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COMMISSION STAFF WORKING DOCUMENT

2025 Environmental Implementation Review
Country Report - CYPRUS

Accompanying the document

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

2025 Environmental Implementation Review for prosperity and security

{COM(2025) 420 final} - {SWD(2025) 300 final} - {SWD(2025) 301 final} - {SWD(2025) 302 final} - {SWD(2025) 303 final} - {SWD(2025) 305 final} - {SWD(2025) 306 final} - {SWD(2025) 307 final} - {SWD(2025) 308 final} - {SWD(2025) 309 final} - {SWD(2025) 310 final} - {SWD(2025) 311 final} - {SWD(2025) 312 final} - {SWD(2025) 313 final} - {SWD(2025) 314 final} - {SWD(2025) 315 final} - {SWD(2025) 316 final} - {SWD(2025) 317 final} - {SWD(2025) 318 final} - {SWD(2025) 319 final} - {SWD(2025) 320 final} - {SWD(2025) 321 final} - {SWD(2025) 322 final} - {SWD(2025) 323 final} - {SWD(2025) 324 final} - {SWD(2025) 325 final} - {SWD(2025) 326 final}

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Executive summary

In May 2016, the European Commission launched the Environmental Implementation Review (EIR), a regular reporting tool based on analysis, dialogue and collaboration with EU Member States to improve the implementation of existing EU environmental policy and legislation ([1]). Following previous cycles in 2017, 2019 and 2022, this report assesses the progress made while describing the main outstanding challenges and opportunities regarding environmental legal implementation in Cyprus. The purpose of this report is to provide information on the implementation performance and highlight the most effective ways to address the implementation gaps that impact human health and the environment and hamper the economic development and competitiveness of the country. The report relies on detailed sectoral implementation reports collected or issued by the Commission under specific environmental legislation.

The main challenges set out below have been selected from Part I of this report, 'Thematic areas', taking into consideration factors such as the gravity of the environmental implementation issue in light of the impact on the quality of life of citizens, the distance to target, and financial implications. In Cyprus, such challenges have been lingering since the first EIR in 2017 and require urgent action.

Urgent reforms and investments in waste management and the circular economy are needed to move away from Cyprus's reliance on waste disposal in landfills, which remains significant. The rehabilitation of two remaining illegal landfills is ongoing, although progress is very slow (Cyprus was condemned by the Court of Justice of the European Union in 2013 and, unless it steps up its efforts, it risks being referred back to the Court of Justice and receiving financial sanctions). Waste generation in Cyprus is significantly above the EU average. Cyprus makes very limited use of economic instruments in this area. Cyprus missed the 2020 target to recycle 50 % of its municipal waste by a great margin and is on course to miss the 2025 targets of 55 % recycling of municipal waste and 65 % recycling of all packaging waste.

On **nature protection**, there are still some insufficiencies in designation. Therefore, Cyprus has still to complete its Natura 2000 network, in particular the marine part. An infringement case is open on the matter. There seems to be a lack of progress in maintaining or restoring the favourable conservation status of species and habitats protected under the Nature Directives. Furthermore, the quality of the conservation objectives and measures is insufficient. Moreover, Cyprus has drawn up management plans for most SCIs, but the majority of these are outdated. The effective protection of Natura 2000 areas – especially the coastal zone – from incompatible activities or developments that fragment or degrade them remains a concern. Management plans for these areas must be completed and properly implemented and all necessary environmental assessments carried out correctly before potentially damaging plans or projects can be approved. The necessary mitigation measures should be properly applied. Some progress has been made on the illegal trapping of birds thanks to increased enforcement and stricter fines for mist netting in legislation. However, the trapping numbers are still unacceptably high and more efforts are required to drastically reduce and ultimately put an end to such illegal practices.

Water abstraction remains the main pressure on **water** in Cyprus. Urban wastewater treatment remains an issue in Cyprus, with slow progress and limited funding sources.

The overall **environmental investment need** to enable Cyprus to meet its objectives in the main environmental areas is EUR 560 million per year. The estimated requirement is balanced across the four environmental objectives (water, circular economy, pollution prevention and control, and biodiversity and ecosystems), with a slight skew towards the water objective (EUR 169 million per year). To meet its four environmental objectives beyond climate change, the additional investment need over the current levels – **the environmental gap** – reaches an estimated EUR 211 million per year in Cyprus, representing around 0.78 % of the national gross domestic product, being lower than the EU average (0.77 %).

On **environmental governance**, Cyprus still needs to improve access to courts in national environmental cases for the public concerned and eliminate practical barriers, such as excessive costs.

On **the positive side**, Cyprus has been working on putting in place a digital one-stop shop for issuing permits for renewable energy sources projects, which is in included in its recovery and resilience plan. Cyprus also has an excellent record under the Bathing Water Directive: 97.6 % of Cypriot bathing waters are of excellent quality.

([1]) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Delivering the benefits of EU environmental policies through a regular environmental implementation review, COM(2016) 316 final of 27 May 2016, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2016%3A316%3AFIN.

Part I: Thematic areas

1. Circular economy and waste management

Transitioning to a circular economy

Advancing the transition to a circular economy in the EU will reduce the environmental and climate impact of our industrial systems by reducing input materials, keeping products and materials in the loop for longer and reducing waste generation, thus decoupling economic growth from resource consumption. A circular economy has considerable potential to increase competitiveness and job creation and will also promote innovation and provide access to new markets. With the 2020 circular economy action plan (CEAP) ([2]) measures either in place or legislatively advanced, Member States will now have to focus on a swift and effective implementation.

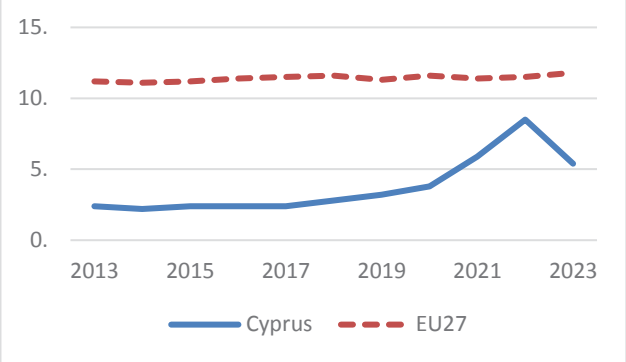
The 2020 CEAP launched the legislative process for a set of initiatives that will now have to be implemented by national governments across the EU. These initiatives were all introduced following a holistic life-cycle approach, with measures addressing the different stages of a product's life cycle, from design through use to end of life.

In the CEAP, the EU sets as its overarching objective the doubling of its circular material use rate (CMUR) by 2030.

The CMUR is a measure of one aspect of circularity: the share of the total amount of material used in the economy that is accounted for by recycled waste. A higher CMUR value means that more secondary materials were used as a substitute for raw materials, thus reducing the environmental impacts of extracting primary material.

The circular use of material in Cyprus was at its highest rate in 2022, when it reached 8.5 % following a steady increase, thus showing the country's potential. However, with a decrease to 5.4 % in 2023, it is far behind the EU average of 11.8 % (Figure 1).

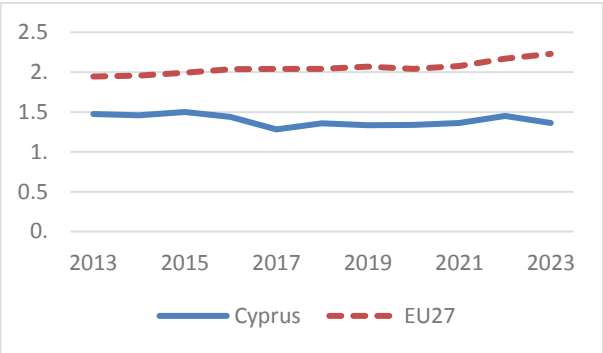
Figure 1: CMUR (%), 2013–2023



Source: Eurostat, 'Circular material use rate', env_ac_cur, last updated 13 November 2024, accessed 10 December 2024, https://ec.europa.eu/eurostat/databrowser/product/view/env_ac_cur.

Resource productivity measures the total amount of materials directly used by an economy in relation to gross domestic product (GDP). Improving resource productivity can help to minimise negative impacts on the environment and reduce dependency on volatile raw material markets. As shown in Figure 2, with EUR 1.36 generated per kg of material consumed in 2023, resource productivity in Cyprus is well below the EU average of EUR 2.22 EUR per kg.

Figure 2: Resource productivity (EUR/kg), 2013–2023



NB: The unit of measurement used is EUR/kg chain-linked volume (2015). Chain-linked volumes focus on changes on quantities and prices of commodities in previous years, taking account of inflation, and are indexed to the nearest appropriate year, in this case 2015.

Source: Eurostat, 'Resource productivity', env_ac_rp, last updated 7 August 2024, accessed 10 December 2024, https://ec.europa.eu/eurostat/databrowser/product/view/env_ac_rp.

([2]) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A new circular economy action plan for a cleaner and more competitive Europe, COM(2020) 98 final of 11 March 2020, https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX:52020DC0098.

Policies and measures

In parallel with European initiatives under the CEAP, Member States are encouraged to adopt and implement circular strategies at the national, regional and city levels. These should be tailored to each national and local reality, to harness the proximity economy's ([3]) potential, while following the principles of a holistic whole-value-chain approach.

Since the launch of the online European Circular Economy Stakeholder Platform in 2017 ([4]) national, regional and local authorities have used the platform to share their strategies, roadmaps and good practices, for example alternative business models and innovative technologies.

Cyprus's 2021–2027 CEAP, reinforced by the recovery and resilience plan (RRP), is advancing the country's transition to sustainable resource management. Coordinated across several ministries, the CEAP focuses on cultivating circular economy awareness, encouraging investments, developing essential infrastructure and managing municipal waste effectively. Priority sectors such as agriculture, food, manufacturing and hospitality are targeted due to their economic impact and potential for circular integration.

Cyprus had planned the revision of its waste prevention programme for 2022. A draft plan was published in 2022 for consultation. To date, the Commission has not been able to verify if a revised plan has been adopted.

The RRP provides crucial support, funding projects that strengthen the circular economy infrastructure. The 'Go circular' funding scheme, backed by EUR 1 million, supports research and development for circular products, while a EUR 13.3 million grant scheme incentivises businesses to adopt circular practices. Additionally, the RRP dedicates EUR 3.5 million to green recycling kiosks in remote areas and EUR 10 million to expanding the Green Points Network for rural waste management. These adaptive, multistakeholder initiatives under the RRP and CEAP are essential in reducing Cyprus's environmental footprint and aligning it with EU sustainability objectives.

Green public procurement

Public procurement accounts for a large proportion of European consumption, with public authorities' purchasing power representing around 14 % of EU GDP. Public procurement using green or circular criteria (life-cycle analysis, PaaS (platform as a service), second hand) can help drive the demand for sustainable products that meet reparability and recyclability standards.

A national strategy for green public procurement has been in force since March 2007, and a second strategy was adopted in 2012. The implementation of the national action plan for green public procurement is mandatory for all public-sector contracting authorities, public law organisations and local authorities.

All public procurers must apply at least the core criteria from the EU's recommended green public procurement criteria sets as well as the criteria set at the national level. These criteria cover office equipment, paper, electricity, cleaning products and services, sanitary ware, construction (building and road), food products and services, furniture, textiles, transport, and gardening products and services. Every few years, the Department of Environment publishes a review of achievements, drawn up based on questionnaires and direct contact with the public authorities concerned. Since 2014, the department has organised an award for green procurements, the CY GPP Awards. All contracting authorities that purchase green products through their tenders or other procedures are eligible for this award.

No further measures have been brought to the Commission's attention since the 2022 Environmental Implementation Review (EIR).

The EU Ecolabel and the eco-management and audit scheme

The number of EU Ecolabel product groups and the number of eco-management and audit scheme (EMAS)-licensed organisations in each country provide some indication of the extent to which the private sector and national stakeholders in that country are actively engaged in the transition to a circular economy. The EU Ecolabel is awarded to products with best-in-class environmental performance. EMAS is a voluntary environment management scheme aimed at reducing the environmental impacts of organisations.

As of September 2024, Cyprus had 84 products out of 98 977 and 3 licenses out of 2 983 registered in the EU Ecolabel scheme, showing no progress since 2021. On the other hand, as of October 2024, 89 organisations from Cyprus were registered in EMAS, 16 more than in 2021 ([5]).

Cyprus's CMUR decreased considerably, by 3.1 percentage points between 2022 and 2023. This

([3]) European Commission, 'Proximity and social economy ecosystem', European Commission website, https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy_en.

([4]) Circular Economy Stakeholder Platform (https://circulareconomy.europa.eu/platform/en/strategies).

([5]) European Commission, 'EMAS Register – Published organisations', EMAS Register website, https://webgate.ec.europa.eu/emas2/public/registration/list.

represents a step back from the 2022 priority action to take measures to increase the rate.

2025 priority action

- Adopt measures to increase the circular material use rate.

Waste management

Turning waste into a resource is supported by:

(i) addressing the full life cycle of products, from conception to end of life, by setting requirements on the design of products to ensure that they are more sustainable;
(ii) fully implementing EU waste legislation, which includes the waste hierarchy, the obligation to ensure separate collection of waste, landfill diversion targets, etc.;
(iii) reducing waste generation per capita and in absolute terms;
(iv) increasing the recycling rates of waste containing critical raw materials (CRMs), with a view to reducing dependencies and building resilient value chains, and stimulating demand for recycled content in all products;
(v) limiting energy recovery to non-recyclable materials; and
(vi) phasing out landfilling of recyclable or recoverable waste.

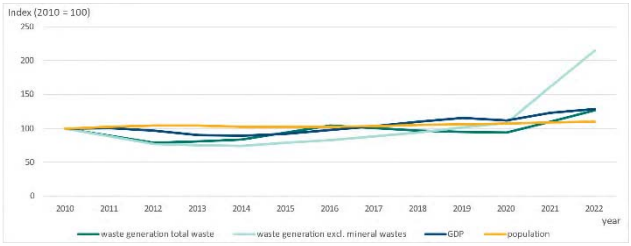
One of the main objectives of the EU Waste Law is to decouple economic growth from its environmental impacts.

The EU's approach to waste management is based on the waste treatment hierarchy: prevention, preparing for reuse, recycling, recovery and, as the least preferred option, disposal (which includes landfilling and incineration without energy recovery).

All legislative proposals in the field of waste management put forward by the Commission since 2021 are intended to encourage Member States to promote better product design, to require producers to cover the costs of managing the waste resulting from their products and to ensure that waste is managed at the higher levels of the waste hierarchy.

Cyprus's total waste generation follows a slightly fluctuating trend, with an increase in 2022, which becomes more pronounced when excluding major mineral wastes (Figure 3). Within waste (excluding major mineral waste), mixed waste and animal and vegetable waste are the largest waste categories. For mixed waste, a steady increase in the generated amounts can be observed and this category has more than doubled since 2010. Amounts of animal and vegetable waste strongly increased in 2022, being the main driver for the steep increase observed for generation of waste excluding major mineral waste. Cyprus's GDP shows a steady growth throughout the considered time frame, with a drop in 2020, most likely due to the COVID-19 outbreak. While a longer time series is needed to confirm decoupling from GDP, waste generation appears not to have been decoupled from economic growth.

Figure 3: Generation of waste (total and excluding major mineral waste), population and GDP, 2010–2022



Sources: Eurostat, 'GDP and main components (output, expenditure and income)', nama_10_gdp, accessed 15 October 2024, https://ec.europa.eu/eurostat/databrowser/view/nama_10_gdp__custom_9301905/default/table; Eurostat, 'Generation of waste by waste category, hazardousness and NACE Rev. 2 activity', env_wasgen, last updated 30 September 2024, accessed 22 October 2024, https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en; Eurostat, 'Population change – Demographic balance and crude rates at national level', demo_grind, accessed 15 October 2024, https://ec.europa.eu/eurostat/databrowser/view/demo_gind/default/table?lang=en&category=demo.demo_ind.

Critical raw materials

Cyprus has adopted measures aiming to improve the performance of extended producer responsibility (EPR) schemes for products rich in CRMs, such as waste electrical and electronic equipment (WEEE), batteries and construction and demolition waste. Specific measures to prolong the lifetime of electrical and electronic equipment (EEE) and promote their reuse, repair and remanufacturing are included in the new waste prevention programme, which was expected to be adopted by the end of 2024. Such measures include (i) the development of an action plan for the sustainable management of WEEE; (ii) the establishment of a WEEE return scheme by retailers for reuse, repair and remanufacturing through the collective EPR scheme; (iii) the introduction of measures to support existing EEE repair businesses and to promote new innovative business models for EEE, including sharing, leasing, renting and lending; (iv) the adoption of new EU regulations on eco-design and the repair of goods relating to the provision of information to consumers about the lifetime of EEE, repair possibilities and warranty periods; and (v) the creation of EEE repair/reuse centres and a network of stores.

There are also measures that address batteries and accumulators: (i) the development of an action plan for the sustainable management of batteries and accumulators; (ii) the extension of the EPR collective

scheme or the creation of a new collective system to include portable batteries of up to 5 kg, in line with the new EU regulations, and the establishment of producer responsibility for the management of light-vehicle batteries; and (iii) increasing the provision of information to consumers regarding the separate collection and management of batteries.

EPR schemes have been established for batteries, WEEE and construction and demolition waste, while for vehicles end-of-life procedures are in place for their rational management. Batteries and WEEE are collected from households though the EPR schemes. WEEE are transported to waste treatment facilities for pretreatment and subsequently exported for further treatment. Batteries are directly exported for treatment. End-of-life vehicles are also transported to waste treatment facilities for pretreatment and subsequently exported for further treatment. The mandatory application of European standard EN 50625 for WEEE is currently being considered. Changes to the EPR schemes are also being considered (including increased financing), alongside increased separate collection requirements and public awareness campaigns, particularly regarding WEEE. As regards the use of secondary CRMs, public procurement will be considered in the future; when it comes to research and innovation aspects, Cyprus is planning to carry out a mapping of old mining waste to find copper (Cu). Finally, Cyprus has reported the deployment of measures that could remove regulatory barriers for cross-border waste treatment. If Cyprus were to remove such regulatory measures, it could be assumed that Cyprus would have in place policies that enable the circularity of CRMs.

Construction and demolition waste

Construction and demolition waste accounts for almost 40 % of all waste generated in the EU. A recent study ([6]) by the Joint Research Centre shows that recycling and preparation for reuse are preferred over incineration and landfilling from an environmental perspective for most of the different streams of construction and demolition waste. However, the economics are often unfavourable for recycling and preparation for reuse compared with incineration and landfilling. If available technology were to be applied, it is estimated that an increase in recycling and preparation for reuse would lead to an additional 33 Mt of greenhouse gas (GHG) emission savings annually (more than, for example, the combined annual GHG emissions from Estonia, Latvia and Luxembourg).

The rate of recycling and preparation for reuse of mineral construction and demolition waste in Cyprus in 2022 was 92.3 %, compared with the EU average of 79.8 %. Measures to further increase the rate of recycling and preparation for reuse of construction and demolition waste include separate collection at the source – for instance, through digitalised pre-demolition audits ([7]) ('resource assessments'); EPR and other economic instruments; and upstream measures such as increasing the recycled content in construction products and the circular design ([8]) of construction works.

Boosting implementation – the 2023 *Waste Early Warning Report*

This section focuses on the management of municipal waste ([9]), for which EU law sets mandatory recycling targets. In June 2023, the Commission published the *Waste Early Warning Report* ([10]) identifying the general trends in waste management and the Member States at risk of missing 2025 waste targets (see Figure 4). Cyprus is at risk of missing both the municipal waste target and the packaging waste target. Cyprus is also at risk of not meeting the 2035 target of having a maximum of 10 % of municipal waste landfilled.

([6]) European Commission: Joint Research Centre, Cristobal Garcia, J., Caro, D. et al., *Techno-economic and environmental assessment of construction and demolition waste management in the European Union*, Publications Office of the European Union, Luxembourg, 2024, https://publications.jrc.ec.europa.eu/repository/handle/JRC135470.

([7]) European Commission: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, *EU Construction & Demolition Waste Management Protocol including guidelines for pre-demolition and pre-renovation audits of construction works – Updated edition 2024*, Publications Office of the European Union, Luxembourg, 2024, https://op.europa.eu/en/publication-detail/-/publication/d63d5a8f-64e8-11ef-a8ba-01aa75ed71a1/language-en.

([8]) European Commission, *Circular Economy – Principles for buildings design*, Brussels, 2020, https://ec.europa.eu/docsroom/documents/39984.

([9]) Municipal waste consists of (i) mixed waste and separately collected waste from households, including paper and cardboard, glass, metals, plastics, biowaste, wood, textiles, packaging, WEEE, waste batteries and accumulators, and bulky waste, including mattresses and furniture; and (ii) mixed waste and separately collected waste from other sources, where such waste is similar in nature and composition to waste from households (Directive 2008/98/EC, Article 3.2b).

([10]) https://environment.ec.europa.eu/publications/waste-early-warning-report_en.

Figure 4: Member States' prospects of meeting the preparing for reuse and recycling targets for municipal waste and packaging waste

- Member States not at risk of missing the 55 % preparing for reuse and recycling target for municipal waste and the 65 % recycling target for packaging waste
- Member States at risk of missing the preparing for reuse and recycling target for municipal waste but not at risk of missing the recycling target for packaging waste
- Member States at risk of missing both targets
- Outside coverage

Source: European Environment Agency (EEA), 'Many EU Member States not on track to meet recycling targets for municipal waste and packaging waste', briefing No 28/2022, Copenhagen, 2023. Reference data © ESRI.

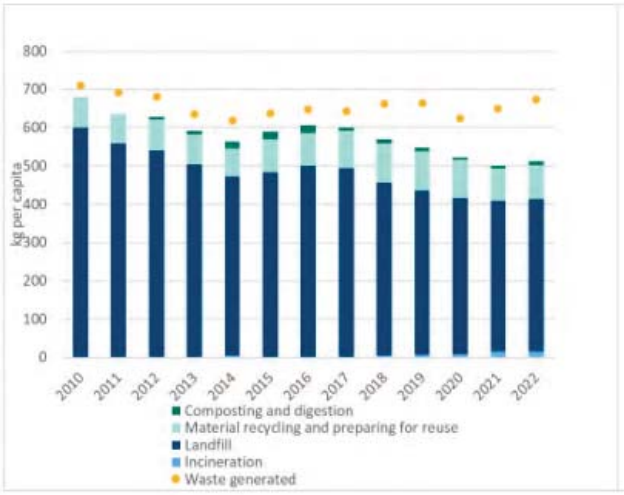
Under certain conditions, EU waste legislation enables some Member States to postpone the deadlines for reaching certain waste management targets for municipal and packaging waste. Member States that want to use this possibility have to notify the Commission 24 months in advance of the deadline and submit an implementation plan laying down the steps they envisage to reach the postponed targets within a new time frame. Regarding the 2025 targets, 11 Member States, not including Cyprus, have used this prerogative.

In the *Waste Early Warning Report*, the Commission recommended that Member States accelerate their efforts to improve their recycling performance. The Commission is, on one hand, working together with the national authorities and stakeholders to speed up the implementation of measures necessary to meet the targets, including through dedicated financing. On the other hand, the Commission is pursuing enforcement actions against those Member States that, based on data submitted to the Commission, do not achieve the targets of the Waste Framework Directive([11]) , the Packaging and Packaging Waste Directive ([12]) and the Directive on WEEE ([13]).

Municipal waste

Municipal waste generation in Cyprus decreased slightly between 2010 and 2022 (Figure 5). In 2022, the country generated 673 kg of municipal waste per capita, which is significantly above the estimated EU-27 average of 513 kg per capita. The high per capita values might be influenced by the high levels of touristic activity ([14]).

Figure 5: Municipal waste management and recycling (including preparation for reuse), 2010–2022



Source: Eurostat, 'Municipal waste by waste management operations', env_wasmun, accessed 22 October 2024, https://ec.europa.eu/eurostat/databrowser/view/ENV_WASMUN/default/table.

For municipal waste, little progress has been made recently: in 2022, only 15 % of municipal waste was prepared for reuse or recycled, which is significantly below

([11]) Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives, Directive - 2008/98 - EN - Waste framework directive - EUR-Lex.

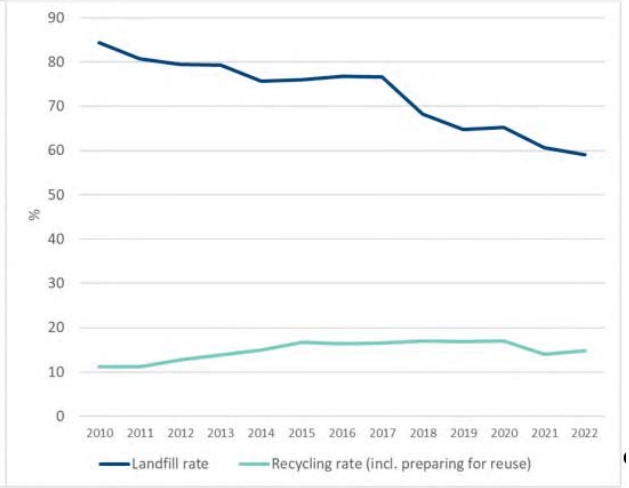
([12]) European Parliament and Council Directive 94/62/EC of 20 December 1994 on packaging and packaging waste (OJ L 365, 31/12/1994, p. 10–23), Directive - 94/62 - EN - EUR-Lex.

([13]) Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) (OJ L 197, 24.7.2012, p. 38), Directive - 2012/19 - EN - EUR-Lex.

([14]) European Environment Agency (EAA), *Early warning assessment related to the 2025 targets for municipal and packaging waste – Cyprus*, Copenhagen, 2022, https://www.eea.europa.eu/publications/many-eu-member-states/cyprus/view.

the EU-27 average of 49 % in the same year. The mixed waste is mostly treated in mechanical biological treatment plants; the outputs of these plants are often landfilled or exported for recycling. In contrast, the amounts of waste sent to incineration are very low (EEA, 2023).

Figure 6: Recycling (including preparation for reuse) and landfill rates (%), 2010–2022



NB: As of reference year 2020, new reporting rules apply to calculating recycled municipal waste pursuant to the targets laid down in Article 11(2)(c–e) of Directive 2008/98/EC. However, it is unclear based on the information available whether these new reporting rules have been implemented in Cyprus yet.

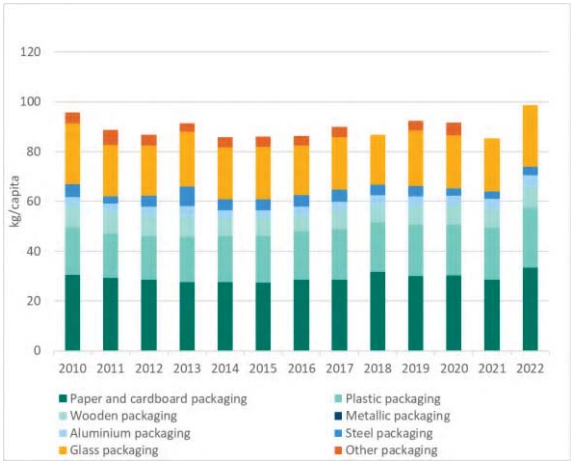
Source: Eurostat, 'Municipal waste by waste management operations', env_wasmun, accessed 22 October 2024, https://ec.europa.eu/eurostat/databrowser/view/ENV_WASMUN/default/table.

Cyprus' landfill rate decreased significantly during the considered time period; however, the recycling rate stagnated. In 2022, the landfill rate was 59 %.

Packaging waste

Cyprus generated 99 kg per capita of packaging waste in 2022, which is significantly below the estimated EU-27 average of 186 kg per capita in the same year ([15]). This seemingly low value could originate from under-reporting of packaging placed on the market (EEA, 2023).

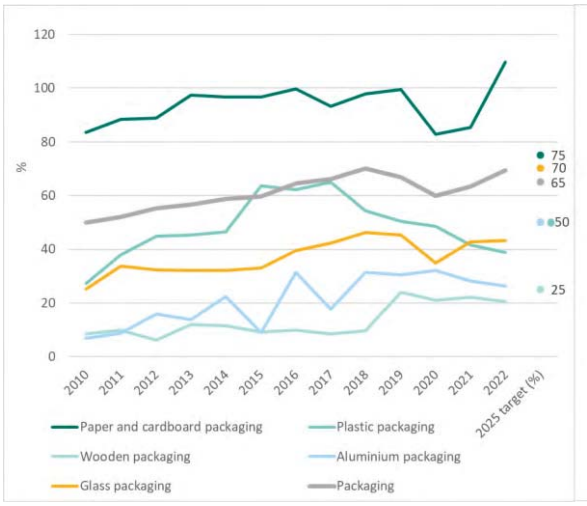
Figure 7: Packaging waste generation, 2010–2022



Source: Eurostat, 'Packaging waste by waste management operations', env_waspac, last updated 23 October 2024, accessed 28 October 2024, https://ec.europa.eu/eurostat/databrowser/view/ENV_WASPAC__custom_842634/default/table?lang=en.

The country's overall packaging waste recycling rate significantly increased throughout the considered time frame, reaching 70 % in 2022 (Figure 8). The overall packaging recycling rate is mainly influenced by paper and cardboard packaging, as this constitutes the largest share of recyclable waste and has the highest recycling rate. However, data quality issues are likely to result in overestimating the recycling rate.

Figure 8: Packaging waste recycling rates (%), 2010–2022



NB: The method of calculating recycled packaging waste has changed, pursuant to Article 6(a) of Directive 94/62/EC. Cyprus has applied the new calculation rules since reference year 2020. However, a significant proportion of its sorted packaging waste is exported for recycling and information on how much of the exported waste is actually recycled is lacking.

Source: Eurostat, 'Packaging waste by waste management operations', env_waspac, last updated 23 October 2024, accessed 28 October 2024,

([15]) The EU average might have been influenced by not all Member States fully applying the reporting rules for packaging waste set out in Commission Implementing Decision (EU) 2019/665.

https://ec.europa.eu/eurostat/databrowser/view/ENV_WASPAC__custom_842634/default/table?lang=en.

The recycling rates for paper and cardboard continuously exceeded the 2025 recycling targets, while the recycling rates for all other materials stayed below the 2025 targets in 2021 and 2022. However, there are data quality issues regarding packaging, reflected by the disparity between the low municipal waste recycling rates and high packaging waste recycling rates. This inconsistency arises from a significant portion of packaging waste being generated by households, and therefore constituting municipal waste.

Policies to encourage waste prevention

Waste management plans and waste prevention programmes are instrumental to the full implementation of EU waste legislation. They set out key provisions and investments to ensure compliance with existing and new legal requirements (e.g. on waste prevention, on separate collection for certain waste streams, on recycling and on landfill targets).

The municipal waste management plan for 2022–2028 outlines the measures, actions and procedures required for sustainable waste management and Cyprus' transition to a zero-waste economy (Department for Environment, 2022). It aims to fulfil Cyprus' obligations under Article 28 of the Waste Framework Directive (Directive 2008/98/EC), specifically the compliance with European directives aiming to achieve reuse, recycling and waste reduction goals. The plan includes an analysis of the current situation regarding waste management and existing infrastructure. It also outlines measures to improve the environmentally sound preparation for reuse, recycling, recovery and disposal of waste (Department for Environment, 2022).

Policies to encourage separate collection and recycling

With regard to policies that encourage separate collection and recycling, Cyprus, under the EU Cohesion policy funds, runs a programme aiding local authorities in meeting waste sorting and collection obligations, with a focus on organic waste. It promotes pay as you throw schemes involving infrastructure, monitoring, training and awareness efforts. Residents will pay based on prepaid bags. Feasibility studies are ongoing and implementation is expected to finish by 2026. Cyprus has also recently finalised a regulation establishing a deposit return system, following extensive public consultation. The regulation is expected to be adopted by the end of 2025. The responsibility is to be shared mainly by the producers or importers of beverages, according to the Ministry of Agriculture, Rural Development and Environment.

Policies to discourage landfilling or incineration

Cyprus has no landfill tax in place, but there are plans to introduce one that should be enforced by 2026. In addition, Cyprus has introduced a ban on landfilling any waste that has been collected separately to be prepared for reuse and recycling. The waste from the subsequent treatment, for which landfilling is still considered the best environmental option, is exempt from this prohibition (EEA, 2023). As of 2019, all uncontrolled dumping areas had been closed as requested by EU regulations. Cyprus does not have any waste incineration plants; there is no incineration tax levied.

In the 2022 EIR, Cyprus had nine priority actions in the field of waste. It has made no progress on the priority action to introduce and gradually increase landfill taxes to phase out the landfilling of recyclable and recoverable waste. The second priority was to finalise the work on rehabilitating the last two non-compliant landfills; in this regard, it made no progress. Cyprus has also made no progress on the third priority: improving and extending the separate collection of waste, including biowaste. For the fourth priority, dealing with the establishment of minimum service standards for separate collection (e.g. frequency of collections, types of containers), Cyprus made some progress, as it is organising a programme that will support the separate collection of waste. This is expected to help municipalities ensure high capture rates of recyclable waste. Similarly, Cyprus has made some progress on the priority action dealing with the use of economic instruments such as pay-as-you-throw schemes, and set mandatory recycling targets for municipalities, with penalties for non-compliance (e.g. fines); Cyprus has launched feasibility studies to support these policy actions. As regards the policy action on limiting incoming shipments of waste destined for incinerators to avoid the landfilling of locally generated residual waste, Cyprus has made substantial progress: it has introduced a ban on landfilling any waste that has been collected separately to be prepared for reuse and recycling. Cyprus has fulfilled the policy action on developing and running support programmes for municipalities to help them implement separate collection policies and improve recycling rates. However, Cyprus has made no progress on the policy actions identified in the 2022 EIR dealing with (i) the improvement of the functioning of EPR systems, in line with the general minimum requirements on EPR and (ii) the ratification of the Hong Kong Convention on Ship Recycling. Finally, Cyprus has adopted a revised waste management plan in line with the revised Waste Framework Directive.

In 2011, the Commission opened an infringement case against Cyprus, as some landfills were still operating in breach of waste legislation. The Court of Justice of the

European Union condemned Cyprus's actions in July 2013 ([16]). All landfills have now ceased operating, but two are still to be rehabilitated. If Cyprus does not comply, it risks being referred a second time (with financial sanctions being imposed). In 2021, the Commission launched an infringement case and asked Cyprus to ensure that all waste is subject to adequate treatment before being landfilled and that it establishes an integrated and adequate network of waste disposal installations for mixed municipal waste.

2025 priority actions

- Implement, harmonise and gradually increase landfill taxes to phase out landfilling of recyclable and recoverable waste.
- Complete the rehabilitation of non-compliant landfills.
- Ratify international conventions on ship recycling.
- Improve separate collection at source e.g. through economic instruments, investing in infrastructure for separate collection, sorting and recycling, and increasing public awareness.
- Increase the recycling rates of packaging waste.
- Increase the collection and recycling rate of waste electronic and electric equipment (WEEE).
- Improve the system for managing the quality of data on packaging waste in order to build coherent and verifiable data sets.
- Invest in waste prevention measures to reduce the total amount of waste generated.
- Ensure the achievement of the 2025 waste targets, following the recommendations made by the Commission in the Early Warning Reports where applicable.

([16]) Judgment of 18 July 2013, *Commission* v *Cyprus*, C-412/12, EU:C:2013:506.

2. Biodiversity and natural capital

Global and EU biodiversity frameworks

Biological diversity and healthy ecosystems are critical for our societies, underpin our economies and well-being and are essential for climate change adaptation and mitigation. The Kunming–Montreal global biodiversity framework (GBF), adopted in December 2022, sets comprehensive and measurable targets to tackle biodiversity loss by 2030. To implement this global framework and integrate biodiversity considerations into national decision-making, the EU – as well as all Member States – had to submit national biodiversity strategies and action plans (NBSAPs), or to communicate national targets aligned with the global targets, by the end of 2024. The EU biodiversity strategy for 2030 (BDS) aims to put EU biodiversity on a path to recovery by 2030. It sets quantified targets intended to protect and restore nature and manage ecosystems in a sustainable manner, as well as measures to enable implementation and commitments to support global biodiversity. A BDS actions tracker ([17]) and a dashboard of indicators ([18]) provide information on implementation progress. The recently adopted EU Nature Restoration Regulation ([19]) is the first EU-wide, comprehensive law of its kind and a key instrument for the EU to deliver on the global biodiversity targets for 2030. It lays down an overarching objective at the EU level to put in place effective restoration measures on 20 % of EU land and sea by 2030 and for all ecosystems in need of restoration by 2050. To achieve this, it sets binding targets for Member States to restore and maintain ecosystems, as well as an effective implementation framework based on national restoration plans.

The BDS is the main instrument used by the EU to deliver on its obligation under the GBF. The Commission has submitted to the Convention on Biological Diversity its report on GBF-aligned EU targets that stem from the BDS and from other policy instruments under the European Green Deal.

Member States' NBSAPs need to provide coherent frameworks for national delivery on the global and EU 2030 biodiversity targets. In line with the global obligations, NBSAPs should also include a biodiversity financing plan and a capacity-building plan, based on needs assessments, as well as an overview of the national indicators used to measure progress.

Cyprus's biodiversity strategy and the action plan in Cyprus ([20]) were approved by the government on 3 June 2020. The strategy sets out 13 strategic objectives for biodiversity for the next decade (2020–2030). The action plan sets out 86 measures to be implemented by 2030, with corresponding indicators to measure success. The indicative budget for these measures amounts to EUR 27 545 000 for the next decade. In October 2024, Cyprus uploaded these national targets into the Convention on Biological Diversity online reporting tool ([21]), complemented with an urban target, indicating to which global 2030 targets (or elements thereof) they contribute.

The EU aims to allocate at least 7.5 % of annual spending under the EU budget to biodiversity objectives in 2024, rising to 10 % in 2026 and 2027. For details on biodiversity financing and investments for Cyprus, see 'Biodiversity and ecosystems' in Chapter 5.

Nature protection and restoration – Natura 2000

Natura 2000 ([22]), the largest coordinated network of protected areas in the world, is key to the achievement of the objectives set out in the Birds and Habitats Directives. These objectives are to ensure the long-term protection, conservation and survival of Europe's most valuable and threatened species and habitats and the ecosystems they underpin. Key milestones towards meeting the objectives of the Birds and Habitats Directives are (i) the setting up of a complete and coherent Natura 2000 network; (ii) the designation of sites of community importance (SCIs) as special areas of

([17]) EU Biodiversity Strategy Actions Tracker (https://dopa.jrc.ec.europa.eu/kcbd/actions-tracker/).

([18]) EU Biodiversity Strategy Dashboard (https://dopa.jrc.ec.europa.eu/kcbd/EUBDS2030-dashboard/?version=1).

([19]) Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869 (OJ L, 2024/1991, 29.7.2024), http://data.europa.eu/eli/reg/2024/1991/oj; see also the Commission web page on the law (https://environment.ec.europa.eu/topics/nature-and-biodiversity/nature-restoration-law_en).

([20]) http://www.moa.gov.cy/moa/environment/environmentnew.nsf/all/5B978F5843406DE4C225857D006267C1/$file/Biodiversity Strategy and Action Plan CY.pdf?openelement.

([21]) https://ort.cbd.int/national-targets?countries=cy.

([22]) Natura 2000 comprises sites of community importance (SCIs), designated pursuant to the Habitats Directive, as well as special protection areas (SPAs), classified pursuant to the Birds Directive. Numbers of protected areas in Figure 9 do not add up to the total of SCIs plus SPAs, because some SCIs and SPAs overlap. An SAC is an SCI designated by a Member State.

conservation (SACs) ([23]); and (iii) effective management of all Natura 2000 sites through the setting of site-specific conservation objectives and measures.

Setting up a complete and coherent network of Natura 2000 sites

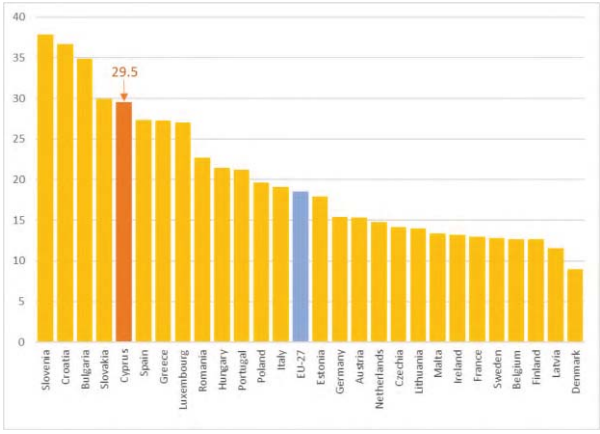
The setting up of a complete and coherent network of Natura 2000 sites is a cornerstone of the EU's international commitments, under the BDS and GBF, to legally protect a minimum of 30 % of its land area and 30 % of its sea area by 2030.

Meeting these commitments requires the full implementation of Article 3 of the Habitats Directive. The Natura 2000 network should represent a complete and coherent ecological network composed of sites hosting natural habitat types and species of community interest. Natura 2000 shall enable the natural habitat types and the species' habitats concerned to be maintained or, where appropriate, restored to a favourable conservation status in their natural range.

Cyprus hosts 42 habitat types ([24]) and 55 species ([25]) covered by the Habitats Directive. The country also hosts populations of 93 bird taxa listed in the Birds Directive Annex I ([26]).

As shown in Figure 9, in 2023, 29.5 % of the terrestrial area under the effective control of the government of Cyprus was covered by Natura 2000 sites (EU coverage: 18.6 %), with special protection areas (SPAs) classified under the Birds Directive covering 27.1 % (EU coverage: 12.8 %) and SCIs under the Habitats Directive covering 16.8 % of the country's territory (EU coverage: 14.3 %).

Figure 9: Natura 2000 terrestrial protected area coverage per Member State (%), 2023



Source: European Environment Agency (EEA), 'Natura 2000 Barometer', 2023 data, accessed March 2025, https://www.eea.europa.eu/data-and-maps/dashboards/natura-2000-barometer.

Cyprus has designated 69 Natura 2000 sites to date. The latest assessment of the SCI part of the Natura 2000 network shows that there are still some insufficiencies in designation, mainly failing to propose an exhaustive list of SCIs and provide all necessary information on each proposed site and not classifying the most suitable territories in the Cypriot offshore waters as SPAs. Therefore, Cyprus has still to complete its Natura 2000 network, in particular the marine network. An infringement case is open on the matter and the Commission has called on Cyprus to take the necessary measures ([27]).

Considering both areas covered by Natura 2000 and other nationally designated protected areas, Cyprus reports that it legally protects 37.8 % of its terrestrial areas (EU-27 coverage: 26.1 %) and 8.6 % of its marine areas (EU-27 coverage: 12.3 %) ([28]).

Designating special areas of conservation and setting site-specific conservation objectives and measures

To ensure that SCIs contribute to the objectives of the Habitats Directive, Member States must designate them as SACs, setting site-specific conservation objectives based on the ecological needs of the species and habitats present on the sites. Such site-specific conservation

([23]) SCIs are designated pursuant to the Habitats Directive, whereas SPAs are designated pursuant to the Birds Directive. Figures of coverage do not add up because some SCIs and SPAs overlap.

([24]) EEA, 'Number of habitats and species per Member State', Article 17 dashboard, Annex I total, 19 December 2019, https://www.eea.europa.eu/themes/biodiversity/state-of-nature-in-the-eu/article-17-national-summary-dashboards/general-information-on-habitats-and-species.

([25]) EEA, 'Number of habitats and species per Member State', Article 17 dashboard, 19 December 2019, https://www.eea.europa.eu/themes/biodiversity/state-of-nature-in-the-eu/article-17-national-summary-dashboards/general-information-on-habitats-and-species.

([26]) EEA, 'Number of bird species/populations per Member State', Article 12 dashboard, Annex I total, last updated 11 May 2023, https://www.eea.europa.eu/themes/biodiversity/state-of-nature-in-the-eu/article-12-national-summary-dashboards/general-information-on-bird-species-populations. This counting only takes into account birds taxa for which information was requested.

([27]) https://ec.europa.eu/commission/presscorner/detail/en/inf_22_1769?msclkid=240d7077c24b11eca3f8b0c6ba5a4f12.

([28]) Eurostat dataset env_bio4, protected area percentage for 2022, accessed 12 March 2025.

should define attributes and targets that describe the habitats or species' condition as favourable or unfavourable, addressing key pressures and threats . Under Article 6 of the Habitats Directive Member States must establish and implement measures to achieve these objectives.

The six-year deadline set by the Habitats Directive to designate SCIs as SACs and establishing appropriate conservation objectives and measures has expired for 37 sites in Cyprus. Cyprus has formally designated 37 sites as SACs, but has yet to establish adequate conservation objectives and measures for all sites. According to the Commission's assessment, the quality of the conservation objectives and measures set by Cyprus for five sites is insufficient. Therefore, the species and habitats in these sites are not adequately protected. Moreover, some management plans for Natura 2000 sites are outdated (however, management plans for eight Natura 2000 sites will be updated under the financial instrument for the environment (LIFE) integrated projects ([29])).

In March 2024, the Commission thus decided to refer Cyprus to the Court of Justice of the European Union.

Some progress has been made by Cyprus on the 2022 priority actions, but there is a need to continue working on those to speed up and finalise the work.

2025 priority actions

- Complete the Natura 2000 site designation process.
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans) and ensure their effective implementation.
- Ensure the effective implementation of Natura 2000 management plans and sufficient administrative capacity and financing both for Natura 2000 and the implementation of the Nature Restoration Regulation. Ensure implementation of Prioritised Actions Framework 2021-2027 (PAFs).

Recovery of species

One objective set by the BDS is that, by 2030, there should be no further deterioration in conservation trends or the status of any protected species. The BDS also states that Member States should ensure that at least 30 % of species not currently in favourable conservation status achieve that status or show progress towards doing so (e.g. by exhibiting positive population dynamics or stable or increasing range and habitat size), by 2030. According to the European Environment Agency (EEA), based on reporting required under Article 17 of the Habitats Directive, a quarter of species in the EU were of good conservation status as of 2018 ([30]).

One of the primary objectives of the Habitats Directive is the maintenance of or restoration to favourable conservation status of all species of community interest. Moreover, the Birds Directive also aims to ensure that all wild birds in the EU enjoy a secure status. In order to achieve these objectives, it will be necessary to address key pressures and threats. The Birds Directive and the Habitats Directive lay down a framework of species protection rules and rules on the conservation of habitats and species in order to combat these threats.

Under Article 17 of the Habitats Directive, Member States are required to report on the conservation status of habitats and species every six years. The current reporting cycle, covering the years 2019 to 2024, is due for submission in July 2025. Figures 10 and 11 show the latest available conservation status data.

According to the report submitted by Cyprus on the conservation status of habitats and species covered by Article 17 of the Habitats Directive for 2013–2018, the proportion of habitats assessed as being in good conservation status in 2018 was 45.24 %. The proportion of protected species assessed as being in good conservation status in 2018 was 63.64 % ([31]). Regarding birds, 81 % of the breeding species showed short-term increases or stable population trends (for wintering species, the proportion was 40.74 %).

The main pressures and threats for habitats and species in Cyprus are related to agriculture, infrastructure development, development and operation of transport systems and natural processes ([32]).

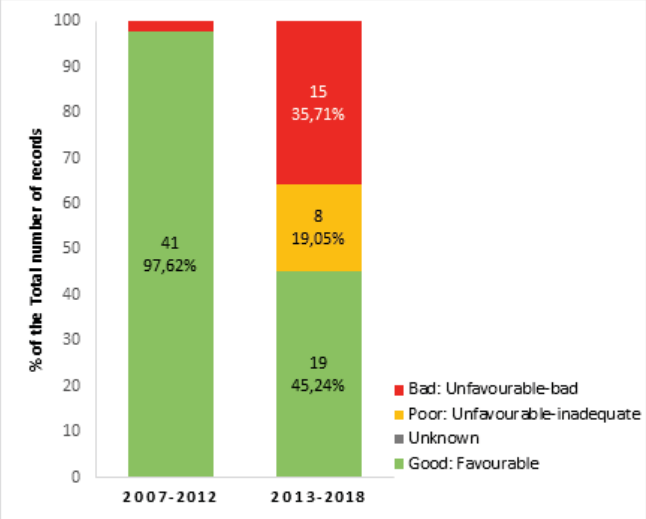
([29]) https://pandoteira.cy/actions/.

([30]) EEA, *State of Nature in the EU: Results from reporting under the Nature Directives 2013–2018*, Publications Office of the European Union, Luxembourg, 2020, https://www.eea.europa.eu/publications/state-of-nature-in-the-eu-2020.

([31]) The differences between the two Article 17 reporting periods under the Habitats Directive (2008–2013 and 2013–2018) mainly arose from the different methodologies used. During the 2013–2018 reporting period, monitoring protocols (developed according to EU guidelines) for both habitats and species were completed.

([32]) https://www.eea.europa.eu/en/analysis/maps-and-charts/main-pressures-and-threats-article-17-national-summary-dashboards-archived.

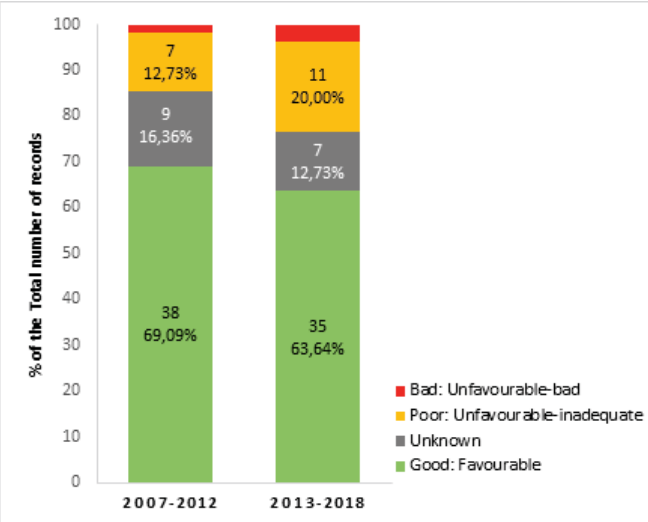
Figure 10: Assessments of conservation status of habitats for the 2007–2012 and 2013–2018 reporting periods



NB: The values shown for 2007–2012 and 2013–2018 are not necessarily directly comparable because changes in conservation status in a Member State may result from changes to methods or use of better data, rather than reflecting genuine changes.

Source: EEA, 'Conservation status and trends of habitats and species', 19 December 2019, accessed March 2025, https://www.eea.europa.eu/themes/biodiversity/state-of-nature-in-the-eu/article-17-national-summary-dashboards/conservation-status-and-trends.

Figure 11: Assessments of conservation status of species for the 2007–2012 and 2013–2018 reporting periods



NB: The values shown for 2007–2012 and 2013–2018 are not necessarily directly comparable because changes in conservation status in a Member State may result from changes to methods or use of better data, rather than reflecting genuine changes.

Source: EEA, 'Conservation status and trends of habitats and species', 19 December 2019, accessed March 2025, https://www.eea.europa.eu/themes/biodiversity/state-of-nature-in-the-eu/article-17-national-summary-dashboards/conservation-status-and-trends.

There seems to be a general lack of progress in maintaining or restoring the favourable conservation status of species and habitats protected under the Nature Directives.

A major challenge in managing the Natura 2000 areas effectively is protecting them from activities or developments that fragment or degrade them. This is especially the case for plans and projects in areas located within private land, which often fail to comply with the appropriate assessment and permit requirements laid down in Article 6 of the Habitats Directive. The Commission has opened an infringement procedure against Cyprus for systematic breaches of Article 6(3) (appropriate assessment of a plan or project). The sound management of these areas is also undermined by the lack of understanding and acceptance of Natura 2000 rules by some local communities and landowners.

Another challenge in implementing nature legislation is the illegal trapping of migratory birds (blackcaps – ambelopoulia), with nets, lime sticks and sound-producing devices. Although significant progress has been made due to intensified enforcement (e.g. through checks and stricter fines for mist nets through national legislation approved in July 2017), the trapping numbers remain high, mainly driven by illegal consumption. Moreover, the law amendment adopted on 29 December 2020 reduced on-the-spot fines for illegal trapping and killing for up to 50 specimens of 14 protected species. It is important that the Cypriot authorities continue their enforcement efforts, including by imposing effective and dissuasive penalties ([33]) (especially for major offenders), by harmonising fines for all species and by exercising frequent and effective checks (both in the field and in restaurants).

Some progress has been made by Cyprus regarding the 2022 priority actions, but there is a need to continue working on those by speeding up and finalising the work.

([33]) Since the amendment of related legislation in 2017, the average fine imposed has increased from EUR 502 to EUR 1 696, compared with pre-2017 levels.

2025 priority actions

- Strengthen the implementation of national anti-poaching measures.

Recovery of ecosystems

Agricultural ecosystems

The BDS works alongside the common agricultural policy (CAP) to support the transition to sustainable agriculture.

The strategy has set five common agriculture-related targets for 2030, namely to:

— reduce by 50 % the overall use of – and risk from – chemical pesticides;
— reduce by 50 % the use of more hazardous pesticides;
— reduce by 50 % losses of nutrients from fertilisers (which will result in a 20 % reduction in the use of fertilisers) while ensuring that there is no deterioration of soil fertility;
— restore at least 10 % of agricultural area to have high-diversity landscape features; and
— increase the area under organic farming to at least 25 %.

The "Vision for agriculture and food" ([34]), adopted by the European Commission in February 2025, sets a roadmap to an agri-food system that is attractive, competitive, sustainable and fair for current and future generations. To ensure a sustainable future for EU agriculture, it is crucial that these four priority areas are pursued together, and that public and private support are adequately targeted toward this objective.

The CAP and national CAP strategic plans are key instruments to facilitate and strengthen the efforts of European farmers to protect biodiversity and the environment at large. The Commission approved Member States' CAP strategic plans in 2022 for the programming period 2023-2027. The CAP is the largest source of funding dedicated to supporting biodiversity and plays a significant role in implementing EU environmental policy. Strategic plans should continue to support the protection of soil, water, air quality and biodiversity.

While certain CAP result indicators focus on the national measures favouring sustainable agriculture practices that regenerate ecosystems, the impact of these measures is difficult to assess. The uptake of the eco-schemes is voluntary for farmers.

The utilised agricultural area in Cyprus fluctuated over recent years, increasing from 115 940 ha in 2012 to 132 440 ha in 2019 and then decreasing to 123 020 ha in 2022 ([35]).

Landscape features are small fragments of non-productive and typically – but not exclusively – semi-natural vegetation present in or adjacent to agricultural land. They provide ecosystem services and support for biodiversity. The indicator 'share of agricultural land covered with landscape features' is the ratio between the area covered by landscape features and the area covered by agricultural land. Based on the Land Use/Cover Area Frame Survey landscape features estimates, the share of agricultural land covered by non-productive landscape features in Cyprus is 21 %, well above the EU average. At the EU level, landscape features cover 5.6 % of agricultural land.

In 2024, the CAP basic regulations were amended ([36]) regarding, inter alia, the standards for good agricultural and environmental condition of land. These changes removed the obligation for farmers benefiting from CAP area-related support to have a minimum share of 3–4 % of non-productive areas or landscape features in their farms. The amended regulation sets out, however, an obligation for Member States to establish and provide support for eco-schemes covering practices for the maintenance of non-productive areas, such as land lying fallow, and for the establishment of new landscape features on arable land.

The recently adopted Nature Restoration Regulation ([37]) focuses on the restoration of agricultural ecosystems and requires Member States to put in place measures which aim to achieve an increasing trend at the national level in at least two out of three indicators for agricultural ecosystems ([38]). One of these indicators is the 'share of agricultural land with high-diversity landscape features'.

([34]) https://agriculture.ec.europa.eu/overview-vision-agriculture-food/vision-agriculture-and-food_en

([35]) Eurostat, 'Utilised agricultural area by categories', tag00025, accessed 5 December 2024, https://ec.europa.eu/eurostat/databrowser/view/tag00025/default/table?lang=en.

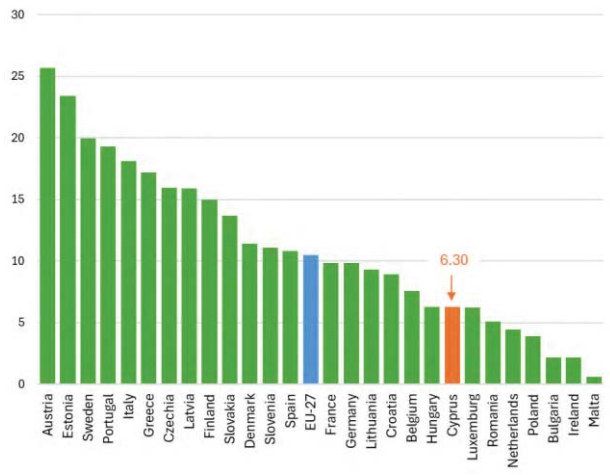
([36]) Regulation (EU) 2024/1468 of the European Parliament and of the Council of 14 May 2024 amending Regulations (EU) 2021/2115 and (EU) 2021/2116 as regards good agricultural and environmental condition standards, schemes for climate, environment and animal welfare, amendment of the CAP strategic plans, review of the CAP strategic plans and exemptions from controls and penalties (OJ L, 2024/1468, 24.5.2024), http://data.europa.eu/eli/reg/2024/1468/oj.

([37]) Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869 (OJ L, 2024/1991, 29.7.2024), http://data.europa.eu/eli/reg/2024/1991/oj.

([38]) The three indicators are 'grassland butterfly index', 'stock of organic carbon in cropland mineral soils' and 'share of agricultural land with high-diversity landscape features'.

Organic farming practices are highly beneficial to biodiversity. As shown in Figure 12, it is estimated that 6.30 % of Cyprus's land area is under organic farming. This is below the EU average of 10.50 % ([39]). Cyprus is currently contributing less than the average to achieving the target of 25 % of the EU's agricultural land being used for organic farming by 2030.

Figure 12: Share of total utilised agricultural area occupied by organic farming per Member State (%), 2022



Source: Eurostat, 'Area under organic farming', sdg_02_40, accessed 5 December 2024, https://ec.europa.eu/eurostat/databrowser/view/sdg_02_40/default/table?lang=en.

2025 priority actions

- Implement eco-schemes and agri-environmental measures and practices to address the environmental needs of Cyprus.
- Implement and scale up the uptake of organic farming practices.

Soil ecosystems

Soil is an essential, finite and extremely fragile resource. Its increasing degradation poses a threat to EU food security and climate resilience, adaptation and mitigation.

The EU soil strategy, adopted in November 2021, aims to support soil protection, sustainable soil management and the restoration of degraded soils to achieve the Green Deal objectives as well as land degradation neutrality by 2030.

This entails:

— preventing further soil degradation;
— making sustainable soil management the new normal;
— taking action for ecosystem restoration.

The proposed directive on soil monitoring and resilience ([40]) aims to introduce the first comprehensive legislation on the protection of all soils in the EU. Should the directive be adopted, Member States will have to transpose it into national legislation and implement it, starting with putting in place the governance systems and a sound monitoring framework building on existing national soil monitoring frameworks. The objective of the proposed directive is to provide better and more comparable soil health data with the view of attaining healthy soils by 2050.

Degradation of soil ecosystems encompasses several aspects. The proposed directive requires Member States to assess soil health according to a set of common indicators and to define the necessary regeneration measures. The area of soil that is sealed is an important factor in monitoring land-use change and represents an important pressure on nature and biodiversity. Other soil issues related to land degradation are soil erosion, soil compaction, loss of soil organic carbon, soil contamination, soil salinisation and the presence in soil of nitrogen and phosphorus in excess. The impact assessment accompanying the proposal, which builds on the data available in the EU Soil Observatory, points to the following soil degradation issues in Cyprus ([41]).

The data uncertainty for Cyprus is high due to low data availability. Based on the data available, the greatest contributor to Cyprus's unhealthy soils is unsustainable soil erosion by water, wind, tillage and harvest, which affects 14 % of the territorial area and 46 % of the cropland area. 9 % of the country has a high or very high susceptibility to topsoil compaction. 6 % of the territorial area experiences loss of soil organic carbon in mineral

([39]) This is based on the latest available information from Eurostat, which is currently under review; European Commission, *Agriculture biologique au sein de l'union européenne*, factsheet, Brussels, 2024, https://agriculture.ec.europa.eu/document/download/c67458ed-ec50-4762-ae68-341763ab93c2_fr?filename=factsheet-organic-farning_fr.pdf&prefLang=en.

([40]) Proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law), COM(2023) 416 final of 5 July 2023, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52023PC0416.

([41]) Commission staff working document – Impact assessment report: Annexes – Accompanying the proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law), SWD(2023) 417 final of 5 July 2023, https://environment.ec.europa.eu/system/files/2023-07/IMPACT ASSESSMENT REPORT ANNEXES SWD 2023 417 part4.pdf.

soils ([42]), which represents 21 % of the cropland and grassland area.

Grasslands

Grasslands are among the most diverse ecosystems in the EU; they can contain as many as 80 different plant species per square metre and are home to a large variety of animals, ranging from small insects, birds and rodents to large herbivores. Grasslands are essential for agriculture and livestock herding. Natural grasslands also play an important role in storing carbon. However, changes in agricultural practices and land uses have caused grasslands to disappear at an alarming rate, making them one of Europe's most threatened ecosystems.

Cyprus hosts four grassland habitat types listed in Annex I to the Habitats Directive ([43]). According to the data covering the latest reporting period (2013–2018) under Article 17 ([44]), the conservation status of two grassland habitats is favourable and the other two are ranked as unfavourable – inadequate (pseudo-steppe with grasses and annuals of the *Thero-Brachypodietea*) or unfavourable – bad (Mediterranean tall humid grasslands of the *Molinio-Holoschoenion*). The main pressures and threats for these habitat types are related to agriculture, natural processes (natural succession following abandonment), infrastructure development and alien and problematic species.

Wetlands/peatlands

Wetlands act as water sources and purifiers; they are the planet's greatest natural carbon stores and they are crucial to agriculture and fisheries. Peatlands are a special type of wetlands dominated by peat-forming plants such as *Sphagnum* mosses. Nearly all peatlands in the EU are habitat types listed in Annex I to the Habitats Directive. Drained peatlands under intensive agricultural use constitute only 3 % of the EU's utilised agricultural area. At the same time, they are responsible for 25 % of the GHG emissions from the EU's agricultural sector. Restoring peatlands brings multiple benefits, as peatlands improve water retention and quality, store carbon, reduce GHG emissions and increase biodiversity.

Cyprus hosts eight freshwater and coastal habitat types covered by the Habitats Directive ([45]). According to the latest Article 17 reporting ([46]), all except two of them are in unfavourable conservation status. The main pressures and threats identified for freshwater and coastal habitat types are infrastructure development, transport, agriculture, alien and problematic species and climate change ([47]).

There are no peatlands (habitat types belonging to the group bogs, fens and mires) that are protected in Cyprus under the Habitats Directive.

Forest ecosystems

Forests are important carbon sinks, and conserving them is vital if the EU is to achieve climate neutrality by 2050. The EU forest strategy for 2030, adopted in July 2021, is a plan of actions to promote the many services that forests provide. Its key objective is to ensure healthy, diverse and resilient EU forests that contribute significantly to the achievement of the EU's biodiversity and climate ambitions. About 27 % of the forest area in the EU is covered by habitat types listed in Annex I to the Habitats Directive. Moreover, forests host several species protected under the Birds and Habitats Directives, including those for which there is a requirement to designate Natura 2000 sites and to protect breeding sites and resting places.

Several Commission guidelines on forestry management were published in 2023. They covered biodiversity-friendly afforestation, reforestation and tree planting; closer-to-nature forest management; and defining, mapping, monitoring and strictly protecting primary and old-growth forests. Further guidance on payment schemes for ecosystems services has also been published.

In 2023, the Commission proposed a new forest

([42]) De Rosa, D., Ballabio, C., Lugato, E. et al., 'Soil organic carbon stocks in European croplands and grasslands: How much have we lost in the past decade?', *Global Change Biology*, Vol. 30, No 1, 2023, e16992, https://doi.org/10.1111/gcb.16992.

([43]) The four types are pseudo-steppe with grasses and annuals of the *Thero-Brachypodietea*, serpentinophilous grasslands, Mediterranean tall humid grasslands of the *Molinio-Holoschoenion*, and peat grasslands of Troodos.

([44]) https://nature-art17.eionet.europa.eu/article17/habitat/report/?period=5&group=Grasslands&country=CY&region=.

([45]) The eight types are hard oligo-mesotrophic waters with benthic vegetation of *Chara* spp., natural eutrophic lakes with *Magnopotamion*- or *Hydrocharition*-type vegetation, Mediterranean temporary ponds, coastal lagoons, Mediterranean and thermo-Atlantic halophilous scrubs (*Sarcocornetea fruticosi*), *Salicornia* and other annuals colonising mud and sand, Mediterranean salt meadows (*Juncetalia maritimi*) and halo-nitrophilous scrubs (*Pegano-Salsoletea*).

([46]) https://nature-art17.eionet.europa.eu/article17/habitat/report/?period=5&group=Freshwater+habitats&country=CY&region=.

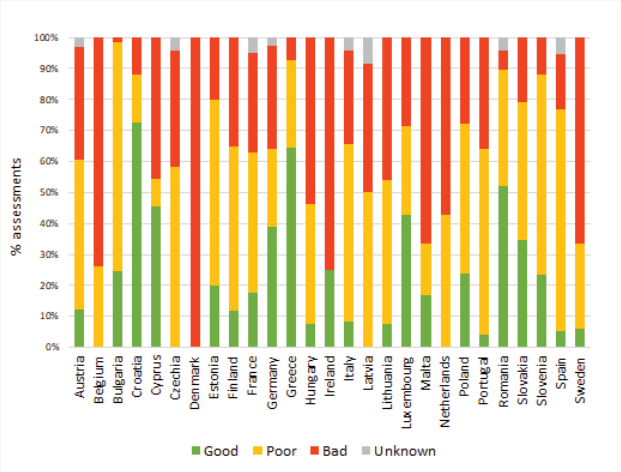
([47]) https://www.eea.europa.eu/en/analysis/maps-and-charts/main-pressures-and-threats-article-17-national-summary-dashboards-archived.

monitoring law ([48]) that aims to create a comprehensive forest knowledge base, address information gaps and enable a better response to growing pressures on forests.

Assessments show that, of the 27 % of EU forest area protected under the Habitats Directive, less than 15 % is of favourable conservation status ([49]). The share of forested areas in the EU with a bad conservation status increased from 27 % in 2015 to 31 % in 2018.

In Cyprus, forests covered 18.7 % of the territory in 2020 ([50]) and more than 50 % of the assessments reveal a bad or poor status ([51]).

Figure 13: Conservation status of forests protected under the Habitats Directive per Member State (% assessments), 2013–2018



Source: Commission staff working document – Stakeholder consultation and evidence base: Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – New EU forest strategy for 2030, SWD(2021) 652 final of 16 July 2021, p. 24, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021SC0652.

Among forest disturbances contributing to loss of forest integrity and related biodiversity loss, wildfires constitute a particular reason for concern. In 2022, the EU saw a record number (2 700) of wildfires affecting more than 30 ha, which led to the destruction of 785 605 ha of forest, the second highest annual figure recorded. Recent years have also witnessed the occurrence of widespread uncontrollable fires (so-called megafires), which are associated with loss of life and an enormous cost in terms of damage to the environment, businesses and society (over EUR 2 billion annually) and carbon dioxide (CO_2) emissions. Megafires are practically beyond suppression capacity and can be prevented only by an integrated risk management approach. Wildfires prevention is also essential to preserve resources for the bioeconomy.

During 2023, Cyprus experienced 131 forest fires that burned 2 216 hectares, mostly forest and other wooded land ([52]). Regarding their causes, 22% were of unknown origin, 38% were intentionally set, 5% resulted from natural causes like lightning, and 35% were attributed to human negligence. Eight of these fires exceeded 50 hectares in size.

The EU Timber Regulation (EUTR) ([53]) prohibits the placing on the EU market of illegally harvested timber.

On 29 June 2023, the Regulation on Deforestation-free Products (EUDR) ([54]) entered into force ([55]). The regulation seeks to guarantee that products in the EU that are made using any of seven listed commodities have no links to deforestation. The EUDR repeals the EUTR.

([48]) Proposal for a Regulation of the European Parliament and of the Council on a monitoring framework for resilient European forests, COM(2023)728, 22 November 2023, https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2023)728&lang=en

([49]) EEA, *State of Nature in the EU: Results from reporting under the Nature Directives 2013–2018*, Publications Office of the European Union, Luxembourg, 2020, https://www.eea.europa.eu/publications/state-of-nature-in-the-eu-2020.

([50]) EEA forest information system for Europe, 'Countries – FISE country factsheets', forest information system for Europe website, https://forest.eea.europa.eu/countries.

([51]) Commission staff working document – Stakeholder consultation and evidence base: Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – New EU forest strategy for 2030, SWD(2021) 652 final of 16 July 2021, p. 24, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021SC0652.

([52]) https://publications.jrc.ec.europa.eu/repository/handle/JRC139704

([53]) Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 23), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995.

([54]) Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (OJ L 150, 9.6.2023, p. 206), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461.

([55]) The law will apply to large and medium-sized companies starting on December 30, 2025, and to micro and small enterprises starting on June 30, 2026.

Cyprus has designated a competent authority responsible for fulfilling the obligations arising from the EUDR and informed the Commission thereof.

Marine ecosystems

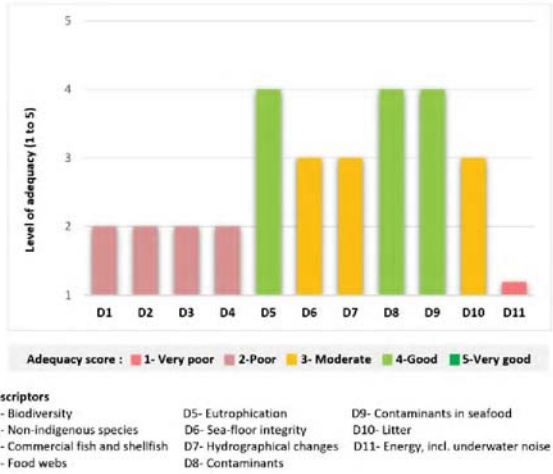
The Marine Strategy Framework Directive (MSFD) requires Member States to achieve good environmental status (GES) for their marine waters. To that end, Member States must draw up marine strategies for their marine waters and cooperate with other Member States sharing the same marine region or subregion. These marine strategies comprise different steps to be developed and implemented over six-year cycles.

Since the 2022 EIR report, no additional data regarding Member States' set of GES characteristics for each descriptor in the MSFD have become available. Nevertheless, Member States have to report updates by 15 October 2024, and these will be assessed by the Commission. In the context of this next round of reporting, in accordance with the MSFD and the Commission GES decision ([56]), Member States must include as part of their set of GES characteristics any threshold values for the descriptors in the MSFD that may have been established in cooperation with other Member States at the EU or regional level ([57]). Early January 2025, Cyprus reported on Articles 8, 9 and 10 data as required by the Article 17 of the MSFD, which are now under the assessment of the Commission.

The Commission assessed the updated monitoring programme reported by Member States in 2020 ([58]). At that time, their updates on the elements, features and parameters identified monitoring gaps. The Commission recommended that Member States should prioritise work to address those gaps at all levels of implementation of the MSFD.

Member States also reported their updated programmes of measures, which are required under Article 13 of the MSFD and which must be updated every six years. The Commission has assessed Member States' programmes of measures.

Figure 14: Level of adequacy of Cyprus's updated programme of measures under Article 13 of the MSFD (2022 reporting exercise)



NB: Technical assessment carried out by the European Commission, pursuant to Article 16 of the MSFD, based on the data reported by Cyprus in August 2023.

While progress is noted on measures for descriptors eutrophication (D5), contaminants (D8) and contaminants in seafood (D9), measures related to biodiversity (D1), non-indigenous species (D2), commercial fish and shellfish (D3), food webs (D4) and, in particular, energy (D11) could be more appropriately aligned with the objectives of the MSFD.

Notable gaps remain in Cyprus's programme of measures, particularly in fully addressing key pressures, including incidental by-catch of species, invasion of alien species through aquaculture and, most notably for D11, activities such as shipping, tourism or the use of sonar and explosions.

([56]) Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU (OJ L 125, 18.5.2017, p. 43), http://data.europa.eu/eli/dec/2017/848/oj.

([57]) Communication from the Commission of 11 March 2024 – Commission notice on the threshold values set under the Marine Strategy Framework Directive 2008/56/EC and Commission Decision (EU) 2017/848 (OJ C, C/2024/2078, 11.3.2024), http://data.europa.eu/eli/C/2024/2078/oj.

([58]) https://environment.ec.europa.eu/system/files/2023-04/C_2023_2203_F1_COMMUNICATION_FROM_COMMISSION_EN_V5_P1_2532109.PDF.

Prevention and management of invasive alien species

Invasive alien species (IAS) are a major cause of biodiversity loss in the EU. Besides inflicting direct and indirect damage on nature and the economy, some IAS also carry and spread infectious diseases, posing a threat to humans and wildlife. Regulation (EU) No 1143/2014 (the IAS Regulation) aims to prevent, minimise and mitigate the adverse impacts of IAS on biodiversity. It focuses action on a list of IAS of EU concern (the 'Union list'), which is regularly updated ([59]).

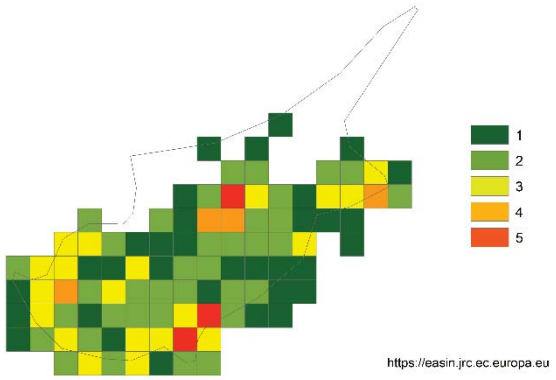
The third update of the Union list ([60]) entered into force on 2 August 2022. The fourth update is in preparation.

The IAS Regulation ([61]) currently lists 88 species subject to restrictions on keeping, importing, selling, breeding, growing and releasing into the environment. Member States are required to take measures to (i) prevent the introduction of IAS, (ii) ensure early detection and rapid eradication of IAS and (iii) manage species that are already widespread on their territory.

This aligns with target 6 of the GBF to reduce the introduction of IAS by at least 50 % by 2030 and minimise their impact.

Preventing the introduction and spread of IAS, and managing them, including through eradication and control, can result in a substantial cost saving. Studies estimate that the total cost of IAS in Europe (damages and management) amounted to EUR 116.61 billion between 1960 and 2020 ([62]). More recent studies have put this cost at USD 28 billion per year in the EU, increasing to USD 148.2 billion by 2040 ([63]), and at USD 423 billion annually at the global level ([64]).

Figure 15: Number of IAS of EU concern, based on available georeferenced information for Cyprus, 2024



The total number of IAS of Union concern in the country is 13. This includes six species recorded in the previous EIR (2021) and seven additions. Of these additions, four were already on the Union concern list in 2021, and three were added later under Commission Implementing Regulation (EU) 2022/1203.

Cyprus has taken further measures to combat IAS. Cyprus has stepped up its implementation and the infringement procedure has been closed.

2025 priority action

- Step up implementation of the IAS Regulation, including with regard to enforcement and the capacity of inspection authorities.

([59]) Commission Implementing Regulation (EU) 2016/1141 of 13 July 2016 adopting a list of invasive alien species of Union concern pursuant to Regulation (EU) 1143/2014 of the European Parliament and of the Council (OJ L 189, 14.7.2016, p. 4), as amended by Commission Implementing Regulations (EU) 2017/1263, (EU) 2019/1262 and (EU) 2022/1203, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02016R1141-20220802&from=EN.

([60]) Commission Implementing Regulation (EU) 2022/1203 of 12 July 2022 amending Implementing Regulation (EU) 2016/1141 to update the list of invasive alien species of Union concern (OJ L 186, 13.7.2022, p. 10), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R1203.

([61]) Regulation (EU) No 1143/2014 of the European Parliament and of the Council of 22 October 2014 on the prevention and management of the introduction and spread of invasive alien species (OJ L 317, 4.11.2014, p. 35).

([62]) Haubrock, P. J., Turbelin, A. J., Cuthbert, R. N. et al., 'Economic costs of invasive alien species across Europe', *NeoBiota*, Vol. 63, 2021, pp. 153–190.

([63]) Henry, M., Leung, B., Cuthbert, R. N. et al., 'Unveiling the hidden economic toll of biological invasions in the European Union', *Environmental Sciences Europe*, Vol. 35, No 1, 2023, p. 43.

([64]) IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), *Summary for Policymakers – Invasive alien species assessment*, 2023, https://www.ipbes.net/document-library-catalogue/summary-policymakers-invasive-alien-species-assessment.

Ecosystem assessment and accounting

The BDS calls on Member States to better integrate biodiversity considerations into public and business decision-making at all levels and to develop natural capital accounting.

Similarly, target 14 of the GBF ([65]) aims to ensure the full integration of biodiversity and its multiple values into policy and planning and, as appropriate, national accounting. This requires effective and coherent biodiversity observation and reporting on ecosystem condition in the EU ([66]).

The amended Regulation (EU) No 691/2011 on European environmental economic accounts ([67]) introduces new requirements for Member States to report on the condition of ecosystems including urban ecosystems, croplands, grasslands, forest and woodlands, coastal beaches, dunes and wetlands. Data reported by the Member States will feed into the second European ecosystem assessment, due in 2027, and can also be used to support policy decisions.

An ecosystem assessment is an analysis of the condition of ecosystems and the pressures acting on them, as well as the benefits that they provide to people, either directly or indirectly through the economy.

Cyprus has set up a coordination committee for the implementation of actions on the mapping and assessment of ecosystems and their services, working under the Minister of Agriculture, Rural Development and Environment.

An increasing number of platforms, networks and communities of practice involve businesses in protecting biodiversity, including the EU Business & Biodiversity Platform ([68]). These platforms and communities are key tools for promoting and facilitating natural capital assessments among businesses and financial services providers.

Natural capital assessments help private businesses to better understand both the negative and positive impacts that they have on nature, and to appreciate how nature contributes to their success. Such understanding contributes to the implementation of the EU's BDS.

Cyprus has not ratified yet the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity.

In 2022, Cyprus received a priority action on supporting the mapping and assessment of ecosystems and their services, and ecosystem accounting development, as well as on supporting the development of national business and biodiversity platforms. The first part of the priority action cannot be assessed due to the lack of data. There is no progress on the second part: there is still no Cypriot business and biodiversity network member of the EU Business & Biodiversity Platform.

2025 priority actions

- Support development of national business and biodiversity network.
- Ratify the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS) to the Convention on Biological Diversity.

([65]) Decision 15/4 adopted by the Conference of the Parties to the Convention on Biological Diversity: Kunming–Montreal global biodiversity framework (https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf).

([66]) European Commission: Joint Research Centre and EEA, *EU Ecosystem Assessment – Summary for policymakers*, Publications Office of the European Union, Luxembourg, 2021, https://op.europa.eu/en/publication-detail/-/publication/81ff1498-b91d-11eb-8aca-01aa75ed71a1/language-en.

([67]) Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 691/2011 as regards introducing new environmental economic accounts modules, COM(2022) 329 final of 11 July 2022, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2022:329:FIN.

([68]) The EU Business & Biodiversity Platform (https://green-business.ec.europa.eu/business-and-biodiversity_en) aims to promote the business case for biodiversity to businesses and financial institutions through workshops, seminars, reports and a cross-media communication strategy.

3. Zero pollution

Clean air

EU clean air policies and legislation have successfully reduced emissions of key air pollutants and significantly improved air quality, which is now moving towards the levels recommended by the World Health Organization (WHO). This has resulted in clear health benefits and reduced adverse impacts on ecosystems and biodiversity. However, to achieve the WHO-recommended levels, more efforts are needed, including full compliance with EU legislation. To guide these efforts, the EU zero pollution action plan sets targets for 2030 relative to 2005. These are to reduce the health impacts of air pollution by 55 % and to reduce the EU ecosystems threatened by air pollution by 25 %.

The EU has developed a comprehensive suite of air quality policies ([69]). These set health-based EU air quality standards ([70]) and stipulate Member States' national emission reduction commitments ([71]) for several air pollutants.

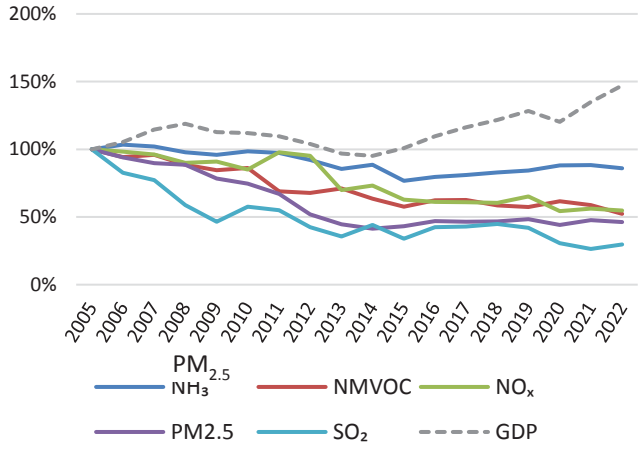
The air quality in Cyprus is generally good, with some exceptions.

The latest available annual estimates (for 2022) by the EEA ([72]) for Cyprus attribute 690 deaths each year (or 6 600 years of life lost (YLL)) to fine particulate matter ($PM_{2.5}$) ([73]); 260 deaths each year (or 2 500 YLL) to nitrogen dioxide (NO_2) ([74]); and 140 deaths each year (or 1 400 YLL) to ozone ([75]).

The emissions of several air pollutants have decreased significantly in Cyprus since 2005, while GDP growth has continued (see Figure 16). According to the inventories submitted under Article 10(2) of the National Emission Reduction Commitments Directive (NECD) ([76]) in 2024, Cyprus has met its emission reduction commitments for 2020–2029 for air pollutants nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), ammonia (NH_3) and $PM_{2.5}$, and has not met them for sulphur dioxide (SO_2). According to the projections submitted under Article 10(2) of the NECD in 2023, Cyprus is projected to meet its emission reduction commitments for 2030 onwards for NO_x, NMVOC, SO_2, NH_3 and $PM_{2.5}$.

Cyprus submitted its updated national air pollution control programme (NAPCP) to the Commission on 14 June 2024.

Figure 16: Emission trends of main pollutants / GDP in Cyprus (%), 2005–2022



Source: EEA, 'National air pollutant emissions data viewer 2005–2022', 25 June 2024, https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022.

([69]) European Commission, 'Air', European Commission website, https://environment.ec.europa.eu/topics/air_en.

([70]) European Commission, 'EU air quality standards', European Commission website, https://environment.ec.europa.eu/topics/air/air-quality/eu-air-quality-standards_en.

([71]) European Commission, 'Reducing emissions of air pollutants', European Commission website, https://environment.ec.europa.eu/topics/air/reducing-emissions-air-pollutants_en.

([72]) EEA, *Harm to human health from air pollution in Europe: Burden of disease 2024*, briefing No 21/2024, Copenhagen, 2024, https://www.eea.europa.eu/en/analysis/publications/harm-to-human-health-from-air-pollution-2024.

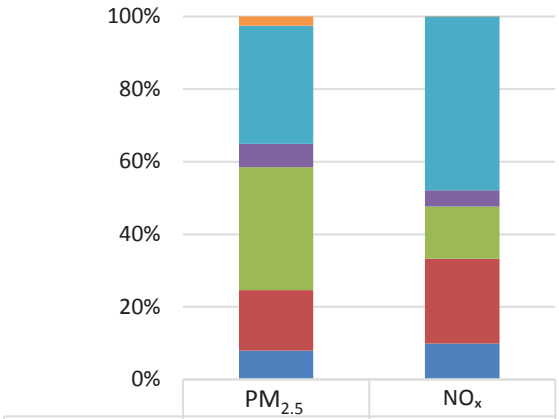
([73]) Particulate matter (PM) is a mixture of aerosol particles (solid and liquid) covering a wide range of sizes and chemical compositions. PM_{10} refers to particles with a diameter of 10 µm or less. $PM_{2.5}$ refers to particles with a diameter of 2.5 µm or less. PM is emitted from many human sources, including combustion.

([74]) Nitrogen dioxide (NO_2) here pertains to a group of gases called NO_x, which also comprises nitrogen monoxide (NO). NO_x is emitted during fuel combustion – for example, from industrial facilities and the road transport sector.

([75]) Low-level ozone is produced by photochemical action on pollution. This year, for the first time, the impact of long-term exposure to ozone has also been taken into account. In previous analysis by the EEA, only the impact of short-term exposure was estimated.

([76]) Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (OJ L 344, 17.12.2016, p. 1), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.344.01.0001.01.ENG.

Figure 17: $PM_{2.5}$ and NO_x emissions by sector in Cyprus (%), 2022



	$PM_{2.5}$	NO_x
Waste	2.52%	0.02%
Transport	32.60%	47.85%
Residential, commercial & institutional	6.43%	4.46%
Manufacturing and extractive industry	33.86%	14.39%
Energy supply	16.67%	23.42%
Agriculture	7.92%	9.86%

Source: EEA, 'National air pollutant emissions data viewer 2005–2022', 25 June 2024, https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022.

In 2023, no exceedances above the limit values set by the Ambient Air Quality Directive (AAQD) ([77]) were registered in Cyprus. However, for one air quality zone, the target values for ozone concentrations have not been met ([78]).

Infringement procedures have been opened for Member States not meeting the emission reduction commitments for 2020–2029; this includes a procedure for Cyprus for SO_2.

In the 2022 EIR, Cyprus received two priority actions. The first priority action was to further reduce emissions in the context of the NAPCP. Cyprus has not made progress on this, as the latest reported data show continued non-compliance with the 2020–2029 emission reduction commitment for SO_2. The second priority action was to ensure full compliance with EU air quality standards and maintain downward emission trends. Based on the latest data, Cyprus has made substantial progress in this regard. Full compliance has been ensured for all limit value and target values, with the exception of those for ozone. Since 2019, downward emission trends have been reported for all main air pollutants, except for NH_3, which requires further action.

2025 priority actions

- As part of the NAPCP, take action to reduce emissions of air pollutants.
- Ensure full compliance with the current AAQD standards, also in light of future stricter requirements under the revised AAQD.

Industrial emissions

The main objectives of EU policy on industrial emissions are to:

(i) protect air, water and soil and to prevent harmful effects on human health and the environment;
(ii) prevent and manage waste;
(iii) improve energy and resource efficiency, including water;
(iv) contribute to decarbonisation.

The cornerstone of the policy is the Industrial Emissions Directive (IED), which was revised in 2024 ([79]). The revision improves the directive's contribution to the zero pollution objective. It has a strong focus on innovation, and builds solid links between depollution, decarbonisation and circularity, making it a key regulatory tool to accompany the green transformation of EU industry by 2050.

The overview of industrial activities regulated by the IED below is based on data reported to the EU Registry in 2022 ([80]).

In Cyprus, there were 80 installations covered by the IED in 2022, over half of them (56 %) being installations for the intensive rearing of poultry or pigs. The other main sectors are the waste management sector (17 %) and mineral sector (12 %).

Figure 18 shows the damage to health and the environment due to the main industrial air pollutants. As

([77]) Directive 2008/50/EU of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe (OJ L 152, 11.6.2008, p. 1), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0050https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008L0050.

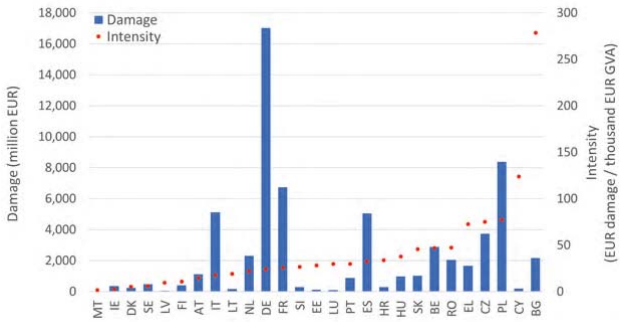
([78]) EEA, Eionet Central Data Repository (https://cdr.eionet.europa.eu/).

([79]) Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial and livestock rearing emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17), as amended by Directive (EU) 2024/1785 of the European Parliament and of the Council of 24 April 2024, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02010L0075-20240804&qid=1725983863299.

([80]) EEA, European Industrial Emissions Portal, https://industry.eea.europa.eu/, 2022 being the baseline year for all reports.

this depends on, among other factors, the size of the industrial sector in each Member State, the figure also shows the ratio between the damage and the industrial activity (expressed in gross value added (GVA)), which gives an indication of the emissions 'intensity'. Although Cyprus has the 22nd highest level of damage in the EU, it comes second for emissions intensity, above the EU average of EUR 27.5/EUR 1000 GVA. The main industrial contributors to emissions to air ([81]) are the energy sector, and the mineral sector for NO_x, SO_2 and heavy metals emissions.

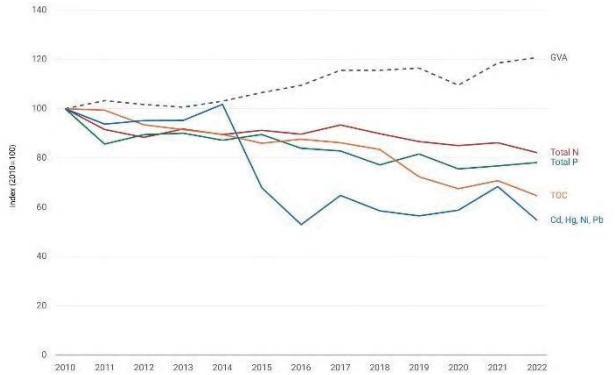
Figure 18: Industrial air pollution damage and intensity per Member State, 2021



Source: EEA, 'Industrial pollution intensity indicators – EU large industry air pollution damage costs intensity', European Industrial Emissions Portal, 2024, https://industry.eea.europa.eu/analyse/industrial-emissions-indicator.

Overall, the industrial emissions to water in the EU have decreased over time for all the main pollutants. On average in the EU, they appear to be decoupled from the industrial activity which has increased over the same period (expressed in GVA), as shown in Figure 19.

Figure 19: Industrial releases of pollutants to water and industrial activity in the EU-27

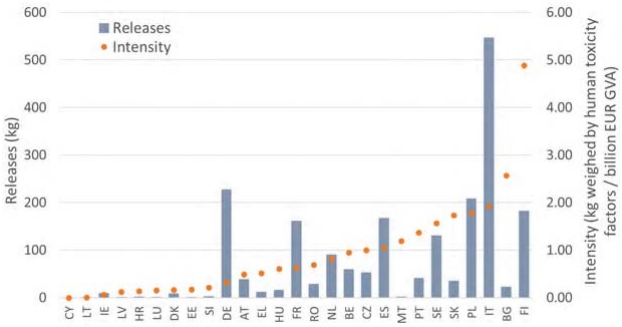


NB: Cd, cadmium; Hg, mercury; Ni, nickel; Pb, lead; TOC, total organic carbon; total N, total nitrogen; total P, total phosphorous.

Source: EEA, 'National air pollutant emissions data viewer 2005–2022', 25 June 2024, https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022.

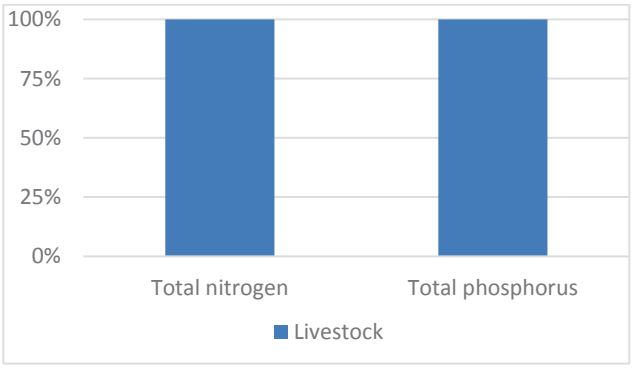
Concerning Cyprus in particular, Figure 21 shows the industrial emissions of heavy metals to water, taking into account the human toxicity of each metal, as well as emissions intensity, based on the ratio with industrial activity (expressed in GVA). Cyprus is last in the EU in terms of both amount of emissions of heavy metals to water and emissions intensity (well below the EU average intensity of 0.864 kg/EUR 1 billion GVA). As shown in Figure 21, the main industrial contributor to emissions to water in Cyprus is the livestock sector for total phosphorus and total nitrogen.

Figure 20: Industrial releases and intensity of heavy metals to water per Member State, 2022



Source: EEA, 'Industrial pollution intensity indicators – EU large industry water pollution intensity', European Industrial Emissions Portal, 2024, https://industry.eea.europa.eu/analyse/industrial-emissions-indicator.

Figure 21: Relative releases to water from industry in Cyprus (%), 2022



Source: EEA, 'Industrial reporting under the Industrial Emissions Directive 2010/75/EU and European Pollutant Release and Transfer Register Regulation (EC) No 166/2006 – ver. 12.0 Sep. 2024 (tabular data)', EEA Geospatial Data Catalogue, 13 September 2024, https://doi.org/10.2909/cf5e54c1-be99-4426-bcad-baa26c4f27a0.

IED provisions on public information and participation require Member States to adopt transposition legislation enabling members of the public to have access to relevant information and participate in the approval process for potentially polluting installations. Thus, the public and non-governmental organisations (NGOs), alongside competent authorities, play a role in ensuring compliance

([81]) European Environment Agency, LRTAP, Air pollutant emissions data viewer (Gothenburg Protocol, LRTAP Convention) 1990-2022, https://www.eea.europa.eu/en/topics/in-depth/air-pollution/air-pollutant-emissions-data-viewer-1990-2022.

of these permits with EU legislation. The IED contains mandatory requirements on environmental inspections, requiring a site visit to take place at least every 1–3 years, using risk-based criteria. In addition, IED enforcement provisions require Member States to determine effective, proportionate, and dissuasive penalties applicable to infringements of IED-based national provisions. In the revised directive, the provisions set that worst infringements can be sanctioned by fines of at least 3% of the annual EU turnover of the legal person. The revised IED also introduces a right to compensation for people whose health has been harmed by such infringements.

The development of best available techniques (BATs), BAT reference documents and BAT conclusions ensures effective collaboration between stakeholders and enables better implementation of the IED.

Since the 2022 EIR, the Commission has adopted BAT conclusions on (i) ferrous metal processing, (ii) the textiles industry, (iii) common waste gas management and treatment systems in the chemical sector and (iv) smitheries and foundries.

The Commission relies on the efforts of national competent authorities to implement the legally binding BAT conclusions and associated BAT emission levels in environmental permits. This should result in considerable and continuous reductions in pollution.

2025 priority actions

- Reduce industrial air pollution damage and intensity.
- Engage with industry and environmental NGOs to ensure proper contribution to and implementation of BAT conclusions and ensure timely updates to permits following the publication of BAT conclusions.
- Ensure effective public participation and access to justice in relation to the IED.

Major industrial accidents prevention – Seveso

The main objectives of EU policy on the prevention of major industrial accidents are to:

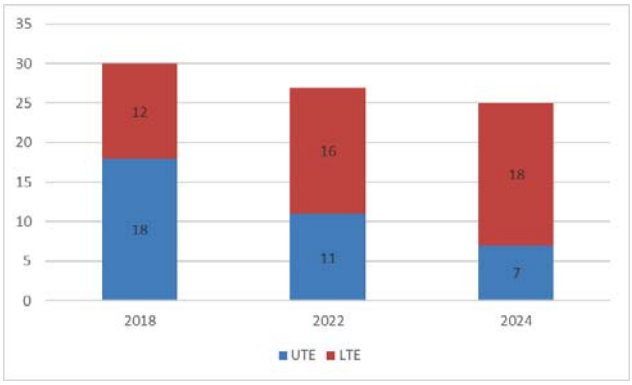
(i) control major-accident hazards involving dangerous substances, especially chemicals;
(ii) limit the consequences of such accidents for human health and the environment;
(iii) continuously improve the prevention of, preparedness for and response to major accidents.

The cornerstone of the policy is Directive 2012/18/EU (the Seveso III Directive) ([82]).

The overview below of industrial plants regulated by the Seveso III Directive ('Seveso establishments') is based on data reported on eSPIRS (e-Seveso Plants Information Retrieval System) for 2022–2024 ([83]) and the report by Cyprus on the implementation of the Seveso III Directive for 2019–2022 ([84]).

In 2024, of the 25 Seveso establishments in Cyprus, 18 were categorised as lower-tier establishments and 7 as upper-tier establishments (UTEs), based on the quantity of hazardous substances likely to be present. UTEs are subject to more stringent requirements. The growth in the number of Seveso establishments is presented in Figure 22.

Figure 22: Number of Seveso establishments in Cyprus, 2018, 2022 and 2024



Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing Directive 2012/18/EU on the control of major accident hazards involving dangerous substances), Publications Office of the European Union, Luxembourg, 2022, https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/language-en/format-PDF/source-search; eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU - Publications Office of the EU, https://op.europa.eu/en/publication-detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en.

Member States are required to draw up external emergency plans (EEPs). These EEPs are essential to allow proper preparation and effective implementation of the necessary actions to protect the environment and the population should a major industrial accident occur.

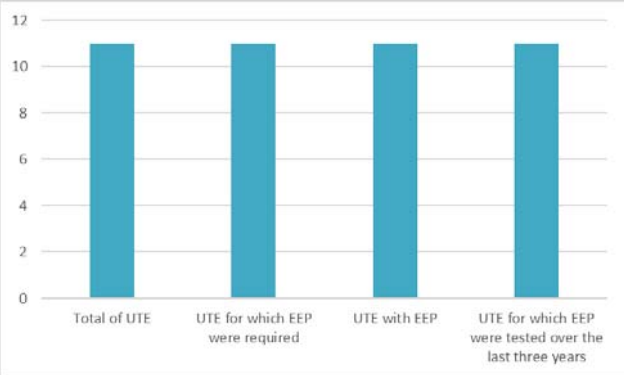
([82]) Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 on the control of major-accident hazards involving dangerous substances, amending and subsequently repealing Council Directive 96/82/EC (OJ L 197, 24.7.2012, p. 1), https://eur-lex.europa.eu/eli/dir/2012/18/oj.

([83]) https://espirs.jrc.ec.europa.eu/en/espirs/content; data extracted in September 2024.

([84]) As provided for by Article 21(2) of the Seveso III Directive.

According to Cyprus, in 2022, an EEP was required for all 11 UTEs. All of these EEPs have been tested over the last three years. The summary is shown in Figure 23.

Figure 23: Situation regarding EEPs in Cyprus, 2022

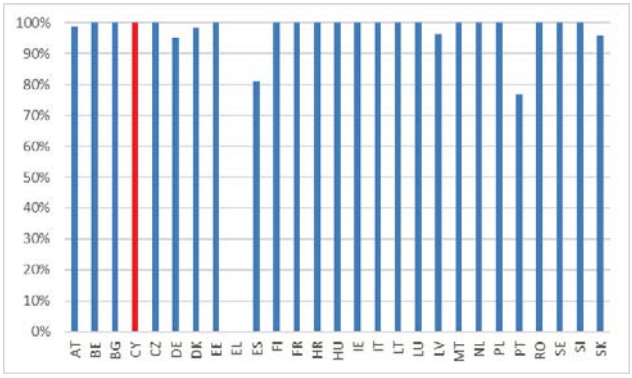


Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing Directive 2012/18/EU on the control of major accident hazards involving dangerous substances), Publications Office of the European Union, Luxembourg, 2022, https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/language-en/format-PDF/source-search; eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU - Publications Office of the EU, https://op.europa.eu/en/publication-detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en.

The public information referred to in Annex V to the Seveso III Directive – especially about how the public concerned will be warned if there is a major accident, appropriate behaviour in the event of a major accident, and the date of the last site visit – is permanently available for all Seveso establishments in Cyprus.

The shares of UTEs for which information on safety measures and requisite behaviours was actively made available to the public in 2022 in the EU-27 are presented in Figure 24. This provision on knowledge is an important provision of the Seveso III Directive, as awareness by the public of this information may ameliorate the consequences of a major industrial accident.

Figure 24: Share of UTEs for which information on safety measures and requisite behaviours was actively made available to the public per Member State (%), 2022



N.B. No data available for Greece.

Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing Directive 2012/18/EU on the control of major accident hazards involving dangerous substances), Publications Office of the European Union, Luxembourg, 2022, https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/language-en/format-PDF/source-search; eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU - Publications Office of the EU, https://op.europa.eu/en/publication-detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en.

No data available for Greece.

Mercury Regulation

The Mercury Regulation establishes measures and conditions concerning the use and storage of and trade in mercury, mercury compounds and mixtures of mercury, the manufacture and use of and trade in mercury-added products and the management of mercury waste, in order to ensure a high level of protection of human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds. The revision of the Mercury Regulation adopted in 2024 sets out rules to address the last intentional uses of mercury in the EU by phasing out the use of dental amalgam by 1 January 2025 except when deemed strictly necessary by the dental practitioner based on the specific medical needs of the patient, and prohibiting the manufacture and export of additional mercury-containing lamps from 1 January 2026 or 1 January 2027 (depending on the lamp category).

In 2019, 21 % of the dental treatments were still using dental amalgam, which represented a challenge for Cyprus to phase out its use on 1 January 2025. However, measures should have been put in place to ensure a socially and economically sound phase-out, including an adequate reimbursement of the alternatives to dental

amalgam through the health insurance scheme and the training of dental practitioners. The Commission is monitoring whether the phase-out has taken place under the terms and conditions of the regulation. Cyprus will also need to ensure that the manufacture and export of mercury-containing lamps are prohibited by the deadlines set out in the Mercury Regulation.

Noise

The Environmental Noise Directive ([85]) requires a common approach to avoid, prevent and reduce the harmful effects of noise. The designated authorities are responsible for making and approving noise maps and action plans for agglomerations, major roads, major railways and major airports. Member States decide on noise limits that are not set at the EU level. Nevertheless, the zero pollution action plan sets as a 2030 target a 30 % reduction compared with 2017 in the share of people chronically disturbed by transport noise.

Excessive noise from aircraft, railways and roads is one of the main causes of environmental health-related issues in the EU. It can cause ischaemic heart disease, stroke, interrupted sleep, cognitive impairment and stress ([86]).

In Cyprus, environmental noise is estimated to cause at least around 40 cases of ischaemic heart disease annually ([87]) and some 15 000 people to suffer from disturbed sleep ([88]).

Based on the latest set of information analysed, Cyprus has completed its noise mapping of agglomerations, roads, railways and airports.

Action plans for noise management for agglomerations, roads, railways and airports must be updated and submitted to the Commission every five years. The deadline for reporting noise action plans under the most recent reporting cycle was 18 January 2025; these plans have not been assessed yet.

Cyprus received two priority actions in the 2022 EIR: to complete (i) noise mapping and (ii) noise action plans. The first priority action on noise mapping was fulfilled as detailed above. Given that reporting under the most recent reporting cycle for noise action plans is due in early 2025, these have not been assessed. Therefore, this second priority action is maintained for the 2025 EIR.

2025 priority action

- Complete and implement action plans on noise management.

Water quality and management

EU legislation and policy requires that the impact of pressures on transitional waters, coastal waters and fresh water (including surface waters and groundwater) be significantly reduced. Achieving, maintaining or enhancing a good status of waterbodies as defined by the Water Framework Directive will ensure that EU citizens and the environment benefit from good-quality and safe drinking and bathing water. It will further ensure that the nutrient cycle (nitrogen and phosphorus) is managed in a more sustainable and resource-efficient way.

Water Framework Directive

The Water Framework Directive ([89]) is the cornerstone of EU water policy in the 21st century ([90]). The Water Framework Directive and other water-related directives ([91]) form the basis of sustainable and integrated

([85]) Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise – Declaration by the Commission in the Conciliation Committee on the directive relating to the assessment and management of environmental noise (OJ L 189, 18.7.2002, p. 12), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32002L0049.

([86]) WHO, *Environmental Noise Guidelines for the European Region*, Copenhagen, 2018, https://www.who.int/europe/publications/i/item/9789289053563https://www.who.int/europe/publications/i/item/9789289053563.

([87]) These figures are an estimation by the EEA based on (i) the data reported by Member States on noise exposure covered by Directive 2002/49/EC for the round of noise mapping of 2022; (ii) European Topic Centre on Air Pollution, Transport, Noise and Industrial Pollution (ETC/ATNI), Noise *Indicators under the Environmental Noise Directive 2021: Methodology for estimating missing data*, Eionet report ETC/ATNI No 2021/06, Kjeller, 2021; and (iii) the methodology for health impact calculations in European Topic Centre on Air Pollution and Climate Change Mitigation (ETC/ACM), *Implications of environmental noise on health and wellbeing in Europe*, Eionet Report ETC/ACM No 2018/10, Bilthoven, 2018).

([88]) More information on the adverse health effects of noise pollution is available at: https://www.eea.europa.eu/themes/human/noise/noise-2

([89]) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32000L0060.

([90]) https://environment.ec.europa.eu/topics/water_en.

([91]) These include the Groundwater Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0118), the Environmental Quality Standards Directive (https://eur-lex.europa.eu/eli/dir/2008/105/oj), the Floods Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32007L0060), the Bathing Water Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0007), the Urban Wastewater Treatment Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31991L0271), the new Drinking Water Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020L2184), the Nitrates Directive (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A31991L0676), the MSFD (https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32008L0056) and the IED

water management in the EU. They aim to achieve a high level of protection of water resources, prevention of further deterioration and restoration to good status. These objectives are very important for the EU's competitiveness, strategic autonomy and security, yet have become even more challenging in the face of climate change affecting our precious water resources.

The Water Framework Directive establishes a procedural framework for reaching good surface water ecological and chemical status and good groundwater quantitative and chemical status. This implies monitoring and classification of all waterbodies, assessment of pressures and impacts and identification of the most cost-effective measures to achieve the objectives of the directive. The directive dates from 2000 and set an initial deadline of 2015 for achieving its objectives, with the option to extend the deadline to the end of 2027. Every six years, Member States must report their river basin management plans (RBMPs) to the Commission. They should cover river basin districts in their countries, some of which may be shared with other countries. The Commission has assessed the third cycle of RBMPs, which were to be submitted by March 2022, and reported its findings to the European Parliament and to the Council on 4th February 2025 ([92])

In November 2024, the Commission initiated an infringement procedure against Cyprus for its failure to comply with Article 11 of the Water Framework Directive, according to which Member States must establish a programme of measures for each river basin district, which should include, among other things, measures to control different types of water use. These control measures must be reviewed periodically. However, in Cyprus, national legislation does not impose any kind of periodic review ([93]).

Cyprus is facing water scarcity, as evidenced by the Seasonal Water Exploitation Index +[94]. In 2022, this index reaches 91.8%, which is much above 40%, a sign of severe scarcity. This seasonal index at national level does not reflect the situation at river basin level[95], though this is not applicable for Cyprus.

2025 priority action

- Ensure periodic reviews of permits for discharges, abstractions and other water uses, including hydropower pressures.

Floods Directive

Every six years, following the same reporting cycle as the RBMPs, all Member States report their flood risk management plans (FRMPs), based on the flood hazard and risk maps (FHRMs) and the preliminary flood risk assessments drawn up during the second cycle (2016–2021).

The Commission assessed the FRMPs and reported its findings to the European Parliament and to the Council on 4th February 2025, together with the assessment of the RBMPs.

Cyprus did not submit the third RBMPs and second FRMPs by March 2022, as required under the Water Framework Directive and the Floods Directive. The Commission opened an infringement procedure for late reporting. Cyprus finally reported its third RBMPs in December 2023 and its second FRMPs in January 2024. However, as a result of the late reporting, the Commission has not been in a position to assess the plans and include such assessment in its report to the European Parliament and to the Council.

As a consequence, the EIR report cannot be updated for Cyprus and reference is made to the 2022 EIR for the latest state of play ([96]).

Drinking Water Directive

The recast Drinking Water Directive is now applicable, and Member States were required to transpose its provisions into their national legal systems by 12 January 2023. Since the entry into force of the recast directive, the Commission has adopted several delegated and implementing acts establishing (i) a watch list of substances and compounds of concern for drinking water ([97]), (ii) a methodology for measuring microplastics in drinking water ([98]) and (iii) an EU system for testing and approving materials that will be allowed to be in contact with drinking water ([99]). Member States will have to take

(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010L0075).

([92]) ENV - Bibliothèque

([93]) Case INFR(2024)2227.

([94]) Water scarcity conditions in Europe | European Environment Agency's home page.

([95]) Percentage of seasons with water stress | European Environment Agency's home page.

([96]) https://environment.ec.europa.eu/law-and-governance/environmental-implementation-review_en#country-reports.

([97]) https://environment.ec.europa.eu/publications/implementing-decision-drinking-water-directive-watch-list_en.

([98]) Commission Delegated Decision (EU) 2024/1441 of 11 March 2024 supplementing Directive (EU) 2020/2184 of the European Parliament and of the Council by laying down a methodology to measure microplastics in water intended for human consumption (notified under document C(2024) 1459) (OJ L, 2024/1441, 21.5.2024), http://data.europa.eu/eli/dec_del/2024/1441/oj.

([99]) OJ L, 2024/365, 23.4.2024, http://data.europa.eu/eli/dec_impl/2024/365/oj; OJ L, 2024/367,

these various Commission acts into account when implementing the recast directive.

Finally, the Commission has now received data from Member States on the quality of drinking water in 2017–2019.

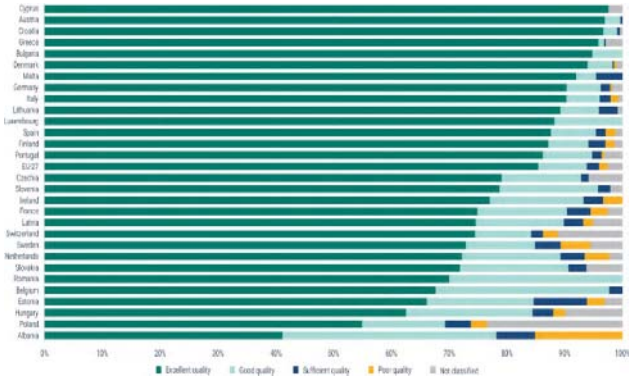
The quality of drinking water (supplied by large water suppliers) in Cyprus does not give rise to concern ([100]). From January 2026, the European quality standards for per- and polyfluoroalkyl substances (PFAS) in drinking water will apply, ensuring harmonised Member States' reporting of PFAS monitoring data in the future.

Bathing Water Directive

The Bathing Water Directive requires Member States to monitor and assess bathing water. It requires that, during the bathing season, Member States disseminate to the public information on bathing water quality actively and promptly. In particular, notices banning or advising against bathing should be rapidly and easily identifiable.

Figure 25 shows that in 2023, out of the 123 Cypriot bathing waters, 120 (97.6 %) were of excellent quality ([101]). No bathing waters were found to be of sufficient or poor quality. Detailed information on the Cypriot bathing waters is available from a national portal ([102]) and through an interactive map viewer of the EEA ([103]).

Figure 25: Bathing water quality per Member State, Albania and Switzerland (%), 2023.



Source: EEA, *European Bathing Water Quality in 2023*, briefing No 04/2024, Copenhagen, 2024, https://www.eea.europa.eu/publications/european-bathing-water-quality-in-2023/.

Nitrates Directive

The Nitrates Directive ([104]) aims to protect water quality across Europe by preventing nitrates from agricultural sources that can pollute groundwater and surface waters and by promoting the use of good farming practices.

The latest Commission report on the implementation of the Nitrates Directive ([105]), dating back to 2021, warns that nitrates are still causing harmful pollution to water in the EU. Excessive nitrates in water are harmful to both human health and ecosystems, causing oxygen depletion and eutrophication. Cleaning of waters by national authorities or farmers, where it has been undertaken, has had a positive impact on the drinking water supply and on biodiversity. It has also benefited the sectors – such as fisheries and tourism – that depend on biodiversity and on a good supply of drinking water. Nevertheless, excessive fertilisation remains a problem in many parts of the EU. The report on the implementation of the Nitrates Directive covering 2020–2023 will be available in 2025.

The analysis of Cyprus's RBMPs has identified nutrients from agriculture as an important pressure for groundwater / surface waters that is affecting these waters' good status as one of the main factors in not meeting the WFD objectives.

In 2022, Cyprus received a priority action on tackling nutrient pollution, especially nitrates from agriculture, through the implementation of the Nitrates Directive. Since the report on the implementation of the Nitrates Directive covering 2020–2023 will be available in 2025, the 2022 EIR priority action cannot be assessed and is repeated.

2025 priority action

- Tackle nutrients pollution, especially nitrates from agriculture, through the implementation of the Nitrates Directive.

23.4.2024, http://data.europa.eu/eli/dec_impl/2024/367/oj; OJ L, 2024/369, 23.4.2024, http://data.europa.eu/eli/reg_del/2024/369/oj; OJ L, 2024/368, 23.4.2024, http://data.europa.eu/eli/dec_impl/2024/368/oj; OJ L, 2024/370, 23.4.2024, http://data.europa.eu/eli/reg_del/2024/370/oj; OJ L, 2024/371, 23.4.2024, http://data.europa.eu/eli/reg_del/2024/371/oj; see the Commission web page on all six delegated acts for more information (https://environment.ec.europa.eu/publications/delegated-acts-drinking-water-directive_en).

([100]) In summary, the compliance for all parameter groups in Cyprus was at least 98.59 % in 2017, 98.33 % in 2018 and 98.42 % in 2019.

([101]) Three (2.4 %) bathing waters were not classified.

([102]) https://www.moa.gov.cy/moa/environment/environmentnew.nsf/All/9E7057F0FB6B8067C2257F6200327E0D?OpenDocument.

([103]) EEA, 'State of bathing waters in 2023', EEA website, last updated 28 May 2024 (8 June 2023), https://www.eea.europa.eu/themes/water/europes-seas-and-coasts/assessments/state-of-bathing-water/state-of-bathing-waters-in-2020.

([104]) https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1561542776070&uri=CELEX:01991L0676-20081211.

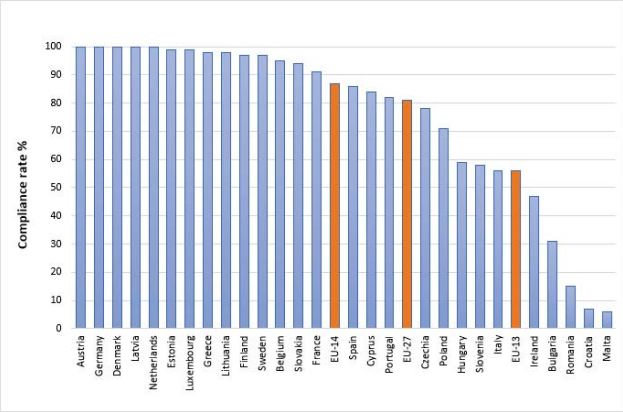
([105]) https://environment.ec.europa.eu/topics/water/nitrates_en.

Urban Wastewater Treatment Directive

The Urban Wastewater Treatment Directive (UWWTD) aims to protect human health and the environment from the effects of untreated urban waste water. It therefore requires Member States to collect and treat (secondary or biological treatment) waste water in all urban areas of more than 2 000 people, and to apply a more stringent treatment than secondary, with nitrogen and/or phosphorus removal, to the waste water generated in urban areas, also known as agglomerations, of more than 10 000 people, before they are discharged into waters and their catchments, when they are sensitive to nitrogen and/or phosphorus (i.e. eutrophic or tending to become eutrophic).

Overall, in Cyprus, the compliance rate was 84 % in 2020. In total, 28 agglomerations, generating 159 700 population equivalent of urban waste water, did not comply with the requirements of the directive.

Figure 26: Proportion of urban waste water that fully complies with the UWWTD (%), 2020



Source: 12th technical assessment of UWWTD implementation - Publications Office of the EU

In its ruling of 3 March 2020 ([106]), the Court of Justice of the European Union found that 31 agglomerations in Cyprus were not in compliance with the directive. The Commission initiated an infringement procedure ([107]) against Cyprus in May 2023 because 29 of these 31 agglomerations were still not in compliance with the directive ([108]). If Cyprus fails to comply, the Commission may refer the case to the Court of Justice of the European Union and ask for the imposition of penalties. In light of this and the 2022 priority action, it is essential that Cyprus takes the necessary measures to comply with the requirements of the directive.

This is all the more important as the directive has been revised in order to, among other things, strengthen existing treatment standards and establish an additional treatment of micropollutants in urban waste water. Other new requirements relate to moving towards the energy neutrality of the sector, establishing an EPR system to ensure sustainable financing of micropollutant treatment by the most polluting industries and ensuring access to sanitation, especially for vulnerable and marginalised groups. Cyprus has until 31 July 2027 to transpose the new directive into its national legal system.

Regarding the 2022 priority action, despite the progress made, Cyprus has not fully implemented the UWWTD.

2025 priority action

- Take the necessary measures to ensure full implementation of the current urban waste water treatment directive, taking into account the new requirements of the recast directive.

Chemicals

The EU seeks to ensure that chemicals are produced and used in a way that minimises any significant adverse effects on human health and the environment. In October 2020, the Commission published its chemicals strategy for sustainability towards a toxic-free environment ([109]), which led to some systemic changes in EU chemicals legislation. The strategy is part of the EU's zero pollution ambition – a key commitment of the European Green Deal.

The EU's chemicals legislation ([110]) provides a baseline protection for human health and the environment. It also

([106]) Judgment of 5 March 2020, *Commission* v *Cyprus (Collection and treatment of urban waste water)*, C-248/19, EU:C:2020:171.

([107]) Under Article 260 of the Treaty on the Functioning of the European Union.

([108]) INFR(2017)2046.

([109]) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Chemicals strategy for sustainability: Towards a toxic-free environment, COM(2020) 667 final of 14 October 2020, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A667%3AFIN; Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1), https://publications.europa.eu/resource/cellar/c6b6a31d-8359-11ee-99ba-01aa75ed71a1.0004.02/DOC_2.

([110]) Namely, Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the registration, evaluation, authorisation and restriction of chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30/12/2006, p. 1), https://eur-lex.europa.eu/legal-

ensures stability and predictability for businesses operating in the internal market.

Since 2007, the Commission has gathered information on the enforcement of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation and the Classification, Labelling and Packaging (CLP) Regulation. In December 2020, the Commission assessed the Member States' reports ([111]) on the implementation and enforcement of these regulations ([112]). It is apparent from the Commission's report that there are still many disparities in the implementation of the REACH and CLP Regulations, notably in the area of law enforcement. Recorded compliance levels in Member States, generally quite stable over time, appear to be getting slightly worse. This may be because (i) enforcement authorities are becoming more effective in detecting non-compliant products/companies; and (ii) more non-compliant products are being placed on the EU market.

In August 2021, the Commission published a measurable assessment of the enforcement ([113]) of the two main EU regulations on chemicals using a set of indicators on different aspects of enforcement. Since 2021, the list of chemicals subject to restrictions has been expanded as new entries have been added to Annex XVII to the REACH Regulation ([114]).

In 2023, new hazard classes were added to the CLP Regulation, and the revision of the regulation was tabled (published on 20 November 2024) ([115]). The new hazard classes cover endocrine disruptors and persistence-related hazards while the revision of the regulation encompasses new rules on online sales to better tackle non-compliances observed over the years. Also in 2023, the Conference of the Parties of the Stockholm Convention (COP) decided to include, in its Annex A (which lists banned substances), three new chemicals ([116]). The Commission is working on the delegated acts to include these substances in Annex I to the Persistent Organic Pollutants Regulation by 2025 at the latest.

Responsibility for checking compliance with REACH lies with the Cypriot Department of Labour Inspection, which sets priorities for enforcement activities on an annual basis ([117]).

Cyprus has fully implemented both the REACH and CLP enforcement strategies ([118]).

The Member States' reporting exercise set out in Article 117 of the REACH Regulation and Article 46 of the CLP Regulation is conducted every five years. The results of the coming one are expected in 2025, hence the absence of new country-specific data on enforcement since 2022.

In 2022, in Cyprus 11 staff members were allocated to the enforcement of the REACH and CLP Regulations ([119]).

In 2020, an EU coordinated enforcement project on products sold online, called the REACH-EN-FORCE (REF)-8

content/en/TXT/?uri=CELEX%3A32006R1907; and Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02008R1272-20221217.

([111]) European Commission, *Technical assistance to review the existing Member States reporting questionnaire under Articles 117(1) of REACH and 46(2) of CLP – Final report*, Publications Office of the European Union, Luxembourg, 2020, https://circabc.europa.eu/ui/group/8ee3c69a-bccb-4f22-89ca-277e35de7c63/library/a4abce8c-8425-455f-b7e6-0ead917bde6b/details.

([112]) In line with Article 117(1) of the REACH Regulation and Article 46(2) of the CLP Regulation.

([113]) European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, *REACH and CLP Enforcement: EU level enforcement indicators*, Publications Office of the European Union, Luxembourg, 2021, https://op.europa.eu/en/publication-detail/-/publication/e5c3e461-0f85-11ec-9151-01aa75ed71a1/.

([114]) These are substances in tattoo inks and permanent make-up, *N*,*N*-dimethylformamide, formaldehyde (and formaldehyde releasers), lead in PVC (polyvinyl chloride), siloxanes (D4, D5, D6) and, finally, microplastics.

([115]) Regulation (EU) 2024/2865 of the European Parliament and of the Council of 23 October 2024 amending Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures, OJ L, 2024/2865, 20.11.2024, p.1 (Regulation - EU - 2024/2865 - EN - EUR-Lex).

([116]) These are methoxychlor, dechlorane plus and UV-328. In the case of the pesticide methoxychlor, there are no exemptions from the ban. However, for the two plastic additives, dechlorane plus and UV-328, the COP decision lists some time-limited specific exemptions.

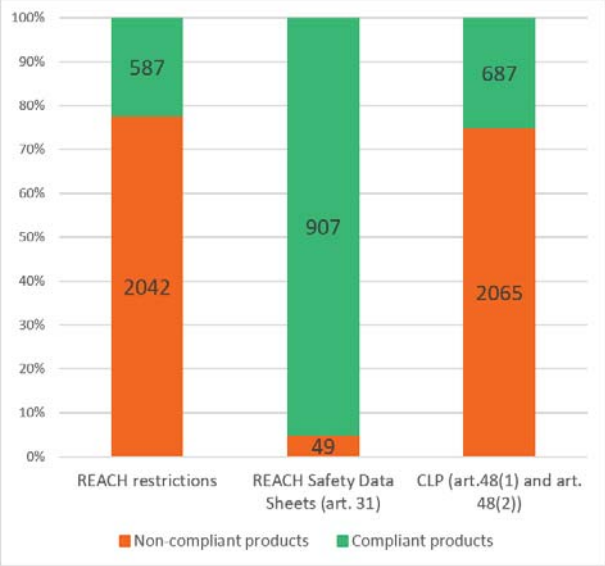
([117]) European Commission, *Technical assistance to review the existing Member States reporting questionnaire under Articles 117(1) of REACH and 46(2) of CLP – Final report*, Publications Office of the European Union, Luxembourg, 2020, p. 68, https://circabc.europa.eu/ui/group/8ee3c69a-bccb-4f22-89ca-277e35de7c63/library/a4abce8c-8425-455f-b7e6-0ead917bde6b/details.

([118]) European Commission, *Technical assistance to review the existing Member States reporting questionnaire under Articles 117(1) of REACH and 46(2) of CLP – Final report*, Publications Office of the European Union, Luxembourg, 2020, p. 76, https://circabc.europa.eu/ui/group/8ee3c69a-bccb-4f22-89ca-277e35de7c63/library/a4abce8c-8425-455f-b7e6-0ead917bde6b/details.

([119]) European Commission, *Technical assistance to review the existing Member States reporting questionnaire under Articles 117(1) of REACH and 46(2) of CLP – Final report*, Publications Office of the European Union, Luxembourg, 2020, p. 75, https://circabc.europa.eu/ui/group/8ee3c69a-bccb-4f22-89ca-277e35de7c63/library/a4abce8c-8425-455f-b7e6-0ead917bde6b/details.

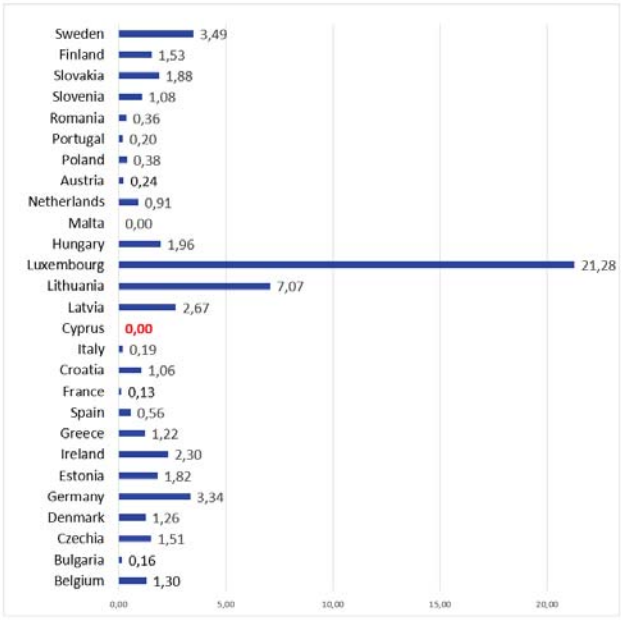
project ([120]), was conducted (Cyprus did not participate in the project). The report was adopted in November 2021, so it could not be taken into account in the previous EIR.

Figure 27: Compliance of imported products – results of the REF-8 project (%)



A risk approach was used for the targeting of control measures in order to maximise the chances of finding non-compliances. Therefore, the non-compliance rates presented above cannot be considered the average non-compliance rates of products in the EU. However, the proportion of non-compliance cases found in the REF-8 project are of concern.

Figure 28: Number of REF-8 checks performed per 100 000 inhabitants (EU average = 1.24)



Cyprus did not participate in the REF-8 coordinated enforcement project. Online sales have been proved to correspond consistently to higher non-compliance rates in checks performed across the EU, in particular when related to imported products.

In 2022, Cyprus received a priority action related to upgrading administrative capacities in implementation and enforcement to move towards a policy of zero tolerance of non-compliance. In the absence of reporting since 2022, no progress has been shown and this priority action remains valid in 2025, partly because of the experience with the REF-8 project.

2025 priority actions

- Upgrade the administrative capacities in implementation and enforcement towards a policy of zero tolerance for non-compliance.
- Increase involvement in the activities of the Forum for Exchange of Information on Enforcement of the European Chemicals Agency, including in the coordinated enforcement projects, called REFs.
- Increase customs controls and controls of products sold online with regard to compliance with chemicals legislations.

([120]) European Chemicals Agency, *REF-8 project report on enforcement of the CLP, REACH and BPR duties related to substances, mixtures and articles sold online*, Helsinki, 2021, p. 20, https://echa.europa.eu/documents/10162/17088/project_report_ref-8_en.pdf/ccf2c453-da0e-c185-908e-3a0343b25802?t=1638885422475.

4. Climate action

The impacts of climate change have continued to increase in recent years, inflicting damage and suffering in the EU and around the world. Globally, 2023 was the hottest year on record, while Europe has been warming twice as quickly as the global average, and is now the fastest-warming continent. The frequency and severity of extreme climate events are also increasing. Against this backdrop, the EU has demonstrated its determination to implement the European Green Deal and to become climate neutral and resilient by 2050, ensuring sustainable competitiveness and supporting EU industry in the net-zero transition. The European Climate Law is the EU's response to the need for action. It sets the objective of achieving climate neutrality by 2050 and a midterm target of a reduction in GHG emissions of at least 55 % by 2030, and outlines the adaptation efforts necessary to adjust to climate change's present and future impacts. Almost all the 'Fit for 55' proposals set out in the European Green Deal have been agreed in law, and the European Commission recommended a new intermediate climate target of a 90 % reduction in emissions by 2040. In 2024, the Member States submitted updated national energy and climate plans for 2021–2030, reflecting the increased ambition of the revised EU legislation. In 2024, the European Commission also released, jointly with the EEA, the first-ever European climate risk assessment.

Over the last three decades, since 1990, the EU has achieved steady decreases in its emissions, reaching a running total in 2022 of – 32.5 % ([121]). However, the EU and its Member States need to step up their implementation efforts and accelerate emissions reduction to stay on track to reach their targets of a 55 % reduction in net GHG emissions by 2030 and climate neutrality by 2050. Between 1990 and 2022, net GHG emissions of Cyprus increased by 56 %, making it one of the countries with a net increase.

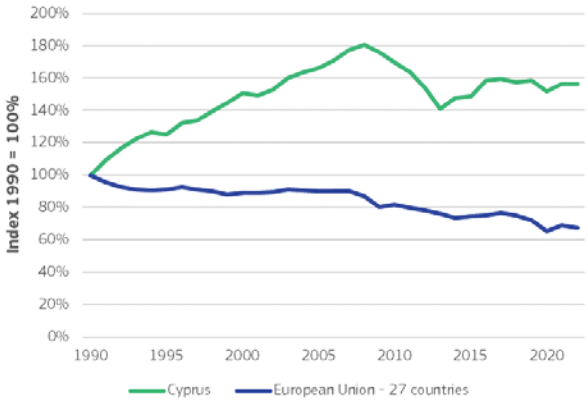
The 'Fit for 55' legislative package reflects the need to speed up the green transition. It includes (i) strengthening and expanding the EU emissions trading system (ETS), with the creation of a new, second, ETS for transport and buildings together with a dedicated Social Climate Fund to help citizens during the transition; (ii) increasing targets under the effort sharing regulation; and (iii) a revised regulation for Land Use, Land Use Change and Forestry ([122]). The package has been fully adopted, and the Member States have been implementing the legislation.

The key strategic document at country level is the National Energy and Climate Plan (NECP) ([123]). Cyprus submitted its updated plan in December 2024 after the deadline set by the Regulation on the Governance of the Energy Union and Climate Action[124]. The European Commission assessed the plan and the extent to which Cyprus has followed the recommendations for the draft version. The findings from the assessment are:

- Emissions under the Effort Sharing Regulation will decrease by 26% in 2030 compared to 2005, and Cyprus will have to close the gap towards its target of 32%.
- The latest projections show a gap to the LULUCF target, meaning that current levels of removals have been insufficient.
- Cyprus is in line with its target for the share of renewable energy and targets for energy efficiency.

To minimise the impacts of climate policies on vulnerable people and sectors, Cyprus is using the Just Transition Fund and will use Social Climate Fund from 2026. (for more information, see Chapter 5 – Finance).

Figure 29: Total GHG emissions (excluding international aviation), 1990–2022



The EU emissions trading system

The EU ETS is the key tool for reducing GHG emissions cost-effectively across all Member States. It is the world's biggest carbon market, covering around 40 % of the EU's

([121]) EU net domestic emissions, including the land use, land-use change and forestry (LULUCF) sector and excluding international aviation.

([122]) A full overview of the Fit for 55 package is available at https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-green-deal/fit-55-delivering-proposals_en.

([123]) More information about NECP is on the dedicated website https://energy.ec.europa.eu/topics/energy-strategy/national-energy-and-climate-plans-necps_en

([124]) Article 14 of regulation 2018/1999 on the Governance of the Energy Union and Climate Action

total GHG emissions from electricity and heat generation, the manufacturing industry, aviation within Europe ([125]) and, from 2024, maritime transport also.

The system sets a limit or cap on the total amount of GHGs that can be emitted at the EU level. Within this limit, companies buy emissions allowances (one allowance gives the right to emit 1 t of CO_2 eq (carbon dioxide equivalent)), in auctions or through trading allowances with others. The cap is reduced annually to ensure that overall emissions in the sectors covered decrease over time.

The emissions under the ETS decreased by 13 % from 2005 to 2023.

In 2023, power generation accounted for 70 % of total emissions in Cyprus, significantly higher than the EU average. This is largely due to the historical dominance of imported oil as the primary energy source on the island. The cement and lime sector virtually constituted the remaining 29 % of emissions. From 2019 to 2023, ETS emissions in Cyprus fluctuated only slightly, with a total increase by 3 %, composed by a 7 % decrease of GHG emissions in the power sector (mostly in 2020) and an increase by 9 % of emissions from cement and lime production. Since 2013, Cyprus has shown a trajectory of slightly increasing ETS emissions, with power generation being the dominant contributor.

From 2027, a new emissions trading system, called ETS 2, for buildings, road transport and additional sectors (mainly industry not covered by the current ETS) will become fully operational ([126]). Member States should have notified full transposition the provisions of the revised EU ETS directive related to the new ETS 2 into national law by 30 June 2024. Cyprus did not communicate full transposition into national law by this deadline. The Commission therefore opened an infringement procedure against Cyprus on 25 July 2024, by sending a letter of formal notice for failing to fully transpose the provisions into national law.

Cyprus has since partially notified transposition of the relevant provisions of the ETS 2 Directive to the Commission. The monitoring and reporting requirements and the obligation to hold a permit to carry out activities under ETS 2 will commence on 1 January 2025.

The Commission also opened infringement procedures against Cyprus on 25 January 2024, by sending a letter of formal notice for failing to fully transpose previous revisions of ETS Directive ([127]) into national law. Cyprus has since notified full transposition of the abovementioned directives to the Commission.

Effort sharing

The Effort Sharing Regulation (ESR) ([128]) covers GHG emissions from domestic transport (excluding CO_2 emissions from aviation), buildings, agriculture, small industry and waste. Emissions from these sectors account for around 60 % of the EU's domestic emissions. The regulation sets the EU-wide target to reduce emissions from the effort sharing sectors by 40 % by 2030 compared to 2005 levels. This overall target for the EU translates to binding national emission reduction targets for each Member State.

Cyprus's target is – 32 %.

In addition to the 2030 targets, Member States have annual GHG emissions limits (annual emission allocations), reducing every year until 2030.

There is some flexibility to take account of annual fluctuations in emissions, by trading emissions and transfers from the ETS and LULUCF.

Based on historical emissions and the most updated projections, Cyprus will need to implement new measures and/or use available flexibilities to achieve its 2030 ESR target. Projected gap to the 2030 target is 6.1 percentage points.

The largest contributor is the transport sector, which was accountable for 46 % of all emissions in 2022. Emissions of the sector decreased by 4 % from 2005 to 2022. But there is a worrying trend in the most recent years – emissions have increased by 5 % since 2015. In Cyprus, the transition to sustainable transport is still in its infancy. Cyprus has no railways or inland waterways; all domestic freight transport is carried out on roads. Only 13 % of passenger travel is by public transport (buses and coaches). With battery electric vehicles constituting a mere 0.1 % of the passenger car fleet in 2022, Cyprus has one of the lowest adoption rates in the EU (EU average is 1.2 %). In 2023, the island had 190 publicly accessible charging points, or one for every 6 electric vehicles (the EU average is 1:10).

Buildings accounted for 12 % of effort sharing emissions. Emissions have been stagnating over last few years. Cyprus' current energy-saving efforts in the residential sector are delivering more ambitious results than the target set for the whole building sector.

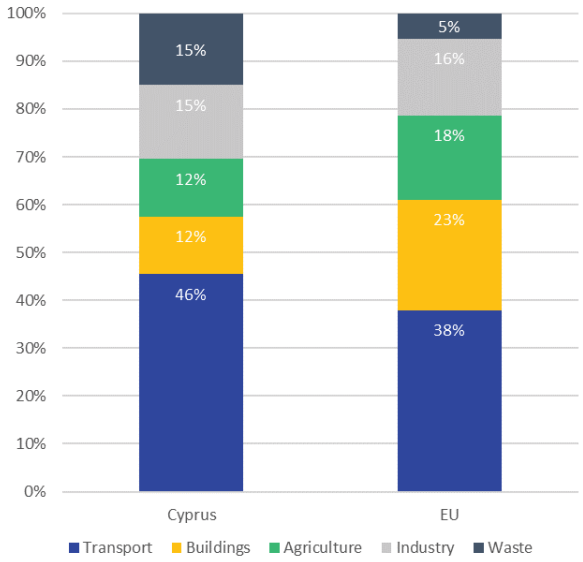
([125]) Flights between the EU Member States including departing flights to Norway, Iceland, Switzerland and the United Kingdom.

([126]) Directive (EU) 2023/959 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2023.130.01.0134.01.ENG)

([127]) Directive - 2023/959 - EN - EUR-Lex and Directive - 2023/958 - EN - EUR-Lex

([128]) Regulation (EU) 2018/842 (https://eur-lex.europa.eu/eli/reg/2018/842).

Figure 30: Effort sharing emissions by sector, 2022



Land use, land use change and forestry

The Land Use, Land-Used Change and Forestry (LULUCF) sector plays a significant role in achieving the EU's climate neutrality goal. In the EU, this sector absorbs more GHGs than it emits, removing significant volumes of carbon from the atmosphere. Thus, it is the only sector with negative emissions.

Cyprus' LULUCF sector has seen a modest decline in net removals post-2017.

Cyprus' target in 2030 is to enhance land removals by an additional –63 kt of CO_2 equivalent compared to the yearly average of the period 2016–2018. The latest projections show a gap compared to the 2030 target of 0.2 Mt of CO_2 equivalent. Therefore, Cyprus needs to apply additional measures to reach its 2030 target.

Adaptation to climate change

Halting all GHG emissions would still not prevent climate impacts that are already occurring. Therefore, adaptation to climate change is also a key component of climate policy.

Cyprus is in two out of three regions identified as a hotspots of climate risks most affected by climate change – Southern Europe and low-lying coastal regions ([129]).

Cyprus is experiencing high anthropic pressure on habitats and ecosystems, especially in coastal zones. It has comparatively low levels of rainfall and high temperatures, which contribute to the highest level of water stress in the EU. Water management will need to be prioritised to manage the risk of electricity disruption as floods, heat and drought have an impact on energy production. Cyprus is one of the six worst performers in the EU on private insurance coverage against damage from climate hazards.

Cyprus has a high degree of vulnerability to climate change; its national adaptation policies and measures are insufficient. Cyprus has had its national adaptation strategy in place since 2017, but it has never been updated. There are also no sectoral plans ([130]).

The country's approach to climate change adaptation is mostly non-binding for the moment. It will be crucial to improve institutional arrangements to boost climate resilience and long-term competitiveness.

European Commission identified four priority actions in the 2022 edition of the review.

Despite some progress in last years, the share of renewables remains below the EU average, especially in electricity generation.

Energy efficiency of buildings has improved substantially.

There is still no progress in car fleet electrification.

Despite notable progress within Cyprus' innovation ecosystem, the country still trails behind many other EU Member States.

2025 priority actions

- Implement all polices and measures that are needed to achieve targets laid down in the Effort Sharing Regulation (ESR) and LULUCF regulation. More detailed priority actions are set out in the assessment of the final National Energy and Climate Plan (NECP)([131]).

([129]) European Climate Risk Assessment (EUCRA). 2024. Available at European Climate Risk Assessment (europa.eu)

([130]) European Environmental Agency. Is Europe on track towards climate resilience? Status of reported national adaptation actions in 2023. Available from here: https://www.eea.europa.eu/ds_resolveuid/6I58BV7EJR

([131]) National energy and climate plans

Part II: Enabling framework – implementation tools

5. Financing

The EU budget supports climate investment in Cyprus with significant amounts in 2021–2027, with revenues from the ETS also feeding into the national budget. During 2020–2022, Cyprus's revenues from auctioning reached EUR 221 million in total, with more than 100 % of this spent on climate and energy, corresponding to EUR 293 million.

In addition, the annual investment needed to meet its environmental objectives in the areas of pollution prevention and control, the circular economy and waste, water protection and management, and biodiversity and ecosystems is estimated to be EUR 569 million per year in Cyprus.

These four environmental areas currently receive total funding of around EUR 357 million per year; thus, there is a gap of EUR 211 million per year.

The environmental investment gap is largely balanced across the objectives, being the highest in biodiversity and ecosystems (EUR 96 million per year).

Climate finance landmarks

EU funding for climate action

The EU budget supports climate action in the EU-27 with EUR 657.8 billion in the 2021–2027 budgetary period across the various programmes and funds, representing an overall 34.3 % contribution level. Of this, cohesion policy provides EUR 120 billion (over half of it through the European Regional Development Fund (ERDF)), the recovery and resilience facility (RRF) EUR 275.7 billion and CAP EUR 145.9 billion ([132]).

In Cyprus, the EU cohesion policy (considering the EU contribution amount) provides EUR 368 million for climate action in 2021–2027 (with 41 % of this via the ERDF), with a further EUR 23 million from the European Maritime, Fisheries and Aquaculture Fund ([133]).

The RRF contributes to climate finance in Cyprus with EUR 0.55 billion up to 2026, representing 45 % of the RRP ([134]).

The European Investment Bank (EIB) provided EUR 109.9 billion financing across the EU-27 between 2021 and mid 2024 to support energy, transport and industry projects that are aligned with the EU's climate objectives. Of this amount, EUR 134 million was assigned to Cyprus in the reference period ([135]).

National financing, including EU emissions trading system revenues

Revenues from the auctioning of emission allowances under the EU ETS, which feed directly into national budgets, amounted to EUR 40.1 million in 2020, EUR 78.4 million in 2021 and EUR 102.9 million in 2022 in Cyprus, totalling EUR 221 million in those years, representing around 132 % of the auctioning revenues. The auctioning revenues go to a fund that different ministries can use for climate and energy purposes. This fund also receives money from the general budget, hence the revenues spent on climate and energy overall being more than 100 % of auctioning revenues ([136]).

From the remaining part of the EU ETS revenues that feed into the Innovation Fund and the Modernisation Fund, further support is available to climate action at the EU level ([137]).

It should be noted that investment in climate action also supports the environment and, therefore, the environmental investments described in the following sections cannot be regarded as entirely additional to climate investment ([138]).

([132]) European Commission, *Statement of Estimates of the European Commission – For the financial year 2025*, Publications Office of the European Union, Luxembourg, 2024, pp. 94–96, https://commission.europa.eu/document/download/7a0420e1-599e-4246-9131-ccb7d505d6d9_en?filename=DB2025-Statement-of-Estimates_1.pdf.

([133]) See the Cohesion Open Data Platform (https://cohesiondata.ec.europa.eu/).

([134]) EU Commission datasets and the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html).

([135]) A list of financed projects is provided by the EIB (https://www.eib.org/en/projects/loans/index.htm).

([136]) European Commission: Directorate-General for Climate Action, *Progress Report 2023 – Climate action*, Publications Office of the European Union, Luxembourg, 2023, https://climate.ec.europa.eu/news-your-voice/news/climate-action-progress-report-2023-2023-10-24_en.

([137]) European Commission: Directorate-General for Climate Action, *Progress Report 2023 – Climate action*, Publications Office of the European Union, Luxembourg, 2023, https://climate.ec.europa.eu/news-your-voice/news/climate-action-progress-report-2023-2023-10-24_en.

([138]) NB: Indirect investments (from climate and other policies) in support of the environment are accounted for via the tracking.

Environmental financing and investments

This section describes Cyprus's investment needs, current financing and gaps as they relate to the four environmental objectives beyond climate objectives, namely tackling pollution, the circular economy and waste, water protection and management, and biodiversity and ecosystems ([139]).

The environment overall

Investment needs

The overall environmental investment needs to be sufficient to enable Cyprus to meet its objectives in the areas of pollution prevention and control, the circular economy and waste, water protection and management, and biodiversity and ecosystems. The required investment is estimated to be EUR 569 million per year (in 2022 prices).

The estimated requirement is balanced across the four environmental objectives, with a slight dominance of the water and the biodiversity objective.

Current investments

To implement the environmental investments needed, the available financing is estimated to currently reach an annual EUR 357 million in Cyprus from EU and national sources combined (in 2022 prices).

Total environmental funding from the multiannual financial framework (MFF) is estimated to reach around EUR 503 million for Cyprus in total, during 2021–2027 (or EUR 72 million per year).

Table 1: Key environmental allocations from EU funds to Cyprus (million EUR), 2021–2027

Instrument	Allocations
Cohesion policy	**305.7** ([a])
ERDF	146.2
Cohesion Fund	126.7
Just Transition Fund	32.8
CAP	**72.6** ([b])
European Agricultural Guarantee Fund	35.1
European Agricultural Fund for Rural Development	37.4
European Maritime, Fisheries and Aquaculture Fund	**12.6**
Other MFF sources	111.6 ([c])
RRF ([d]) (2021–2026)	**293**

([a]) European Commission, 2021-2027 cohesion policy (planned) allocations in *EU amount* excluding national co-financing, based on the tracking in the Common Provisions Regulation (CPR, 2021) Annex I. Please note potential data changes that may have arisen between the EIR preparation cut-off date (31 October 2024) and its publication date. Source and further information: https://cohesiondata.ec.europa.eu/2021-2027-Categorisation/2021-2027-Planned-finances-detailed-categorisation/hgyj-gyin/about_data.

([b]) Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP strategic plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435 6.12.2021, p. 1), Annex XI, https://eur-lex.europa.eu/eli/reg/2021/2115.

Note that 2021-2027 combines factual data for 2021 and 2022 and expenditure under the relevant specific objectives (SOs) of the CAP strategic plans from 2023, using the EU biodiversity tracking methodology (https://commission.europa.eu/system/files/2023-06/Biodiversity%20tracking%20methodology%20for%20each%20programme%202023.pdf). Source: European Commission.

([c]) Space Fund, Horizon Europe, LIFE and the Connecting Europe Facility.

([d]) Outside the MFF. Note that the RRF applies a similar environmental tracking scheme (set in the RRF Regulation, Annex VI) as the EU's cohesion policy. RRF dataset version used: July 2024, prior to 2025 revisions. Data source: European Commission.

Cyprus, in addition to receiving EU funds earmarked specifically for it in 2021–2027, can also benefit from funding programmes that can be accessed at the EU level and which are open to all Member States. These include the LIFE programme ([140]) (EUR 5.4 billion), Horizon Europe (EUR 95.5 billion) ([141]), the Connecting Europe

([139]) Research, development and innovation is accounted under each environmental objective. The financing needs, baselines and gap estimates are based on the Directorate-General for Environment's internal analysis (of 2024). Throughout this chapter, specific references are provided to the most important data sources used.

([140]) https://cinea.ec.europa.eu/programmes/life_en.

([141]) European Commission, Horizon Europe, https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en.

Facility (EUR 33.7 billion) ([142]) and funds that be mobilised through the InvestEU programme ([143]).

Cyprus's RRP supports climate objectives through funding of EUR 0.55 billion (45 % of total), with an additional EUR 0.03 billion (2.1 % of total) for the environment.

The EIB provided around EUR 167.9 million in environment-related financial contributions to Cyprus from 2021 to mid 2024, most of them related to water projects (EUR 105 million), followed by sustainable energy, transport and industrial projects (EUR 54 million), which provide significant co-benefits to reducing air pollution, environmental noise and other pollution.

The EU's total national expenditure on environmental protection (operating plus capital expenditure) was EUR 298 billion in 2020 and EUR 321 billion in 2021, representing around 2.2 % of EU-27 GDP. In Cyprus, the total national environmental protection expenditure was EUR 250 million in 2020 and EUR 311 million in 2021, representing 1.1 % and 1.2 % of GDP, respectively.

Of the total environmental expenditure, the national capital expenditure (investment) on environmental protection amounted to EUR 54.5 billion in 2020 and EUR 59.9 billion in 2021 in the EU-27, representing around 0.4 % of the EU's GDP. In Cyprus, the national environmental protection investment reached EUR 24 million in 2020, rising to EUR 54 million in 2021, representing around 0.1 % and 0.2 % of GDP, respectively.

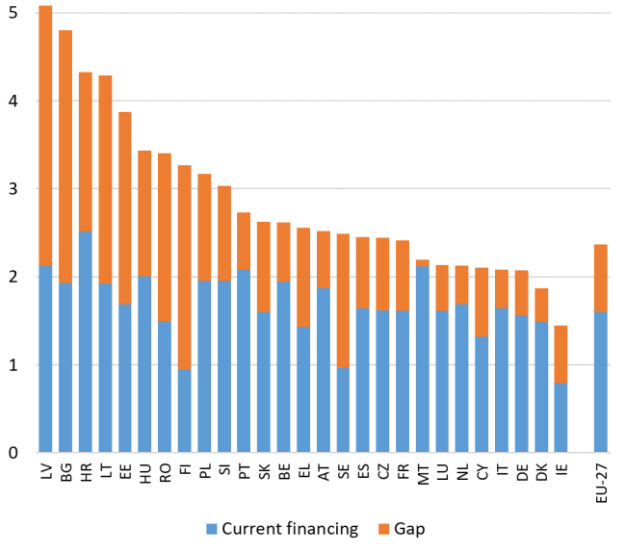
Splitting by institutional sector, 12.7 % of Cyprus's national environmental protection investment (capital expenditure) comes from the general government budget, with 37.3 % coming from specialist private-sector producers (of environmental protection services, such as waste and water companies) and 50 % from the general business sector, whose environmental activities are usually ancillary to its main activities. At the EU level, 38 % of environmental protection investment comes from governments, 40 % from specialist private-sector producers and 22 % from the general business sector ([144]).

Cyprus's total financing for environmental investment reaches an estimated EUR 357 million per year (in 2022 prices), including EU funding and national public and national private expenditure. Of the total, the share of EU fund (including EIB funds) reaches 36 %, with around 64 % national financing. The total public financing (EU plus national public) represents 44 % of the total.

The gap

To meet its four environmental objectives beyond climate change, the additional investment need over the current levels (i.e. the gap) reaches an estimated EUR 211 million per year in Cyprus, representing around 0.78 % of the national GDP, being around the EU average (0.77 %).

Figure 31: Environmental financing, needs and gaps per Member State (% of GDP)



Source: Analysis of Directorate-General for Environment.

The following table provides the distributions of Cyprus's environmental investment gap (expressed in various forms) by environmental objective.

Table 2: Summary of environmental investment gaps in Cyprus per year, 2021–2027

Environmental objective	Investment gap per year		
	Million EUR (2022 prices)	% of total	% of GDP
Pollution prevention and control	33	15.8	0.12
Circular economy and waste	53	25.1	0.20
Water management and water industries	29	13.9	0.11

([142]) The Connecting Europe Facility Transport part also includes EUR 11.3 billion transferred from the Cohesion Fund, of which 30 % will be made available, on a competitive basis, to all Member States eligible for the Cohesion Fund. The remaining 70 % will respect the national envelopes until 31 December 2023.

([143]) The InvestEU Fund is set to mobilise over EUR 372 billion of investment through an EU budget guarantee of EUR 26.2 billion to back the investment of financial partners such as the EIB group and others.

([144]) Eurostat, 'Environmental protection expenditure accounts', env_ac_epea.

Biodiversity and ecosystems	96	45.2	0.35
Total	**211**	**100.0**	**0.78**

Source: Directorate-General for Environment analysis.

Pollution prevention and control

Investment needs

In pollution prevention and control, Cyprus's investment needs are estimated to reach EUR 113 million per year (including baseline investments) in 2021–2027. Most of this, EUR 102 million, relates to air pollution control, to comply with the clean air requirements for the five main air pollutants under the NECD by 2030. The estimated needs to reduce environmental noise reach EUR 41 million per year, most of which is delivered by the (same) sustainable energy and transport investments that also benefit clean air ([145]). Industrial site remediation requires an estimated EUR 5 million per year. Microplastics pollution and the chemicals strategy require around EUR 3–4 million per year (each) ([146]).

Current investments

The current investment levels supporting pollution prevention and control reach an estimated EUR 80 million per year in Cyprus in 2021–2027. Most of the financing concerns clean air (EUR 75 million per year). Protection from environmental noise receives around EUR 15 million per year, with a further EUR 4 million for site remediation. There is further national financing of EUR 270 million per year, which is not (clearly) allocated to specific environmental objectives.([147])

In Cyprus, the EU MFF provides an estimated 21.3 % of the clean air financing (mostly via cohesion policy), with a further 34.4 % from the RRF, adding up to 55.7 % of the total. EIB financing contributes 9 % and national sources reach 35.3 % ([148]).

The gap

To meet its environmental objectives concerning pollution prevention and control (towards zero pollution), Cyprus needs to provide an additional EUR 33 million per year (0.12 % of GDP), mostly related to clean air. The adequate implementation of the NECP with the investments included for sustainable energy and transport would largely deliver this, while in many Member States additional measures and investments may be required to comply with the ammonia reduction requirements.

According to the latest (2023) NAPCP review report ([149]), Cyprus complied with ammonia reduction requirements in 2020 and 2021 (while not complying with SO_2 reduction requirements), and it is at medium levels of risk of non-compliance concerning the NECD's 2030 emission reduction commitments for SO_2 and $PM_{2.5}$, based on the policies and measures in its NAPCP that take into account climate, energy and CAP plans and financing baselines.

Circular economy and waste

Investment needs

Cyprus's investment needs in circular economy and waste reach EUR 137 million per year (including baseline investments). Most of this, around EUR 110 million per year, relates to circular economy measures in the mobility, food and built environment systems, with a further EUR 27 million necessary for waste management (municipal and packaging waste), covering waste collection, biowaste treatment, recycling reprocessors, waste-sorting facilities, and digitalisation of the waste registry. The amount for waste excludes the investments needed for the uptake of circularity and waste prevention across the economy ([150]).

([145]) 2021 Phenomena project assessment (https://op.europa.eu/en/publication-detail/-/publication/f4cd7465-a95d-11eb-9585-01aa75ed71a1) and the Commission's 2023 Environmental Noise Directive implementation report (https://environment.ec.europa.eu/system/files/2023-03/COM_2023_139_1_EN_ACT_part1_v3.pdf).

([146]) European Commission, *Third Clean Air Outlook*, Brussels, 2022, https://environment.ec.europa.eu/topics/air/clean-air-outlook_en. See also the impact assessment for the revision of the AAQD, available from the Commission web page on the proposed revision (https://environment.ec.europa.eu/publications/revision-eu-ambient-air-quality-legislation_en).

([147]) Through the tracking of EU funds, EIB projects and national expenditure (EPEA accounts, Eurostat). Note that the bulk of clean air financing is provided as a contribution from climate (energy and transport) measures, as per the tracking schemes in the Common Provisions Regulation Annex I and the RRF Regulation Annex VI. Further information on clean air tracking: https://commission.europa.eu/document/download/0a80484e-2409-4749-94c6-3b23bc6bae8f_en?filename=Clean%20air%20methodology_0.pdf

([148]) Through the tracking of EU funds, EIB projects and national expenditure (EPEA accounts, Eurostat). Note that the bulk of clean air financing is provided as a contribution from climate (energy and transport) measures, as per the tracking schemes in the Common Provisions Regulation Annex I and the RRF Regulation Annex VI. Further information on clean air tracking: https://commission.europa.eu/document/download/0a80484e-2409-4749-94c6-3b23bc6bae8f_en?filename=Clean%20air%20methodology_0.pdf

([149]) European Commission, 'National air pollution control programmes and projections', European Commission website, https://environment.ec.europa.eu/topics/air/reducing-emissions-air-pollutants/national-air-pollution-control-programmes-and-projections_en.

([150]) See Systemiq and Ellen MacArthur Foundation, *Achieving 'Growth Within'*, 2017; and European Commission: Directorate-General for Environment, *Study on investment needs in the waste sector and*

Current investments

Circular economy investments across the economy reach around EUR 70 million per year in Cyprus in 2021-2027, with a further EUR 1 million provided for waste management that does not constitute circular economy.

Around 6.7 % of the combined financing for circularity and waste comes from the EU MFF, with a further 2.2 % from the RRF, adding up to 8.9 % of the total. EIB loans identified in support of circularity and waste represent 1.5 % of the total. The share of national financing is absolutely overwhelming, reaching 89.7 % of the total financing ([151]).

The gap

To meet its environmental objectives concerning the circular economy and waste, Cyprus needs to increase circular economy investments by an estimated EUR 40 million per year, with an additional EUR 13 million concerning waste management action, not belonging to circular economy. Combined, this amounts to EUR 53 million per year, representing 0.2 % of Cyprus GDP.

Of the circular economy gap, EUR 11 million relates to recent initiatives, such as the eco-design for sustainable products, packaging and packaging waste, labelling and digital tools, CRM recycling, and measures proposed under the amendment of the Waste Framework Directive, and EUR 30 million constitutes further investment need to unlock Cyprus's circular economy potential.

Water protection and management

Investment needs

The annual water investment needs reach an estimated EUR 169 million (in 2022 prices) in Cyprus. This comprises investment needs both for the water industry and for the protection and the management of water. The largest part of the total annual need, EUR 104 million, relates to drinking water measures. A further EUR 46 million per year is need for the management of waste water (also including additional costs associated with the revised UWWTD). Additional needs for the Water Framework Directive (protection of water) are estimated at EUR 18 million per year ([152]).

Current investments

Water investments in Cyprus are estimated to be around EUR 140 million per year (in 2022 prices) in 2021–2027. Of this, EUR 36 million supports wastewater management, EUR 90 million drinking water and around EUR 14 million the other aspects of the Water Framework Directive (water management and protection).

Of the total water financing, 9.6 % is provided by the EU MFF (mostly through cohesion policy), with a further 4.8 % from the RRF, reaching 14.4 % combined. EIB financing is around 10 % of the total, while the bulk of financing comes from national sources (75.5 %) ([153]).

The gap

To meet the various environmental targets under the Water Framework Directive and the Floods Directive, Cyprus's water investment gap reaches EUR 29 million per year (0.11 % of GDP), with around half of it related to drinking water (EUR 15 million per year). Wastewater measures require an additional EUR 10 million per year, with an additional EUR 4-5 million needed for the Water Framework Directive per year over the existing levels of financing.

Biodiversity and ecosystems

Investment needs

The investment needs for biodiversity and ecosystems are estimated to be EUR 149 million per year (in 2022 prices) in Cyprus in 2021–2027. This includes the following financing needs:

- Cyprus's PAF ([154]) concerning the Natura 2000 areas: EUR 7.5 million per year, mostly running costs;
- additional BDS costs ([155]): EUR 104 million per year on top of the PAF;

on the financing of municipal waste management in Member States, Publications Office of the European Union, Luxembourg, 2019, https://op.europa.eu/en/publication-detail/-/publication/4d5f8355-bcad-11e9-9d01-01aa75ed71a1.

([151]) Waste management and circular economy expenditure tracking in the EU funds, EIB projects and in the national expenditure (Eurostat). Datasets: EPEA accounts (env_epi) and circular economy private investments (cei_cie012).

([152]) See European Commission, 'Estimating investment needs and financing capacities for water-related investment in EU Member States', 28 May 2020, https://commission.europa.eu/news/estimating-investment-needs-and-financing-capacities-water-related-investment-eu-member-states-2020-05-28_en; and OECD, *Financing Water Supply, Sanitation and flood Protection: Challenges in EU Member States and policy options*, OECD Publishing, Paris, 2020, https://www.oecd-ilibrary.org/environment/financing-water-supply-sanitation-and-flood-protection_6893cdac-en.

([153]) Water investment levels are estimated through tracking EU funds, EIB projects and national expenditure (EPEA accounts, Eurostat).

([154]) European Commission, 'Financing Natura 2000 – Prioritised action frameworks', European Commission website, https://environment.ec.europa.eu/topics/nature-and-biodiversity/natura-2000/financing-natura-2000_en.

([155]) See European Commission: Directorate-General for Environment, *Biodiversity Financing and Tracking – Final report*, Publications Office of the European Union, Luxembourg, 2022, https://op.europa.eu/en/publication-detail/-/publication/793eb6ec-dbd6-11ec-a534-01aa75ed71a1/language-en.

- sustainable soil management costs ([156]): EUR 38 million per year.

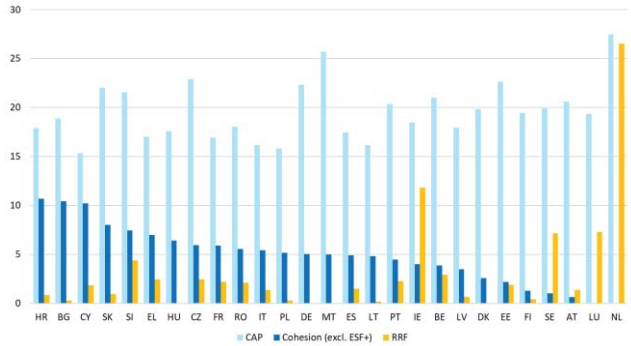
Current investments

The current level of biodiversity financing is estimated to be EUR 54 million per year (in 2022 prices) in 2021–2027. 56 % of this is considered direct financing to biodiversity and ecosystems, with a 100 % coefficient in the tracking schemes.

15 % of the total financing is estimated to come from EU cohesion policy and 18 % from CAP. The EU MFF altogether accounts for 58 % of the financing and the RRF for 5.6 %, adding up to a total of 63 % from the EU budget. The rest, 37 %, comes from national sources ([157]).

At 1.9 %, Cyprus's share of RRF funding is above the average share dedicated to supporting measures for biodiversity. However, Cyprus has the lowest share of the CAP budget, with only 15.3 % of its CAP budget for 2021–2027 contributing to biodiversity, under the EU average. Lastly, 10.2 % of Cyprus's cohesion policy EU contribution is estimated to contribute to biodiversity (disregarding ESF+), well above the EU average.

Figure 32: 2021–2027 contributions to biodiversity from the main EU instruments per Member State (% of policy total)



NB: ESF+, European Social Fund Plus.

The gap

To meet the environmental objectives concerning the protection and restoration of biodiversity and ecosystems and other relevant cross-cutting measures, Cyprus's investment gap is estimated to be EUR 96 million per year, corresponding to 0.4 % of its GDP.

Public financial management

Green budgeting practices

Green budgeting refers to the use of budgetary tools to achieve climate and environmental goals. Some Member States already use green budgeting tools for identifying and tracking green expenditures and/or revenues ([158]). Green budgeting practices provide increased transparency on the environmental implications of budgetary policies.

The Commission has developed a non-mandatory green budgeting reference framework that brings together methodologies for assessing the impacts of budgets on climate and environmental goals ([159]).

To help Member States develop national green budgeting and thereby improve policy coherence and support the green transition, the Commission facilitated a technical support instrument (TSI) project on green budgeting from 2021 to 2024 ([160]). Cyprus participated in the training, which helped advance its planning of a national green budgeting framework.

Cyprus has also been selected for the next round of TSI projects on green budgeting, starting in 2025. The country's focus will be on developing a standardized methodology for tagging and activity-based budgeting.

Beyond green budgeting, to improve policy outcomes, the Commission has also drawn up climate-proofing and sustainability-proofing guidance ([161]), as tools to assess project eligibility and compliance with environmental legislation and criteria.

Green taxation and tax reform

Total environmental taxes amounted to EUR 609 million in Cyprus in 2022, representing 2.2 % of its GDP (EU average: 2.0 %). Energy taxes formed the largest component of

([156]) See Proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law) COM(2023) 416 final of 5 July 2023, https://environment.ec.europa.eu/publications/proposal-directive-soil-monitoring-and-resilience_en.

([157]) Based on biodiversity tracking in the EU budget (https://circabc.europa.eu/ui/group/3f466d71-92a7-49eb-9c63-6cb0fadf29dc/library/8e44293a-d97f-496d-8769-50365780acde), and national expenditure into biodiversity from the Classification of the Functions of Government accounts.

([158]) European Commission, *Green Budgeting in the EU. Key Insights from the 2023 European Commission Survey of Green Budgeting Practices*, 2023, https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-fiscal-frameworks-eu-member-states/green-budgeting-eu_en#:~:text=European%20Commission%20Green%20Budgeting%20Survey%C2%A0.

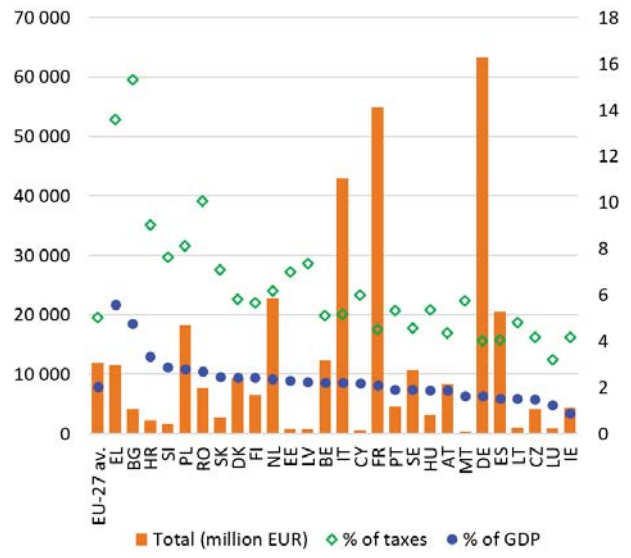
([159]) European Commission, 'European Union green budgeting reference framework', 2022, https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/green-budgeting-eu_en.

([160]) https://reform-support.ec.europa.eu/what-we-do/revenue-administration-and-public-financial-management/supporting-implementation-green-budgeting-practices-eu_en.

([161]) Commission notice – Technical guidance on the climate proofing of infrastructure in the period 2021–2027 (OJ C 373, 16.09.2021, p. 1), https://op.europa.eu/en/publication-detail/-/publication/23a24b21-16d0-11ec-b4fe-01aa75ed71a1/language-en.

environmental taxes, accounting for 1.5 % of GDP, slightly lower than the EU average of 1.6 %. Transport taxes, at 0.42 % of GDP, were around the EU average (0.4 %), while taxes on pollution and resources, at 0.25 %, were higher than the EU average (0.08 %). In 2022, environmental taxes in Cyprus accounted for 6 % of total revenues from taxes and social security contributions (above the EU average of 5.0 %) ([162]).

Figure 33: Environmental taxes per Member State, 2022



The EU Green Deal emphasises the role of well-designed tax reforms (e.g. shifts from taxing labour to taxing pollution) to boost economic growth and resilience and to foster a fairer society and a just transition through the right price signals. The Green Deal promotes the 'polluter-pays principle', which makes polluters bear the costs to prevent, control and remedy pollution.

According to a 2024 study ([163]), Cyprus does not apply any emission charges or product charges. It applies user charges, namely a fee for landscape and nature protection, a volumetric charge for water abstraction and charges for mineral extraction.

Green bonds and sustainable bonds

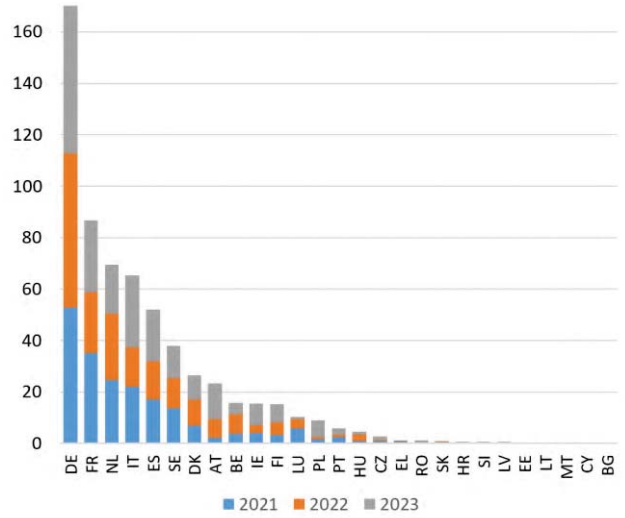
In 2023, the total value of green bonds issued by Member States was USD 245 billion (EUR 227 billion), up from USD 234 billion (EUR 198 billion) in 2021 ([164]).

During 2021–2023 combined, Cyprus issued green bonds worth USD 5.6 million (EUR 5.2 million), issuance of all of which took place in 2023.

During 2014–2023, 83 % of the green bonds issued by European countries (excluding supranational entities) served objectives in energy, buildings or transport, while 5 % supported objectives in water, 5.1 % related to land use (with links to nature and ecosystems) and 3.8 % to applied to waste management. By 2023, the combined share of energy, buildings and transport had decreased to 73 %, the shares of waste management and land use had increased (to 5.9 % and 8.4 %, respectively) and the share of water had remained around 5 %.

In 2021–2023, 31.7 % of the European green bonds (excluding supranational issuances) was issued by financial corporates, 29.1 % by sovereign governments and 23.1 % by non-financial corporates. 8.3 % of the issuances was linked to government-backed entities, 6.4 % to developments banks and 1.4 % to local governments.

Figure 34: Value of green bonds issued per Member State (billion EUR), 2021, 2022 and 2023



Data source: Climatebonds.net, with some additional data from national sources (e.g. Croatia, Slovenia).

Environmentally harmful subsidies

Addressing and phasing out environmentally harmful subsidies, in particular fossil fuel subsidies (FFS), is a

([162]) Eurostat, 'Environmental taxes accounts', env_eta.

([163]) European Commission: Directorate-General for Environment, *Candidates for Taxing Environmental Bads at National Level*, Publications Office of the European Union, Luxembourg, 2024, Annex 1, https://op.europa.eu/en/publication-detail/-/publication/35c1bbdf-2931-11ef-9290-01aa75ed71a1/language-en.

([164]) Climate bonds initiative (https://www.climatebonds.net/). NB. Additionally (and not included in this), national sources indicated EUR 544.8 million issuance for Croatia, in 2022-2023, and a slightly higher amount for Slovenia (+0.27 billion) during 2021-2023 in total.

further step towards achieving the eighth environment action programme objectives and the enabling conditions ([165]). FFS are costly for public budgets and make it difficult to achieve European Green Deal objectives.

The overall downward trend of FFS mentioned in past EIRs was disrupted from 2022 due to the European response to the 2021 energy crisis and subsequent increase in energy prices.

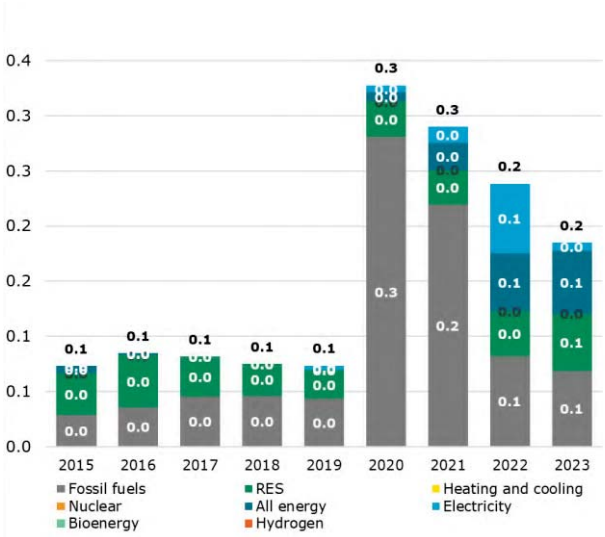
As a direct consequence, annual FFS in the EU have increased to EUR 109 billion in 2023 from EUR 57 billion in 2020. From 2021 to 2023, there has been a marked increase in annual FFS of 72 % in the EU ([166]).

For the majority of the Member States (16), the year 2022 saw a peak in the amount of overall FFS. A decline was then observed in 2023 ([167]). In particular, FFS for coal and lignite, natural gas and oil increased in 2022 and a strong increase was observed for natural gas subsidies.

In Cyprus, the energy subsidies were stable until 2018, and tripled in 2020. As part of this, FFS reached EUR 0.3 billion in 2020, gradually decreasing since then (down to EUR 0.1 billion in 2023).

As a share of GDP, FFS in 2022 ranged from 1.8 % in Croatia to less than 0.1 % in Denmark and Sweden. Cyprus's value reached 0.3 %, below the EU average (0.8 %) ([168]).

Figure 35: Energy subsidies by energy carrier (billion EUR), 2015–2023



NB: RES, renewable energy source.

Source : analysis of Directorate-General Energy

The additional investment need over the current levels – the environmental gap – reaches an estimated EUR 212 million per year in Cyprus, representing around 0.79 % of the national gross domestic product, being lower than the EU average (0.77 %).

2025 priority action

- Use more national funding (for instance by increasing taxes in favour of the environment and reducing environmentally harmful subsidies), EU funding and private funding to help close the investment gap.

([165]) Article 3(h) and 3(v) of the eighth environment action programme.

([166]) European Commission, 2024 Report on Energy Subsidies in the European Union, COM(2025), https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2025)17&lang=en

([167]) 16 Member States: BE, EE, IE, EL, ES, FR, HR, IT, CY, LT, HU, NL, AT, PT, RO and SE.

([168]) European Commission, 2024 Report on Energy Subsidies in the European Union, COM(2025), https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2025)17&lang=en

6. Environmental governance

Information, public participation and access to justice

Citizens can more effectively protect the environment if they rely on the three 'pillars' of the Aarhus Convention: (i) access to information, (ii) public participation in decision-making and (iii) access to justice in environmental matters. It is of crucial importance to public authorities, the public and businesses that environmental information is shared efficiently and effectively ([169]). Public participation allows authorities to make decisions that take public concerns into account. Access to justice is a set of guarantees that allows citizens and NGOs to use national courts to protect the environment, safeguard the rights of citizens and ensure accountability of authorities ([170]). It includes the right to bring legal challenges ('legal standing') ([171]).

Environmental information

This section focuses on the implementation of the Infrastructure for Spatial Information in the European Community (Inspire) Directive. The Inspire Directive aims to set up a European spatial-data infrastructure for sharing environmental spatial information between public authorities across Europe. It is expected that this will help policymaking across boundaries and facilitate public access to this information. Geographic information is needed for good governance at all levels and should be readily and transparently available.

Cyprus's performance in implementing the Inspire Directive has been reviewed based on its 2023 country fiche ([172]) (see Table 3) and shows some progress.

Table 3: Cyprus dashboard on implementation of the Inspire Directive, 2016–2023

	2016	2023
Effective coordination and data sharing		
Ensure effective coordination	🟨	🟨
Data sharing without obstacle	🟨	🟨
Inspire performance indicators		
(i) Conformity of metadata	🟩	🟥
(ii) Conformity of spatial datasets ([a])	🟥	🟥
(iii) Accessibility of spatial datasets through view and download services	🟥	🟩
(iv) Conformity of network services	🟥	🟥

Legend:
- 🟩 Implementation of this provision is well advanced or (nearly) completed. Outstanding issues are minor and can be addressed easily. Percentage > 89 %
- 🟨 Implementation of this provision has started and made some or substantial progress, but is still not close to being completed. Percentage = 31–89 %
- 🟥 Implementation of this provision is falling significantly behind. Serious efforts are necessary to close the implementation gap. Percentage < 31 %

([a]) In 2016, the deadlines for implementation of spatial data interoperability were still in the future: 23 November 2017 for Annex I data and 21 October 2020 for Annex II and III data. It must also be considered that this indicator will in many cases never reach 100 % conformity, as the majority of countries provide as-is datasets in addition to the Inspire-harmonised datasets.

Source: European Commission, 'Cyprus', Inspire Knowledge Base, https://knowledge-base.inspire.ec.europa.eu/cyprus_en.

In 2022, Cyprus received a priority action on the need to improve access to spatial data and services. It has made limited progress on data identification and

([169]) The Aarhus Convention (https://unece.org/environment-policy/public-participation/aarhus-convention/text), the Access to Environmental Information Directive (Directive 2003/4/EC) (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003L0004) and the Inspire Directive (Directive 2007/2/EC) (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32007L0002) together create a legal foundation for the sharing of environmental information between public authorities and with the public.

([170]) These guarantees are explained in the European Commission's 2017 notice on access to justice in environmental matters (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52017XC0818(02)) and a related 2018 citizen's guide (https://op.europa.eu/en/publication-detail/-/publication/2b362f0a-bfe4-11e8-99ee-01aa75ed71a1/language-en/format-PDF).

([171]) This EIR focuses on the means used by Member States to guarantee rights of access to justice and legal standing and to overcome other major barriers to bringing cases on environmental protection.

([172]) European Commission, 'Cyprus', Inspire Knowledge Base, https://knowledge-base.inspire.ec.europa.eu/cyprus_en.

documentation, but implementation levels are still very limited ([173]).

More efforts are needed regarding the Inspire Directive, particularly to (i) make the data more widely accessible, (ii) improve the conditions for data reuse and (iii) prioritise environmental datasets in implementation, especially those identified as high-value spatial datasets for implementing environmental legislation. Therefore, the 2022 priority action is repeated.

Public participation

Public involvement at both the planning and the project phase maximises transparency and social acceptance of programmes and projects. Consultation with the public (including NGOs) and environmental, local and regional authorities is a key feature of an effective impact assessment procedure. Such consultation also provides an opportunity for public authorities and project promoters to engage with the public actively and meaningfully by making information on the likely significant effects widely available. If carried out with due diligence and taking into consideration useful public input, this process leads to better-informed decision-making and can promote public acceptance. Making information available increases stakeholder involvement, thus lessening resistance and preventing (or minimising) litigation. On the other hand, it is paramount that the procedure is effective.

This section examines how public involvement and transparency are ensured under two instruments, namely the Environmental Impact Assessment (EIA) Directive ([174]) and the Strategic Environmental Assessment (SEA) Directive ([175]).

EU law provides for a flexible framework concerning EIAs. The aim of this framework is to ensure the application of the necessary environmental safeguards, while enabling speedy approval of projects. The Commission has contributed to simplifying and accelerating permitting for renewable energy projects and continues to support the Member States in this regard([176]). Cyprus has already taken steps aiming to accelerate permit-issuing procedures taking advantages of the broad flexibilities offered by the EU legal framework, such as creating a digital platform and streamlining permit-issuing procedures for renewable energy projects.

The average speed in the EU for issuing permits involving an EIA procedure is 20.6 months, with a minimum duration of 11.4 months and a maximum duration of 75.7 months ([177]). The duration of each step in an EIA process (screening, scoping, EIA report, public consultation, reasoned conclusion, development consent) varies considerably between Member States and projects. The available data for Cyprus show that the average duration of the EIA process in Cyprus appears to be shorter than the EU average, but definitive conclusions cannot be drawn, as information on the duration of development consent is missing. Effective use of EU procedures can positively influence the timely approval of activities underpinning the decarbonisation of the economy on the way to net zero by 2050.

A new report is not yet available on the application and effectiveness of the SEA Directive in the EU. Nevertheless, a support study has been published with information by Member State ([178]).

In 2022, Cyprus received a priority action on publishing regular information on the number of EIA and SEA processes and their outcomes. Taking into consideration this priority action, the EIA Platform was upgraded and now includes all required information (reports, processes, outcome); the platform is available online ([179]).

([173]) According to information provided by Cyprus, there has been considerable improvement on access to environmental information at the national level through other means (e.g. the implementation of the Open Data Directive and its high-value datasets (HVD) Regulation). Most environmental data are currently available on the National Open Data Portal (https://www.data.gov.cy/en?language=en). By contrast, the national Inspire portal is experiencing several technical issues, which make it less preferable to use and difficult to rely on for both authorities and the public.

([174]) Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32011L0092.

([175]) Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30), https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32001L0042.

([176]) Commission Staff Working Document (SWD/2022/0149 final), 18 May 2022, (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022SC0149&qid=1653034229953).

([177]) European Commission: Directorate-General for Environment, *Collection of information and data on the implementation of the revised Environmental Impact Assessment (EIA) Directive (2011/92/EU) as amended by 2014/52/EU)*, Publications Office of the European Union, Luxembourg, 2024, Tables 5 and 6, https://op.europa.eu/en/publication-detail/-/publication/8349a857-2936-11ef-9290-01aa75ed71a1/.

([178]) European Commission: Directorate-General for Environment, Lundberg, P., McNeill, A., McGuinn, J., Cantarelli, A. et al., *Study supporting the preparation of the report on the application and effectiveness of the SEA Directive (Directive 2001/42/EC) – Final study*, Publications Office of the European Union, 2025, https://data.europa.eu/doi/10.2779/1615072

([179]) http://www.eia.moa.gov.cy/.

Access to justice

Access to justice, guaranteed by Article 19(1) of the Treaty on European Union and Article 47 of the EU Charter of Fundamental Rights, is a fundamental right and part of the democratic process. It is vital to ensure the full application of EU law in all Member States and the legal protection of the rights of individuals, including in environmental matters. Access to justice is essential to enable judicial review of the decisions of public authorities and to allow the correction of any wrongdoing committed by these authorities.

This section provides a snapshot of the state of play of access to courts by the public, particularly when it comes to challenging plans, or the non-adoption of plans, under EU law, in the areas of water, waste, air quality and noise, irrespective of the form of the legal act (i.e. regulatory act or administrative decision).

As outlined in the 2022 EIR, any administrative decision, whether environmental or otherwise, can be challenged by any natural or legal person affected by the decision (Article 146 of Cyprus's constitution). NGOs have standing only under specific sectoral laws (EIA Directive, Integrated Pollution Prevention and Control Directive ([180]), Environmental Liability Directive (ELD) ([181])); otherwise they must prove their rights/interests.

It can be difficult to challenge plans or programmes, since there are no specific rules in Cyprus granting access to justice on this. Although the Supreme Court of Cyprus has the power to review legislation or regulations, this recourse is inaccessible to individuals and NGOs. The Commission is assessing whether this situation complies with the requirements of the Aarhus Convention.

In 2022, Cyprus received a priority action on improving access to justice by the public concerned when it comes to challenging administrative or regulatory decisions and omission. There has been no progress.

2025 priority actions

- Make spatial data more widely accessible and prioritise environmental datasets in implementing the Inspire Directive, especially those identified as high-value spatial datasets for implementing environmental legislation.
- Ensure that relevant information on EIA and SEA procedures (including on public participation opportunities and on publication of final decisions) is electronically accessible in a timely manner, through at least a central portal or easily accessible points of access, at the appropriate administrative level.
- Improve access to courts in national environmental cases by the public concerned and eliminate practical barriers, such as length of proceedings and excessive costs in some Member States.

Compliance assurance

Environmental compliance assurance covers all work undertaken by public authorities to ensure that industries, farmers and others fulfil their obligations to protect water, air and nature, to manage waste ([182]) and to remedy any environmental damage. It includes measures such as (i) compliance promotion, (ii) compliance monitoring (i.e. inspections and other checks), (iii) enforcement, that is, steps taken to stop breaches and impose sanctions, and (iv) ensuring damage prevention and remediation in line with the polluter-pays principle.

Compliance promotion, monitoring and enforcement

Non-compliance with environmental obligations may occur for different reasons, including poor understanding or lack of acceptance of the rules, opportunism or even criminality. Compliance promotion activities help duty-holders to comply by providing information, guidance and other support. This is particularly important in areas where new and complex legislation is put in place.

When inspections and other control activities identify problems, a range of responses may be appropriate, including the use of administrative and criminal enforcement tools.

It appears that the environmental compliance assurance system in Cyprus would benefit from providing more human and financial resources to inspections and enforcement authorities. In November 2023, the Cabinet of Ministers decided to establish a task force for carrying out inspections on behalf of the Department of Environment in a stepped-up effort to combat environmental crime. However, no further information was provided in this regard.

Furthermore, the Department of Environment website needs to be updated regularly with reliable and consistent information and data.

([180]) Directive 2008/1/EC of the European Parliament and of the Council of 15 January 2008 concerning integrated pollution prevention and control (OJ L 24, 29.1.2008, p. 8).

([181]) Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage (OJ L 143, 30.4.2004, p. 56).

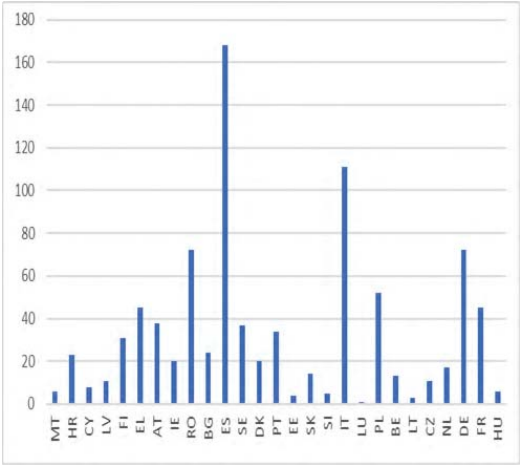
([182]) The concept is explained in detail in the European Commission's 2018 communication on EU actions to improve environmental compliance and governance (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0010) and the related Commission staff working document ().

A more detailed assessment of compliance assurance activities is to be provided in the next EIR.

The 2022 EIR recommended that Cyprus (i) provide practical information to farmers and land managers on how to comply with their obligations under the Nitrates and Nature Directives; (ii) collect and disseminate information on the enforcement of environmental law, including on the prosecution of environmental damage crimes, on ELD cases and on formal cooperation arrangements among the public bodies responsible; (iii)·promote and improve formal or informal systems of cooperation between the different authorities dealing with environmental crimes; (iv) introduce measures to encourage the development of financial security instruments to enable operators to use financial guarantees; and (iv) make information available to the public on the complaint-handling system and procedures to facilitate public involvement in compliance issues. Concerning compliance promotion, monitoring, and criminal and administrative enforcement, the 2022 priority actions are not assessed here due to a lack of systematic information. Similarly, the Commission is not aware of whether information is easily available online at the national level for farmers regarding compliance with the Nitrates and Nature Directives, and hence the related 2022 priority action is not assessed.

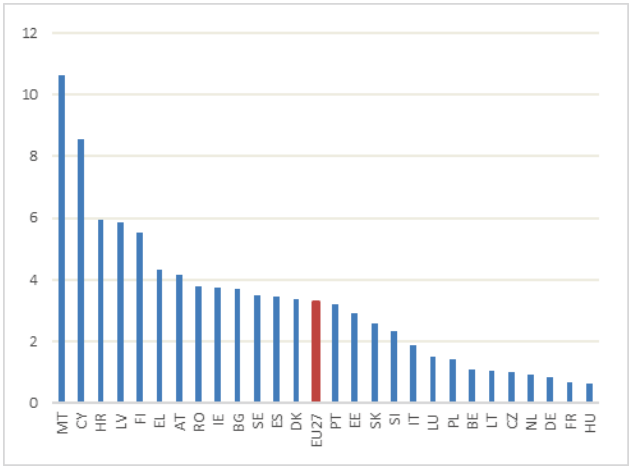
Since the 2022 EIR, the Commission has received 8 complaints relating to the environment in Cyprus. In terms of complaints per million inhabitants the amount is 8.56, the second-highest number in the EU (Figures 40 and 41). The cases concerned alleged breaches of EU law in the areas of nature, waste and EIA.

Figure 40 EU complaints 15 May 2022-31 December 2024



Source: DG Environment complaints data.

Figure 41: EU complaints per million inhabitants 15 May 2022-31 December 2024



Source: Eurostat, 'Population' tps00001, accessed 22 January 2025, https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/table?lang=en, and DG Environment complaints data.

The new EU Environmental Crime Directive

The EU has recently strengthened its legal framework on tackling the most serious breaches of environmental obligations, notably by the adoption of the new Environmental Crime Directive (ECD) (Directive (EU) 2024/1203) ([183]) and new sectoral legislation with stronger provisions on compliance monitoring, enforcement and penalties. Issues important for the transposition and the implementation of the relevant new instruments are highlighted below; a detailed assessment of these topics will be included in the next EIR once more implementation measures are put in place and more systematic information is available.

The new ECD replaced the 2008 ECD and introduced several new offence categories, such as unlawful ship recycling, unlawful water abstraction, and serious breaches of EU legislation on chemicals, mercury, fluorinated GHG and IAS of EU concern. It also covered the establishment of qualified offences, subject to more severe penalties where one of the offences defined in the directive leads to serious widespread and substantial damage or destruction of the environment. Concrete provisions on the types and levels of penalties for natural and legal persons who commit an offence were also introduced. Other provisions will help considerably to improve the effectiveness in combating environmental crime of all actors along the enforcement chain. These include obligations to ensure adequate resources and investigative tools, specialised regular training and the establishment of cooperation mechanisms within and

([183]) Directive 2024/1203/EU on the protection of the environment through criminal law https://eur-lex.europa.eu/eli/dir/2024/1203/oj/eng

between Member States as well as national strategies on combating environmental crime.

Member States are required to transpose the new ECD into national law by 21 May 2026 and to take additional measures to more effectively combat environmental crime, in particular through training, coordination, cooperation and strategic approaches. The Commission will provide support, including by facilitating the identification and sharing of good practices. Member States are expected to ensure the necessary resources and specialised skills required and they are invited to encourage their authorities to support and cooperate with the recognised EU-level networks of environmental enforcement practitioners, such as the EU Network for the Implementation and Enforcement of Environmental Law ([184]), EnviCrimeNet ([185]), the European Network of Prosecutors for the Environment ([186]) and the EU Forum of Judges for the Environment ([187]). The European Union Agency for Law Enforcement Cooperation and European Union Agency for Criminal Justice Cooperation mechanisms for cooperation on cross-border cases should be used more systematically for environmental offences.

Environmental Liability Directive

The Environmental Liability Directive ELD ([188])aims to ensure that environmental damage is remediated in kind at the expense of those who have caused it, in line with the polluter-pays principle. It helps to halt the net loss in biodiversity, as well as reducing the number of contaminated sites and protecting the environmental quality of groundwater and surface waters. The ELD is a cross-cutting tool and a key enabler for better implementation of EU environmental law.

The ELD addresses cases of significant environmental damage to protected species and natural habitats, and, when caused by operators carrying out certain potentially hazardous activities, also damages to water and to soil. The Commission has the legal obligation to periodically evaluate the ELD. The ELD has undergone the second evaluation ([189]), which will be finalised in 2025, and which was supported by an external study ([190]), containing, among other things, evidence, views, reports and other relevant information gathered from different stakeholder groups, including Member States.

One of the most relevant indicators in assessing implementation and enforcement of the ELD is the number of environmental damage cases handled under the ELD, especially when this number is compared with the previous reporting period. Fewer ELD cases were reported in the second reporting period (2013–2022) than in the first one (2007–2013). However, the downward tendency in the number of ELD occurrences and their overall low number do not necessarily mean that the ELD has achieved its objectives, as it needs to be compared with the overall number of environmental damage cases, some of which may have been handled under the other liability instruments.

The ELD has not always been effective in ensuring that the polluter pays, because the liable operators often lack financial capacity to carry out remediation measures. While the ELD does not provide for a mandatory financial security system, it explicitly calls for Member States to encourage the development of financial security instruments and markets, with the aim of enabling operators to use financial guarantees to cover their responsibilities under this directive.

From 1 May 2013 to 31 December 2021, Cyprus reported one occurrence of an imminent threat of environmental damage (land and water damage). In the previous reporting period, there was only one occurrence of environmental damage reported under the ELD as well.

Cyprus has not introduced mandatory financial security for ELD liabilities and the demand for such instruments is low. Environmental insurance policies that provide cover for ELD liabilities are not generally available. Additionally, environmental extensions to general liability and property policies are scarce and, even when they are available, they do not provide cover for ELD liabilities.

The 2022 EIR recommended that Cyprus provide practical information to farmers and land managers on how to comply with the Nature Directives and the Nitrates Directive as well as on the enforcement of environmental law, including on the prosecution of environmental damage crimes, on ELD cases and on formal cooperation arrangements among the public bodies responsible. The 2022 EIR also recommended promoting and improving both formal and informal systems of cooperation between the different authorities dealing with environmental

([184]) https://www.impel.eu/en.

([185]) LIFE+SATEC project (https://webgate.ec.europa.eu/life/publicWebsite/project/LIFE20-PRE-ES-000001/fight-against-environmental-crime-at-a-strategic-level-through-the-strengthening-of-envicrimenet-network-of-experts-in-environmental-criminal-investigations).

([186]) https://www.environmentalprosecutors.eu.

([187]) https://www.eufje.org/index.php?lang=en.

([188]) Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02004L0035-20190626.

([189]) Commission staff working document - Evaluation of the Environmental Liability Directive, forthcoming 2025.

([190]) European Commission: Directorate-General for Environment and Fogleman, V., *Study in support of the evaluation of the Environmental Liability Directive and its implementation – Final report*, Publications Office of the European Union, Luxembourg, 2024, https://op.europa.eu/en/publication-detail/-/publication/006d90e5-980a-11ef-a130-01aa75ed71a1/language-en.

crimes, introducing measures to encourage the development of financial security instruments to enable operators to use financial guarantees, and making information available to the public on the complaint-handling system and procedures to facilitate public involvement in compliance issues.

There is limited information available about the progress made on the 2022 priority actions in relation to the ELD. The study supporting ELD evaluation revealed that, due to the country's small size and the dominance of small and medium-sized enterprises, it is difficult to create a national market for financial security instruments, as these instruments would probably be too costly. The efforts to implement other 2022 priority actions should continue along with implementation of the 2025 priority actions.

2025 priority action

- Encourage the use of training programmes provided by the Commission (or developed at the national level) covering the ELD and its interactions with the other national liability-related instruments, to ensure more efficient ELD implementation, improve the expertise of the competent authorities and raise awareness among all stakeholder groups.

EU-supported environmental capacity building

The Commission's 2023 Compact ([191]) initiative to enhance the administrative space identifies the capacity to lead the green transition as one of three key pillars, along with the public administration skills agenda and the capacity for Europe's Digital Decade. Compact also recognises the role of the EIR reporting tool in improving environmental governance. The two main capacity-building opportunities for the environment provided by the European Commission are the TSI ([192]) and the TAIEX-EIR PEER 2 PEER tool ([193]). The technical assistance available through the cohesion policy is subject to shared management and is not dealt with in this subsection.

The Commission's technical support instrument

The TSI provides Member States with tailor-made technical expertise on the design and implementation of reforms. The support is demand driven and does not require national co-financing.

The TSI had annual calls in 2021, 2022, 2023, 2024 and 2025. The following environment-related projects have been selected for Cyprus:

- ESG ([194]) risk management framework for the financial sector, Securities and Exchange Commission (2023);
- Technical support for floating photovoltaics, energy storage and offshore renewables in Cyprus, Ministry of Agriculture, Rural Development and Environment (MARDE) - Department of Environment - Ministry of Energy, Commerce and Industry (2023);
- Climate adaptation: Revision and update of Cyprus national strategy on adaptation to climate change, Ministry of Agriculture, Rural Development and Environment (MARDE) - Department of Environment (2023);
- ESG integration in Cyprus government: A materiality analysis approach, Office of the Commissioner for the Environment (2024);
- Reforming, developing and enhancing the civil protection system, Civil Defence (2024);
- Water losses reduction and compliance with the Drinking Water Directive, Ministry of Agriculture, Rural Development and Environment - Water Development Department (2025).
- Island Spatial Plan, Ministry of Interior, Department of Town Planning and Housing (2025).

The Commission's TAIEX-EIR PEER 2 PEER tool

The Commission launched the TAIEX-EIR PEER 2 PEER tool in 2017. It aims to facilitate peer-to-peer learning among Member States' environmental authorities through workshops (single or multi-country), expert missions (where a delegation of experts travels to the requesting institution) and study visits (where a delegation from the requesting institution travels to a host country). Flagship multi-country workshops are those requested by the Commission to present new and upcoming environmental legislation and policy in all Member States ([195]).

([191]) See the European Commission web page on Compact (https://reform-support.ec.europa.eu/public-administration-and-governance-coordination/enhancing-european-administrative-space-compact_en).

([192]) See the European Commission web page on the TSI (https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en).

([193]) See the European Commission web page on the TAIEX-EIR PEER 2 PEER tool (https://environment.ec.europa.eu/law-and-governance/environmental-implementation-review/peer-2-peer_en). TAIEX: Technical Assistance and Information Exchange.

([194]) 'ESG' here mean 'environmental, social and governance'.

([195]) Flagship multi-country workshops in the reporting period are: Recast Drinking Water Directive (3 April 2025); Environmental compliance and governance (18 March 2025); Planning of Renewable Energy Projects (20 February 2025); Air Quality: Implementation of the revised Air Quality Directive (16 January 2025); Industrial safety: awareness raising of emerging risks linked with climate change and decarbonation (12 December 2024); Air

Cyprus was involved in one multi-country workshop on new aspects in the cross-border cooperation against environmental crime (Hungary, 19–20 November 2024).

Cyprus hosted an expert mission on best practice in applying Article 6(3) of the Habitats Directive (25–26 October 2022).

2025 priority action

- Improve overall national environmental governance, in particular administrative capacity to support the green transition and coordination at the regional and local levels.

quality: implementation of the NEC Directive to further mainstream air and broader pollution reduction in agricultural policy (25 September 2024); Industrial emissions transposition and implementation of the revised directive (12 September 2024); Noise: progress towards meeting Member States' noise limit values and EU reduction targets (5 June 2024); Best practice use of environmental footprint methods on the EU market (30 May 2024); Sustainable finance (9 November 2023); Textile waste separate collection, treatment and markets (3 October 2023); EU environmental funding and support (13 June 2023); Advisory service for businesses to go circular (24 April 2023); Digital product passport implementation (6 December 2022); Public involvement in planning and approval of renewable energy projects (17 November 2022); Environmental compliance and governance (14 November 2022); Biowaste management (19–20 September 2022); and Renewable energy projects: permit granting processes (13 June 2022). NB: The first flagship workshop on zero pollution for air, water and soil took place 9 February 2022.

Annex

2025 priority actions

Circular economy and waste management

Circular economy

- Adopt measures to increase the circular material use rate.

Waste management

- Complete closure of non-compliant landfills.
- Ratify international conventions on ship recycling.
- Improve separate collection at source e.g. through economic instruments, investing in infrastructure for separate collection, sorting and recycling, and increasing public awareness.
- Increase the recycling rates of packaging waste.
- Increase the collection and recycling rate of waste electronic and electric equipment (WEEE).
- Improve the system for managing the quality of data on packaging waste in order to build coherent and verifiable data sets.
- Invest in waste prevention measures to reduce the total amount of waste generated.
- Ensure the achievement of the 2025 waste targets, following the recommendations made by the Commission in the Early Warning Reports where applicable.

Biodiversity and natural capital

Nature protection and restoration – Natura 2000

- Complete the Natura 2000 site designation process.
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans) and ensure their effective implementation.
- Ensure the effective implementation of Natura 2000 management plans and sufficient administrative capacity and financing both for Natura 2000 and the implementation of the Nature Restoration Regulation. Ensure implementation of Prioritised Actions Framework 2021-2027 (PAFs).

Recovery of species

- Strengthen the implementation of national anti-poaching measures.

Recovery of ecosystems

- Implement eco-schemes and agri-environmental measures and practices to address the environmental needs of Cyprus.
- Implement and scale-up the uptake of organic farming practices.

Prevention and management of invasive alien species

- Step up implementation of the IAS Regulation, including with regard to enforcement and capacity of inspection authorities.

Ecosystem assessment and accounting

- Support development of national business and biodiversity network.
- Ratify the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS) to the Convention on Biological Diversity.

Zero pollution

Clean air

- As part of the NAPCP, take action towards reducing emissions of air pollutants.
- Ensure full compliance with the current AAQD standards, also in light of future stricter requirements under the revised AAQD.

Industrial emissions

- Reduce industrial air pollution damage and intensity.
- Engage with industry and environmental NGOs to ensure proper contribution to and implementation of BAT conclusions; and ensure timely update of permits following publication of BAT conclusions.
- Ensure effective public participation and access to justice in relation with the IED.

Noise

- Complete and implement action plans on noise management.

Water quality and management

- Ensure periodic reviews of permits for discharges, abstractions and other water uses, including hydropower pressures.
- Tackle nutrients pollution, especially nitrates from agriculture through the implementation of the Nitrates Directive.
- Take the necessary measures to ensure full implementation of the current urban wastewater treatment directive, taking into account the new requirements of the recast directive.

Chemicals

- Upgrade the administrative capacities in implementation and enforcement towards a policy of zero tolerance for non-compliance.
- Increase involvement in the activities of the Forum for Exchange of Information on Enforcement of the European Chemicals Agency, including in the coordinated enforcement projects, called REFs.
- Increase customs controls and controls of products sold online with regard to compliance with chemicals legislations.

Climate action

- Implement all polices and measures that are needed to achieve targets laid down in the Effort Sharing Regulation (ESR) and the Land Use and Land-Use Change and Forestry (LULUCF) Regulation. More detailed priority actions are set out in the assessment of the final National Energy and Climate Plan (NECP).

Financing

- Use more national funding (including by increasing taxes in favour of the environment and reducing environmentally harmful subsidies), EU funding and private funding to help close the investment gap.

Environmental governance

Information, public participation and access to justice

- Make spatial data more widely accessible and prioritise environmental datasets in implementing the Inspire Directive, especially those identified as high-value spatial datasets for implementing environmental legislation.
- Ensure that relevant information on EIA and SEA procedures (including on public participation opportunities and on publication of final decisions) is electronically accessible in a timely manner, through at least a central portal or easily accessible points of access, at the appropriate administrative level.
- Improve access to courts in national environmental cases by the public concerned and eliminate practical barriers, such as length of proceedings and excessive costs in some Member States.

Compliance assurance

- Encourage the use of training programmes provided by the Commission (or developed at the national level) covering the ELD and its interactions with the other national liability related

instruments, to ensure more efficient ELD implementation, improve the expertise of the competent authorities and raise awareness among all stakeholder groups.
EU-supported environmental capacity building
• Improve overall national environmental governance, in particular administrative capacity to support the green transition and coordination at the regional and local levels.