilience plan of Cyprus is EUR 1 220 971 974.

The estimated total costs of the REPowerEU chapter is EUR 104 580 000. In particular, the estimated total costs of the measures referred to in Article 21c(3), point (a) of Regulation (EU) 2023/435 is EUR 0 whilst the costs of the other measures in the REPowerEU chapter is EUR 104 580 000.

SECTION 2: FINANCIAL SUPPORT

1. Financial contribution

The instalments referred to in Article 2(2) shall be organised in the following manner:

1.1. First Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
21	C2.1R2 Independence of Cyprus Transmission System Operator (TSOC) from the incumbent Electricity Authority of Cyprus	Milestone	Law for the Regulation of the Electricity Market of 2021
23	C2.1R4 Energy Storage Regulatory Framework	Milestone	Amendment of the Transmission and Distribution Rules (TDRs) and Trading and Settlement Rules (TSRs)
24	C2.1I1 Promoting energy efficiency investments in SMEs and non-profit organisations	Milestone	Support scheme for Promoting energy efficiency investments in SME and non-profit organisations
27	C2.1I2 Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty in households with vulnerable electricity consumers	Milestone	First call for proposals for Promoting renewables and individual energy efficiency measures in dwellings

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
30	C2.1I3 Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate mitigation & adaptation	Milestone	First call for proposals to support local authorities in energy efficiency measures
93	C3.1I2 Enhancement of isotopic database of traditional Cypriot products.	Milestone	Liquid Chromatography-Isotopic Ratio Mass Spectrometer (LC-IRMS) equipment
109	C3.1R4 Enhancement of circular economy in the Industry	Milestone	Approval of the National Action Plan for the Enhancement of Circular Economy in Cyprus
160	C3.4R3 Introduce new framework for evaluation and selection process for filling public service vacancies and new regulations for the evaluation of employees' performance	Milestone	Entry into force of legislation for the evaluation and selection process for public service vacancies and regulations for employees' performance evaluation.
186	C3.4I8 Upgrading the infrastructure of courts	Milestone	Extension of the Famagusta District Court
188	C3.4R10 Improving the legal and institutional framework for fighting corruption	Milestone	Entry into force of the law on Transparency in Decision-Making and Related Matters
189	C3.4R10 Improving the legal and institutional framework for fighting corruption	Milestone	Entry into force of the law to protect whistle-blowers

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
192	C3.5R2 Framework and Action Plan for addressing NPLs	Milestone	Entry into force of the package of amending laws regarding credit acquiring companies (CAC) and credit servicers to improve the working environment for non-performing loans management
232	C4.2I1 Digitalisation in various Central Government Ministries – Services	Milestone	Repository system for audit and control: information for monitoring implementation of RRF
249	C5.1R5 E-skills Action Plan – Implementation of specific actions	Milestone	National e-Skills Action Plan is adopted by the Council of Ministers
		Instalment Amount	EUR 97 701 149

1.2. Second Instalment (non-repayable support) :

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
7	C1.1I2 Cyprus Innovative Public Health information and communications technology (ICT) System	Milestone	Influenza Sentinel Surveillance (ISS)System
35	C2.1I5 Energy Efficiency Upgrading of public buildings	Target	Thermal insulation and photovoltaic systems installed in schools

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
45	C2.1I9 Forests fire protection	Milestone	Signing of 8 Agreements/ Contracts Signatures for the purchase of vehicles, equipment and provision of services and issue of call for tenders for the purchase of firefighting aircraft
71	C2.3I3 Integrated Monitoring and Control Management System for the Water Development Department's infrastructure	Milestone	Completion of the detailed requirements analysis and system design document
87	C3.1R2 On-line platform for improving the trade and information symmetry in the fresh produce supply chain	Milestone	Law on unfair practices in transactions in the local fresh produce market
97	C3.1I5 Creation of a National Commercial Identity and promotion of the traditional product "halloumi"	Milestone	Action Plans for (a) the "made in Cyprus" branding, and (b) for the promotion of the halloumi cheese
105	C3.1I9 Promotion of circular economy in hotel establishments	Target	Coaching scheme for circular economy
122	C3.2R2 Incentives for investments and human capital in R&I	Milestone	Tax exemption of legal entities for investing in innovative companies
125	C3.2I1 Set up and operate a central Knowledge Transfer Office (KTO)	Milestone	Launch of KTO
134	C3.3R1 Facilitation of Strategic investments	Milestone	Law for strategic investments
155	C3.4R1 Enhance the administrative capacity and improve the functioning of public administration for better policy making and implementation	Milestone	Action Plan on the efficient management of human resource issues in the national public administration

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
187	C3.4R10 Improving the legal and institutional framework for fighting corruption	Milestone	Entry into force of the law establishing the Independent Authority against Corruption
207a	C3.5R9 Improving tax collection and effectiveness of the Tax Department	Milestone	Operation of VAT Services within an Integrated Tax Administration System (ITAS)
214	C4.1R1 Empower the National Regulatory Authority (OCECPR)	Milestone	Launch of the geographical survey and entry into force of secondary legislation
233	C4.2I1 Digitalisation in various Central Government Ministries – Services	Target	Start of the digital upgrade of a number of central government ministries and departments
278	C7.1R1 Arrangements for the control framework of the Recovery and Resilience Plan	Milestone	Clear delimitation between control and implementation duties
		Instalment Amount	EUR 87 136 829

1.3. Third Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
5	C1.1I1 New facilities for the Cyprus Blood Establishment and procurement of the latest technology attendant equipment	Milestone	Contract signature for the construction of the Cyprus Blood Establishment
22	C2.1R3 Digital One-Stop Shops to streamline RES projects permitting and to facilitate Energy Renovation in Buildings	Milestone	Fully operational IT platform

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
77a	C2.3I5 Anti-flood and water collection measures	Milestone	Completion of construction works of drainage network and reconstruction of streets and pavements in areas of Nicosia
85	C3.1R1 Move agricultural practices from the 20th century to the 21st century by investing in a national centre for excellence in agri-tech	Milestone	Cooperation between the Agricultural Research Institute and public universities, for joint MSc and PhD programmes
95	C3.1I3 Upskill existing and future farmers	Target	Scholarships granted
120	C3.2R1 National R&I Policy and policy tools	Milestone	Adoption of the national R&I Strategy and of the Action Plan to implement it
123	C3.2R3 Policies to foster access to publicly funded research infrastructure and laboratories	Milestone	Digital registry to record and publish research infrastructure
127	C3.2I2 Innovation funding programmes for start-ups, innovative companies and SMEs	Milestone	Signature of grant agreements for 50% of budget
130	C3.2I3 R&I funding program on green transition	Milestone	signature of grant agreements for a R&I funding programme of EUR 6 mln budget
136	C3.3R2 Enhancing Fast-Track Business Activation Mechanism	Milestone	Establishment of an electronic system where investors can submit their online application
143	C3.3R6 Incentives to promote mergers and acquisitions.	Milestone	Action Plan for incentives for mergers and acquisitions
151	C3.3I6 State funded equity fund	Milestone	Setup of the Fund

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
173	C3.4I4 Enhancing e-system for issuing building permits	Milestone	Enhancement of the e-application environment of the Hippodamos System
194	C3.5R3 Strategy for addressing inadequacies of the property transaction system (title deeds)	Milestone	Extension of the New Planning and Building Permit Policy
195	C3.5R3 Strategy for addressing inadequacies of the property transaction system (title deeds)	Milestone	Entry into force of the amendment of the Sale of Property (Specific Performance) Law
199	C3.5R5 Action plan for the development of a liability monitoring register	Milestone	Action Plan for the development of a liability monitoring register
201	C3.5R6 Reinforcing and strengthening the insolvency framework	Milestone	Full implementation and full operation of the legal and institutional framework for insolvency
209	C3.5R10 Addressing Aggressive Tax Planning	Milestone	Entry into force of the law to tackle aggressive tax planning
224	C4.2R1 Digital Services Factory	Milestone	Definition of the Service Delivery Model for the Digital Services Factory
251	C5.1I1 Construction of one Model Technical School	Milestone	Contract for the construction of one Technical School
266	C5.2I4 Child Centres in Municipalities	Target	Construction of at least one child centre
268	C5.2I5 Construction of Two Model Special Education Schools	Milestone	Signing of contract with the selected tenderer (contractor)
		Instalment Amount	EUR 103 036 204

1.4. Fourth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
3	C1.1R2 Design of an Electronic platform for the surveillance of Nosocomial Antibiotic Consumption and Healthcare – Associated Infections	Milestone	Adoption of the list of health care facilities
43	C2.1I8 Monitoring and reduction of GHG emissions in agriculture	Milestone	Purchase and installation of monitoring units for measuring GHG emissions from agriculture
48	C2.1I10 Market Management System to facilitate the opening of the electricity market to competition	Milestone	Installation of the Market Management System
74a	C2.3I4 Smart Water and Sewerage Networks Management	Target	Delivery and installation of photovoltaics at the Larnaca Wastewater Treatment Plant
86	C3.1R1 Move agricultural practices from the 20th century to the 21st century by investing in a national centre for excellence in agri-tech	Milestone	New joint Masters and/or PhDs in the wider domain of Agriculture
132	C3.2I4 Funding to organisations performing R&D activities on dual technologies	Milestone	Signing of grant agreements which commit 80% of total budget for funding to organisations performing R&D activities on dual technologies
135	C3.3R1 Facilitation of Strategic investments	Milestone	Organisational capacity's enhancement for the facilitation of strategic investments

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
140	C3.3R4 Design and establish a National Promotional Agency	Milestone	Approval by the Council of Ministers of the roadmap for the creation and establishment of a National Promotional Agency
147	C3.3I4 Scheme for the digital upgrade of enterprises	Milestone	Publication of call for proposals following approval of the scheme by the Council of Ministers
158	C3.4R2 Regulate flexible working arrangements in the public sector	Milestone	Decision on flexible working arrangements in the public sector
193	C3.5R3 Strategy for addressing inadequacies of the property transaction system (title deeds)	Target	Reduction of backlog of cases for issuance of title deeds either by issuing title deeds or by rejecting the case
197	C3.5R4 New legal framework and system of exchange of data and credit bureau	Milestone	Entry into force of the framework and system of exchange of data legislation
220	C4.1I2 Upgrade internet connection to be “Gigabit-ready” and promote connectivity take-up	Target	Expansion of Gigabit-ready internet connection take-up by households
229	C4.2R3 Police Procedures digitalisation on Digipol	Milestone	Digipol prototype operational
236	C4.2I2 Digitalisation of the Cyprus Ports Authority	Target	Start of the digital upgrade of the Cyprus Ports Authority
255	C5.2R2 Flexible Work Arrangements in the Form of Telework	Milestone	Entry into force of the law for flexible work arrangements in the form of telework

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
		Instalment Amount	EUR 89 251 156

1.5. Fifth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
9	C1.1I3 Purchase/replacement of medical equipment in hospitals	Target	Health institutions having benefitted from the financial support scheme
13	C1.1I6 Deployment of generic cross border e-health services in Cyprus	Milestone	Completion of the analysis, design and development phase of the IT System for cross-border e-health services
28a	C2.1I2 Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty in households with vulnerable electricity consumers	Target	Dwellings and households with vulnerable electricity consumers (including people with disabilities) having improved their energy performance
36	C2.1I5 Energy Efficiency Upgrading of public buildings	Target	Completion of set up and installation of photovoltaics system at the Nicosia General Hospital
38	C2.1I6 Upgrading renewable energy and smart grids testing infrastructure at the University of Cyprus	Milestone	Signature of contracts for the installation of equipment to upgrade the electricity grid into a smart grid
55	C2.2R3 Progressively phase out the most polluting vehicles, especially in polluted urban areas	Milestone	Entry into force of the legislative act related to the phasing out of the most polluting vehicles
100	C3.1I7 Scheme for the enhancement of the competitiveness and/or the energy efficiency of large enterprises in Cyprus	Milestone	Start of the grant scheme on large enterprises
112	C3.1I12 Waste management towards circular economy	Milestone	Signature of the contract for the installation of Green kiosks
128	C3.2I2 Innovation funding programmes for start-ups, innovative companies and SMEs	Target	Completed projects to carry out R&I related activities

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
156	C3.4R1 Enhance the administrative capacity and improve the functioning of public administration for better policy making and implementation	Milestone	New human resources management framework for Cyprus Police
163	C3.4R5 Enhancement of the capacity of the Law Office	Milestone	New IT system for the Law Office
167	C3.4I3 Economic Policy Modelling Hub	Milestone	Setting up a Modelling Hub for Economic Policy Analysis
180	C3.4R8 Efficiency of Justice	Milestone	Entry into force of new Rules of Civil Procedure
196	C3.5R3 Strategy for addressing inadequacies of the property transaction system (title deeds)	Milestone	Review of the Streets and Building Law
203	C3.5R7 Strategy for Combating Financial Illiteracy	Milestone	Strategy for Combating Financial Illiteracy
205	C3.5R8 Enhancing supervision of Insurance and Pension Funds	Milestone	Supervisory tools including data collection and analysis tool
206	C3.5I1 Enhancement of the Supervisory Function of the Cyprus Securities and Exchange Commission	Milestone	Digital system for supervision of transactions for the Cyprus Securities and Exchange Commission
207b	C3.5R9 Improving tax collection and effectiveness of the Tax Department	Milestone	Purchase of the new building for the integrated Nicosia District Office and Large Taxpayers' Office
212	C3.5I2 Modernisation of Customs and Electronic Payment System	Target	Putting into operation the information systems– envisaged under the Union Customs Code (UCC)
217	C4.1I1 Expansion of Very High Capacity Networks in underserved areas	Milestone	Start of very high capacity networks' deployment in underserved areas
225	C4.2R1 Digital Services Factory	Target	Expansion of delivery of government services online through the Digital Services Factory
231	C4.2R4 Setting up the beneficial ownership registry	Milestone	Beneficial ownership registry available for use

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
243	C5.1R3 Gradual extension of free compulsory pre-primary education from the age of four	Milestone	Entry into force of the new Law regarding the gradual extension of free compulsory pre-primary education from the age of four years and adoption of aid schemes by the Council of Ministers
		Instalment Amount	EUR 88 089 650

1.6. Sixth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
19	C2.1R1 Green Taxation	Milestone	Entry into force of a legislative framework introducing a carbon tax on transport fuels, an increase of existing water fees and a charge on the landfill of municipal waste
40	C2.1I7 Mass installation and operation by the Distribution System Operator (DSO) of Smart Metering Infrastructure (Advanced Metering Infrastructure)	Milestone	Contract Signature for smart electricity metering infrastructure
52	C2.2R1 Establishment of an Intelligent Transport System using Digital Twin technologies	Target	Delivery and installation of at least 150 sensors
78	C2.3I5 Anti-flood and water collection measures	Milestone	Completion of construction works for the rainwater collection and recycling system in Kladeri area
80	C2.3I6 Enhance water security for Nicosia and Larnaca regions	Target	Completion of construction of two glass lined steel reservoirs in Nicosia district
103	C3.1I8 Enhancing the added value of the tourism sector with emphasis on the country side, mountainous and remote areas	Target	Grant to SMEs to promote the tourism sector
144	C3.3I2 Creation of a Regulatory Sandbox to enable FinTech	Milestone	Regulatory Sandbox with a view on FinTech and innovative technologies
169	C3.4R6 New legal framework for Local Authorities and relevant support measures	Milestone	New legal framework on local authorities
171	C3.4R7 Urban land consolidation	Milestone	Entry into force of the law on urban land consolidation
181	C3.4R8 Efficiency of Justice	Target	Reducing the backlog of cases and appeals

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
216	C4.1R2 Empower the National Broadband Competence Office (DEC of the DMRIDP)	Milestone	Entry into force of the administrative acts for very high capacity networks' deployment
246a	C5.1R4 Digital transformation of school units with the aim of enhancing digital skills and skills related to STEM education	Target	Classrooms digitally equipped
274	C6.1I3 Promoting extensive energy upgrading of housing stock	Milestone	Publication of call for proposals for the support scheme
8	C1.1I2 Cyprus Innovative Public Health information and communications technology (ICT) System	Target	Sentinels entering data in the Influenza Sentinel Surveillance System module
237	C4.2I2 Digitalisation of the Cyprus Ports Authority	Target	Advancement of the digital upgrade of the Cyprus Ports Authority
107	C3.1I10 Enrichment of the tourism product in rural, mountainous and remote areas	Milestone	Aphrodite Route
88	C3.1R2 On-line platform for improving the trade and information symmetry in the fresh produce supply chain	Milestone	Platform for recording transactions in the local fresh produce market
17	C1.1I5 Enhancement, modernisation and upgrade of Cyprus State Hospitals	Target	Enhanced, constructed and/or upgraded State hospitals
153	C3.3I1 Integrated Information system for the Department of Registrar of Companies and Intellectual Property	Milestone	System hardware and software installation and networking completed
		Instalment Amount	EUR 70 595 650

1.7. Seventh Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
25	C2.1I1 Promoting energy efficiency investments in SMEs and non-profit organisations	Target	Entities (SMEs, non-profit organisations) having implemented energy efficiency interventions
31a	C2.1I3 Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate mitigation & adaptation	Target	Investments undertaken by local and wider public authorities that have improved their energy performance
33	C2.1I4 Encourage the reduction of CO2 emissions in businesses	Target	Undertakings having developed their GHG emissions reduction action plans
39	C2.1I6 Upgrading renewable energy and smart grids testing infrastructure at the University of Cyprus	Milestone	Delivery, successful installation and acceptance of the equipment for smart grids
41	C2.1I7 Mass installation and operation by the Distribution System Operator (DSO) of Smart Metering Infrastructure (Advanced Metering Infrastructure)	Target	Delivery and installation of smart meters
54	C2.2R2 Provide the regulatory framework for an interoperable and effective electric vehicle (EV) recharging infrastructure and an efficient EV recharging market	Milestone	Entry into force of legislation related to electric vehicle charging points
60	C2.2I2 Creation of electro-mobility infrastructure	Target	Installation of at least 330 charging points, due to the support granted
62a	C2.2I3 Promote widespread use of Electric Vehicles (EVs)	Target	Purchase of electric vehicles, electric bicycles, due to the support granted
64	C2.2I3 Promote widespread use of Electric Vehicles (EVs)	Target	Scrapping of high emission vehicles, due to the support granted

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
75	C2.3I4 Smart Water and Sewerage Networks Management	Target	Delivery and installation of at least 200 quality and pressure sensors
98	C3.1I6 Scheme for modernisation and digitalisation of enterprises engaged in manufacturing and trading of agricultural products	Target	Grants to SMEs engaged with trade and production of agricultural products
101a	C3.1I7 Scheme for the enhancement of the competitiveness and/or the energy efficiency of large enterprises in Cyprus	Target	Grants to large enterprises
124	C3.2R3 Policies to foster access to publicly funded research infrastructure and laboratories	Milestone	Collaboration of Research Performing Organisations with business and spin-offs
142	C3.3R5 Strategic Investor of the Cyprus Stock Exchange	Milestone	Selection of a strategic investor to buy a controlling stake in Cyprus Stock Exchange
159	C3.4R2 Regulate flexible working arrangements in the public sector	Milestone	Implementation of flexible working arrangements
170	C3.4R6 New legal framework for Local Authorities and relevant support measures	Target	Number of local authority staff participating in capacity building
174	C3.4I4 Enhancing e-system for issuing building permits	Milestone	Enhancement of planning and control and project management functionalities of Hippodamos
177	C3.4I6 Regeneration and Revitalisation of Nicosia Inner City	Target	Rooms renovated and converted to student dorms
198	C3.5R4 New legal framework and system of exchange of data and credit bureau	Milestone	Upgraded digital system of exchange of data and credit bureau

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
200	C3.5R5 Action plan for the development of a liability monitoring register	Milestone	Action plan for the development of a liability monitoring register
210	C3.5R10 Addressing Aggressive Tax Planning	Milestone	Entry into force of the law to tackle aggressive tax planning via payments to low tax jurisdictions
215	C4.1R1 Empower the National Regulatory Authority (OCECPR)	Milestone	The web portal on broadband and infrastructure mapping is operational and accessible to the target audience
218	C4.1I1 Expansion of Very High Capacity Networks in underserved areas	Target	Expansion of very high capacity networks' deployment in underserved areas
227	C4.2R2 Definition and implementation of a new cloud policy with regard to government IT systems and services	Target	Two data centres are operational
234	C4.2I1 Digitalisation in various Central Government Ministries - Services	Target	Advancement of the digital upgrade of a number of central government ministries and departments
239a	C5.1R1 Addressing skills mismatch between education and labour market (Secondary and Higher Education)	Milestone	Implementation of key measures from the National Action Plan
247	C5.1R4 Digital transformation of school units with the aim of enhancing digital skills and skills related to STEM education	Target	Curriculum transformation and production of educational material for digital skills and STEM methodology
253	C5.1I2 Skilling, Reskilling and Upskilling	Target	Completion of trainings for at least 11 500 participants

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
258	C5.2I1 Improving the effectiveness of the Department of Labour and Public Employment Services and reinforcing support for young people	Target	Implementation of completed, fully operational platform/systems
261	C5.2I2 Establishment of multifunctional centres and childcare centres	Milestone	Adoption of a national strategy on early childhood education and care (ECEC) and an accompanying action plan by the Council of Ministers
262	C5.2I2 Establishment of multifunctional centres and childcare centres	Target	Grant awarded to at least eight local authorities/ Non-Governmental Organisations for establishing or enhancing Multifunctional Centres or Child Centres
264	C5.2I3 Establishment of Home structures for persons with disabilities and people in need of long term care (LTC)	Target	Buildings for the needs of persons with disabilities and support for homes for people in need of long-term care (signing of contracts/funding agreements)
267	C5.2I4 Child Centres in Municipalities	Target	Construction of at least four child centres
101b	C6.1I5 Scaled-up measure: Scheme for the enhancement of the competitiveness and the energy efficiency of large enterprises in Cyprus	Target	Grants to large enterprises
276	C6.1I7 Thematic research in enterprises for energy production, storage, transmission and distribution solutions	Milestone	Signature of grant agreements for the whole budget

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
69a	C2.3I2 Water Treatment Plants: upgrade for water quality improvement	Milestone	Completion of the works for the installation of activated carbon polishing units in Tersefanou, Asprokremmos and Limassol Water Treatment Plants
		Instalment Amount	EUR 124 125 800

1.8. Eighth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
6	C1.1I1 New facilities for the Cyprus Blood Establishment and procurement of the latest technology attendant equipment	Milestone	New blood establishment facilities including all equipment are operational
14	C1.1I6 Deployment of generic cross border e-health services in Cyprus	Milestone	Operation of cross-border healthcare data exchange
66	C2.3R1 Water Resource Management Reform	Milestone	Adoption of an action plan on water resource management
84	C2.3I8 Protection of the marine ecosystem from hazards through oil spills	Milestone	Delivery, quality inspection to verify their operational effectiveness and acceptance of three vessels and two aerial spraying systems
94	C3.1I2 Enhancement of isotopic database of traditional Cypriot products	Target	Local traditional foods/ drinks connected to the system

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
111	C3.1R5 Establishment of a Coordinating Body between central and local government	Milestone	Legislation on coordination between Central and Local Government
161	C3.4R3 Introduce new framework for evaluation and selection process for filling public service vacancies and new regulations for the evaluation of employees' performance	Milestone	New framework for performance evaluation and filling of vacancies in the public service.
202	C3.5R6 Reinforcing and strengthening the insolvency framework	Milestone	Operation of all digital systems developed for the Department of Insolvency
204	C3.5R8 Enhancing supervision of Insurance and Pension Funds	Target	Strengthening the human resources of the Registrar of Occupational Retirement Benefits Fund (RORBF) and the Insurance Companies Control Service (ICCS)
221	C4.1I2 Enhance building cabling to be "Gigabit-ready" and promote connectivity take-up	Target	Completion of intra-building Gigabit-ready cabling
72	C2.3I3 Integrated Monitoring and Control Management System for the Water Development Department's infrastructure	Target	Delivery and installation of at least 50% of the equipment

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
241	C5.1R2 A new teacher and school evaluation system	Milestone	Council of Ministers Decision and Circular issued by the Ministry of Education, Sport and Youth for establishing a new School Evaluation system and entry into force of the legislation for establishing a new Teacher Evaluation system
		Instalment Amount	EUR 68 477 400

1.9. Ninth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
2a	C1.1R1 National Centre for Clinical Evidence and Quality Improvement	Target	Clinical protocols prepared, audited and peer reviewed
2b	C1.1R1 National Centre for Clinical Evidence and Quality Improvement	Milestone	Development of IT system including an e-learning platform completed and system is operational
4	C1.1R2 Design of an Electronic platform for the surveillance of Nosocomial Antibiotic Consumption and Healthcare – Associated Infections	Milestone	Electronic platform including monitoring system is operational
10	C1.1I3 Purchase/replacement of medical equipment in hospitals	Target	Health institutions having benefitted from the financial support scheme
15	C1.1I7 Public warning system for supporting emergency operations	Milestone	Established public warning system and its monitoring system are operational
26	C2.1I1 Promoting energy efficiency investments in SMEs and non-profit organisations	Target	Entities (SMEs,non-profit organisations) having implemented energy efficiency interventions
37	C2.1I5 Energy Efficiency Upgrading of public buildings	Target	Completion of installation of photovoltaic systems in water pump stations and fire stations
44	C2.1I8 Monitoring and reduction of GHG emissions in agriculture	Target	Reduction of GHG emissions from agriculture
46	C2.1I9 Forests fire protection	Milestone	Delivery of firefighting aircraft, vehicles and equipment
48a	C2.1I10 Market Management System (MMS) to facilitate the opening of the electricity market to competition	Milestone	Go live of the MMS and related training of the personnel.
53	C2.2R1 Establishment of an Intelligent Transport System using Digital Twin technologies	Target	Delivery and installation of a total of 300 sensors
56	C2.2R3 Progressively phase out the most polluting vehicles, especially in polluted urban areas	Milestone	Implementation of at least two measures aiming at the exclusion of polluting vehicles
70	C2.3I2 Water Treatment Plants: upgrade for water quality improvement	Target	Completion of extension works and automation system at Asprokremmos Water Treatment Plant

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
79	C2.3I5 Anti-flood and water collection measures	Milestone	Completion of construction works for the flood channel in Livadia
108	C3.1I10 Enrichment of the tourism product in rural, mountainous and remote areas	Target	Completed projects to enrich the tourism product in rural, mountainous and remote areas
115	C3.1I12 Waste management towards circular economy	Target	Completion of installation and start of operation of the green kiosks
126	C3.2I1 Set up and operate a central Knowledge Transfer Office (KTO)	Target	Case files closed attesting provision of relevant knowledge transfer services
137	C3.3R2 Enhancing Fast-Track Business Activation Mechanism	Target	Establishment of a platform where investors can track their online application and interact with the competent authorities and assessments of applications for investment through the platform
138	C3.3R3 Modernisation of the Companies Law	Milestone	Submission of the draft law to the Parliament for approval, restructuring the Companies Law
141	C3.3R4 Design and establish a National Promotional Agency	Milestone	Start of operations of Cyprus National Promotional Agency
157	C3.4R1 Enhance the administrative capacity and improve the functioning of public administration for better policy making and implementation	Milestone	Implementation of the Action Plan on the efficient management of human resource issues in the national public administration
162	C3.4R4 Strengthen administrative capacity and transparency through the professionalisation of public procurement and further digitalisation of its process	Milestone	New integrated e-procurement system
168	C3.4I3 Economic Policy Modelling Hub	Target	Number of developed impact assessment models and data analysis tools
172	C3.4R7 Urban land consolidation	Target	Number of master plans for urban planning
185	C3.4I7 Training of judges	Target	Training of judges
213	C3.5I2 Modernisation of Customs and Electronic Payment System	Target	Putting into operation of the information systems envisaged under the UCC

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
219	C4.1I1 Expansion of Very High Capacity Networks in underserved areas	Target	Completion of very high capacity networks' deployment in underserved areas
228	C4.2R2 Definition and implementation of a new cloud policy with regard to government IT systems and services	Target	The government cloud (G-cloud) is operational and offering cloud services to government IT systems.
230	C4.2R3 Police Procedures digitalisation on Digipol	Target	Citizens use Digipol
235	C4.2I1 Digitalisation in various Central Government Ministries - Services	Target	Finalisation of the digital upgrade of a number of central government ministries and departments
238	C4.2I2 Digitalisation of the Cyprus Ports Authority	Target	Finalisation of the digital upgrade of the Cyprus Ports Authority
240	C5.1R1 Addressing skills mismatch between education and labour market (Secondary and Higher Education)	Target	Secondary education teaching staff trained
250	C5.1R5 E-skills Action Plan – Implementation of specific actions	Milestone	Implementation of key measures from the e-Skills Action Plan
254	C5.1I2 Skilling, Reskilling and Upskilling	Target	Completion of trainings for at least 25 600 participants
256	C5.2R2 Flexible Work Arrangements in the Form of Telework	Target	Grant awarded for at least 225 persons in telework
259	C5.2I1 Improving the effectiveness of the Department of Labour and Public Employment Services and reinforcing support for young people	Target	Grant awarded to employers for hiring at least 400 young people not in employment or in education or training (NEETs)
269	C5.2I5 Construction of Two Model Special Education Schools	Milestone	Completion of construction of Apostolos Loukas & Red Cross Special needs school
272	C6.1R1 Regulating and facilitating the participation of Active Customers, Renewable Self-consumers, Citizen Energy Communities, Renewable Energy Communities and Demand Response through Cumulative Representation in the electricity market	Milestone	Expanding the competencies of the single contact point established as per the Renewable Energy Directive (EU) 2018/2001, to also serve as a contact point regarding the renewable and citizens communities, Active customers and Renewable self-consumers

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
273	C6.1R2 Establishment of the regulatory framework for the connection of EV recharging points to the distribution network	Milestone	Regulatory Decision/s for the connection of EV recharging points to the distribution network
69b	C2.3I2 Water Treatment Plants: upgrade for water quality improvement	Milestone	Completion of the works for the replacement of the chlorination infrastructure for the five WTPs
191	C3.5R1 Completing the legal framework for Crisis Management for Credit Institutions	Milestone	Entry into force of the amendment of the national insolvency framework for credit institutions, and introduction of government tools for preservation of financial stability
154	C3.3I1 Integrated Information system for the Department of Registrar of Companies and Intellectual Property	Target	Training of personnel
104c	C3.1I8 Enhancing the added value of the tourism sector with emphasis on the country side, mountainous and remote areas	Milestone	Renovation of the Filoxenia Conference Centre
		Instalment Amount	EUR 101 087 210

1.10. Tenth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
12	C1.1I4 Accreditation of public and private hospitals	Target	Health institutions having benefitted from the scheme covering accreditation related costs
20	C2.1R1 Green Taxation	Milestone	Impact assessment report measuring the reform's effect on the environment and the economy
32c	C2.1I3 Encouraging the use of renewables and energy savings by local/wider public authorities and facilitating the transition of local communities towards climate mitigation & adaptation	Target	Grant scheme to support sustainable climate adaptation investments in local (Community) Councils
42	C2.1I7 Mass installation and operation by the Distribution System Operator (DSO) of Smart Metering Infrastructure (Advanced Metering Infrastructure)	Target	Delivery and installation of smart meters
47	C2.1I9 Forests fire protection	Milestone	Completion of services
61	C2.2I2 Creation of electro-mobility infrastructure	Target	Installation of at least 1 000 charging points, due to the support granted
63a	C2.2I3 Promote widespread use of Electric Vehicles (EVs)	Target	Purchase of electric vehicles, electric bicycles, due to the support granted
65	C2.2I3 Promote widespread use of Electric Vehicles (EVs)	Target	Scrapping of high emission vehicles, due to the support granted
73	C2.3I3 Integrated Monitoring and Control Management System for the Water Development Department's infrastructure	Milestone	Completion of a fully functional Integrated Monitoring and Control Water Management System
74b	C2.3I4 Smart Water and Sewerage Networks Management	Target	Delivery and installation of biogas unit at the Larnaca Wastewater Treatment Plant

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
76a	C2.3I4 Smart Water and Sewerage Networks Management	Target	Installation and operation of at least 100 000 smart meters
76b	C2.3I4 Smart Water and Sewerage Networks Management	Target	Development of Digital Twin decision support tool and data bank in Larnaca and design of a customised software solution in Limassol
90	C3.1R3 Genetic improvement of the Cyprus sheep and goat population	Target	Adoption of advanced recording and genomic evaluation processes, and selection of the best performing animals
99	C3.1I6 Scheme for modernisation and digitalisation of enterprises engaged in manufacturing and trading of agricultural products	Target	Grants to SMEs engaged with trade and production of agricultural products
102a	C3.1I7 Scheme for the enhancement of the competitiveness and/or the energy efficiency of large enterprises in Cyprus	Target	Grants to large enterprises
104	C3.1I8 Enhancing the added value of the tourism sector with emphasis on the country side, mountainous and remote areas	Target	Grant to hotels to promote the tourism sector
106	C3.1I9 Promotion of circular economy in hotel establishments	Target	Coaching scheme for circular economy
110	C3.1R4 Enhancement of circular economy in the Industry	Target	Aid for SMEs which are moving into a circular operating model
121	C3.2R1 National R&I Policy and policy tools	Milestone	Completion of the Action Plan for the R&I Strategy
129	C3.2I2 Innovation funding programmes for start-ups, innovative companies and SMEs	Target	Completed projects to carry out R&I related activities
131a	C3.2I3 R&I funding program on green transition	Target	Completed projects on green transition R&I activities

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
133	C3.2I4 Funding organisations performing R&D activities on dual technologies	Target	Completed projects for the development of classified Laboratories
139	C3.3R3 Modernisation of the Companies Law	Milestone	Entry into force of the Companies Law
148	C3.3I4 Scheme for the digital upgrade of enterprises	Target	SMEs supported following submission of payment applications.
152	C3.3I6 State funded equity fund	Target	Investees supported through the Fund
176	C3.4I5 Smart cities	Target	Development of mobile applications developed as part of the smart cities initiative and installation of smart sensors in service as part of the smart cities initiative
178	C3.4I6 Regeneration and Revitalisation of Nicosia Inner City	Target	Rooms renovated and converted to student dorms
183	C3.4R9 Digital transformation of courts	Milestone	i-justice system
208	C3.5R9 Improving tax collection and effectiveness of the Tax Department	Milestone	Integration of operations of the direct tax administration department within the ITAS
211	C3.5R10 Addressing Aggressive Tax Planning	Milestone	Entry into force of legislative changes addressing the findings of an independent evaluation on the effectiveness of measures related to aggressive tax planning
226	C4.2R1 Digital Services Factory	Target	Delivery online of at least 70 services to the public through the Digital Services Factory

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
239b	C5.1R1 Addressing skills mismatch between education and labour market (Secondary and Higher Education)	Target	Completion of the in-job shadowing programme
239c	C5.1R1 Addressing skills mismatch between education and labour market (Secondary and Higher Education)	Target	Laboratories equipped and updated
244	C5.1R3 Gradual extension of free compulsory pre-primary education from the age of four	Target	Children aged between 4 years and 4 years and 8 months enrolled in public, community and private kindergartens
245	C5.1R3 Gradual extension of free compulsory pre-primary education from the age of four	Target	At least 675 new places in public kindergartens. Adoption by the Council of Ministers of an action plan which shall describe plans for the gradual expansion of the capacity in public kindergartens and the gradual corresponding reduction of the two aid schemes from the time of the entry into force of the law until the completion of the decrease in compulsory age.
246b	C5.1R4 Digital transformation of school units with the aim of enhancing digital skills and skills related to STEM education	Target	Partial reimbursement for the purchase of digital equipment for pupils
248	C5.1R4 Digital transformation of school units with the aim of enhancing digital skills and skills related to STEM education	Target	Teachers benefitting from In-Service Training & Professional Development

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
252	C5.1I1 Construction of one Model Technical School	Milestone	Completion of construction of one Technical School
260	C5.2I1 Improving the effectiveness of the Department of Labour and Public Employment Services and reinforcing support for young people	Target	Coaching and career guidance for young people not in employment or in education or training (NEETs)
263	C5.2I2 Establishment of multifunctional centres and childcare centres	Target	Grant awarded to at least 15 local authorities/ Non-Governmental Organisations for establishing or enhancing Multifunctional Centres or Child Centres
265	C5.2I3 Establishment of Home structures for persons with disabilities and people in need of long term care (LTC)	Target	Buildings for the needs of persons with disabilities and support for homes for people in need of long-term care (establishment)
29b	C6.1I1 Scaled-up measure: Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty in households with vulnerable electricity consumers	Target	Dwellings and households with vulnerable electricity consumers having improved their energy performance
32b	C6.1I2 Scaled-up measure: Encouraging the use of renewables and energy savings by local/wider public authorities	Target	Reduced primary energy consumption due to investments undertaken by local and wider public authorities, improving their energy performance
275	C6.1I3 Promoting extensive energy upgrading of housing stock	Target	Households being energy renovated, improving their energy performance
102b	C6.1I5 Scaled-up measure: Scheme for the enhancement of the competitiveness and the energy efficiency of large enterprises in Cyprus	Target	Grants to large enterprises

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
131b	C6.1I6 Scaled-up measure: Thematic research and innovation funding program on green transition	Target	Completed projects on green transition R&I activities
277	C6.1I7 Thematic research in enterprises for energy production, storage, transmission and distribution solutions	Target	Completed projects on energy production, storage, transmission and distribution solutions R&I activities
81	C2.3I6 Enhance water security for Nicosia and Larnaca regions	Target	Completion of construction of two additional glass lined steel reservoirs in Nicosia district and 1 concrete water reservoir in Larnaca district
77b	C2.3I5 Anti-flood and water collection measures	Milestone	Completion of construction works of drainage network and reconstruction of streets and pavements in areas of Nicosia
242	C5.1R2 A new teacher and school evaluation system	Target	Training of teaching staff
18	C1.1I5 Enhancement, modernisation and upgrade of Cyprus State Hospitals	Target	Enhanced, constructed and/or upgraded State hospitals
		Instalment Amount	EUR 190 722 633

2. Loan

The instalments referred to in Article 3(2) shall be organised in the following manner:

2.1. First Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
16	C1.1R3 Gradually shifting the healthcare provision and reimbursement framework towards value-based models.	Milestone	Value-based reimbursement to be reflected for primary and in-patient care
49	C2.1I11 Ending energy isolation - Project of Common Interest "EuroAsia Interconnector"	Milestone	Start of the construction works of the HVDC Converter Station in Kofinou and the onshore infrastructure in Cyprus
91	C3.1I1 Marine aquaculture construction	Milestone	Construction of the collaborative marine aquaculture
270	C5.2R1 Reform of the Social Insurance System and Restructuring of the Social Insurance Services	Milestone	Entry into force of the revised Social Insurance Law
		Instalment Amount	EUR 62 172 630

2.2. Second Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
57	C2.2I1 Implementation of Sustainable Urban Mobility Projects (SUMP) and accessibility enhancing measures	Milestone	Contracts signature for the construction work of sustainable transport infrastructure and ancillary installations
67	C2.3I1 Choirokitia-Famagusta Conveyor Replacement	Milestone	Preparation of tender documents and issue call for tenders

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
		Instalment Amount	EUR 11 086 315

2.3. Third Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
50	C2.1I11 Ending energy isolation - Project of Common Interest "EuroAsia Interconnector"	Milestone	Completion of construction of converter station
		Instalment Amount	EUR 62 543 160

2.4. Fourth Instalment (loan support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
51	C2.1I11 Ending energy isolation - Project of Common Interest "EuroAsia Interconnector"	Milestone	Completed and fully operational facility of the electricity interconnection between Cyprus-Crete (Greece)
92	C3.1I1 Marine aquaculture construction	Milestone	Operational collaborative marine aquaculture Infrastructure
116b	C3.1I11Improvement and extension of the Cyprus Green Points Network and creation of a network of Collection Points and Recycling Corners	Milestone	Setting in operation of small Green Points
117	C3.1I11 Improvement and extension of the Cyprus Green Points Network and creation of a network of Collection Points and Recycling Corners	Target	Setting in operation of 8 Green Points
190	C3.4I9 Aid Scheme for the private and public sector for certification with ISO 37001 (Anti i Bribery)	Target	ISO 37001 anti-bribery management systems

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
271	C5.2R1 Reform of the Social Insurance System and Restructuring of the Social Insurance Services	Milestone	Completion and go-live of the Integrated Social Security Information System including payment module, benefits administration module, data analytics and interoperability with other systems.
165	C3.4I2 Digitalisation of the law-making process	Milestone	Implementation of the Cyprus Legislation Preparation Platform
166	C3.4I2 Digitalisation of the law-making process	Milestone	Digitalisation of laws & regulations in the new platform
58	C2.2I1 Implementation of Sustainable Urban Mobility Projects (SUMP) and accessibility enhancing measures	Target	Completion of construction work for at least 52km of sustainable transport routes
59	C2.2I1 Implementation of Sustainable Urban Mobility Projects (SUMP) and accessibility enhancing measures	Target	Completion of construction work for at least 644 ancillary installations related to sustainable transport
68	C2.3I1 Choirokitia-Famagusta Conveyor Replacement	Target	Installation of new pipeline with total length of 20km
179	C3.4I6 Regeneration and Revitalisation of Nicosia Inner City	Milestone	Renovation of Faneromeni School
		Instalment Amount	EUR 64 517 895

SECTION 3: ADDITIONAL ARRANGEMENTS

1. Arrangements for monitoring and implementation of the recovery and resilience plan

The monitoring and implementation of the recovery and resilience plan of Cyprus has been set out in the Council of Ministers decision of 14 May 2021, which approved the plan. They shall take place in accordance with the following arrangements:

- The Monitoring Committee, chaired by the Director General of the Directorate General Growth, Ministry of Finance and attended by the Directors-General of Ministries and Deputy Ministries involved in the plan, shall be responsible for centrally monitoring progress in implementation, resolving issues and responding to risks at the highest technical level. It shall convene at least before each submission to the Commission of requests for payment and progress reports provided for under Regulation (EU) 2021/241. It may rely on reporting and other support from the Coordinating Authority.

- The Coordinating Authority, which is the Directorate for Recovery and Resilience of the Directorate General Growth, shall be responsible for the monitoring and implementation of the recovery and resilience plan at operational level. Specifically, the Coordinating Authority is responsible for monitoring, verifying and certifying the achievement of the milestones and targets of measures of the plan and ensuring the timely submission of all information described in Article 22(2), point (d) of Regulation (EU) 2021/241. In performing its monitoring functions, the Coordinating Authority is assisted by two specialised Monitoring Bodies designated for specific measures of the plan.

- The National Control and Audit Coordinator for the implementation of the plan, which is the Verifications and Certification Directorate of the Treasury of the Republic of Cyprus, shall be responsible for supporting the Coordinating Authority in overseeing controls by all stakeholders, including Implementing Bodies, in accordance with the management and control system of the plan and the national and EU legislation. In that respect, it shall also monitor the status of the findings of ex post audits, acting as the intermediate body between the Coordinating Authority and the Internal Audit Service of the Republic of Cyprus and the Audit Office of the Republic of Cyprus (together, "the audit bodies"). The National Control and Audit Coordinator shall not be involved in the planning and execution of the audits, which is within the sole responsibility of the audit bodies. It shall manage and process all information described in Article 22(2), point (d) of Regulation (EU) 2021/241, collected by the Implementing Bodies. In this respect, it has the responsibility to

oversee the treatment of serious irregularities, meaning fraud, corruption and conflicts of interests, and ensure that double funding is avoided through controls of the information submitted by the Implementing Bodies.

- The Implementing Bodies shall have the first line responsibility to prevent, detect, report and correct conflicts of interest, corruption and fraud, and avoid double funding. To that end, they shall undertake first level controls and verifications of the physical and financial aspect of the measures under their responsibility and regularly update the Coordinating Authority and the specialised Monitoring Bodies, where relevant, regarding progress in achieving the milestones and targets of the measures under their responsibility and by providing all the necessary supporting documentation.
- The Internal Audit Service of the Republic of Cyprus is responsible for conducting ex post internal audits in any central government body including the audit of the achievement of milestones and targets of the plan, through an appropriate sampling method. The Audit Office of the Republic of Cyprus is responsible for conducting financial, performance and compliance ex post (and in some cases real time) external audits for projects implemented under the national budget through an appropriate sampling method which complies with the International Organisation of Supreme Audit Institutions (INTOSAI) standards. It shall be ensured that the selected sample necessarily includes a sufficient number of measures implemented through the the recovery and resilience plan.
- The Coordinating Authority shall be the body drawing up the requests for payment to the European Commission. The Coordinating Authority shall be supported by the National Control and Audit Coordinator in retrieving the results of audit procedures undertaken by the audit bodies (including the Internal Audit Service and the Audit Office), as well as all cases of serious irregularities, including cases of fraud or suspicion of fraud, corruption and conflicts of interest, that shall feed into the summary of audits, which shall accompany payment applications.

2. Arrangements for providing full access by the Commission to the underlying data

A dedicated Monitoring Information System (MIS) shall be used by the Directorate for Recovery and Resilience of the Directorate General Growth for the implementation of the plan. Its core functionalities, or a contingent repository system with the required functionalities, shall be in place as attested by an audit report by 31 March 2022. In terms of required functionalities, a repository system shall record and store the relevant data related to the implementation of the recovery and resilience plan, in particular on the

achievement of milestones and targets, data on final recipients, contractors, subcontractors and beneficial owners in line with Article 22(2), point (d), sections (i) to (iii) of Regulation (EU) 2021/241, by the first payment request.

In accordance with Article 24(2) of Regulation (EU) 2021/241, upon completion of the relevant agreed milestones and targets in Section 1 of this Annex, Cyprus shall submit to the Commission a duly justified request for payment of the financial contribution and of the loan. Cyprus shall ensure that, upon request, the Commission has full access to the underlying relevant data that supports the due justification of the request for payment, both for the assessment of the request for payment in accordance with Article 24(3) of Regulation (EU) 2021/241 and for audit and control purposes.