

30 June 2025

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the fourth payment request submitted by Cyprus on 18 December 2024, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 18 December 2024, Cyprus submitted a request for payment for the fifth instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Cyprus provided due justification of the satisfactory fulfilment of the 23 milestones and targets of the fifth instalment of the non-repayable support as set out in Section 2.1 (1.5) of the Council Implementing Decision of 28 July 2021 on the approval of the assessment of the recovery and resilience plan for Cyprus as amended by Council Implementing Decision of 20 June 2025¹.

In its payment request, Cyprus has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Cyprus, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of 23 out of 23 milestones and targets.

For one target 28a covering a large number of beneficiaries, in addition to the summary documents and official listings provided by Cyprus, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60 which corresponds to a confidence level of 95% or above in all cases.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Cyprus's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, reforms related to the phasing out of the most polluting vehicles, a new IT system for the Law Office, the set-up of a modelling hub for economic policy analysis, the review of the streets and building regulation, the entry into force of laws regarding the gradual extension of free compulsory pre-primary education from the age of four years, and the new rules for civil procedures. The milestones and targets also confirm progress towards the development of an IT-system for cross-border e-health services, completed projects improving the energy performance of dwellings and households, the signature of contracts to support RD&I activities, the development of supervisory tools to enhance the supervision of Insurance and Pension Funds, the deployment of very high capacity networks (broadband) in underserved areas, the installation of photovoltaics system in the Nicosia hospital.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

¹ ST 10686 2021 INIT and ST 10686 2021 ADD 1, as amended by ST 9585/25 and ST 9585/25, ADD 1,

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Preliminary Assessment – M/T specific section:

Non-repayable support

Number and name of the Target: 9 Health institutions having benefitted from the financial support scheme

Related Measure: C1.1.I3 Purchase/replacement of medical equipment in hospitals

Quantitative Indicator: Number

Baseline: 0

Target: 10

Time: Q4 2023

1. Context: The investment aims at enabling private hospitals to invest, within a short timeframe, in the modernisation of their medical equipment to increase the quality of health services provided. The measure comprises a support scheme for private hospitals supporting the upgrade or replacement of medical equipment. Applications for funding are assessed based on transparent selection criteria by a special Assessment Committee, which is appointed by the Minister of Health. The investment has a final expected date for implementation on 31 December 2025.

Target 9 requires that at least ten of the applicant health institutions of various categories have received financial support from the scheme for medical equipment acquisition. Target 9 is the first step of the implementation of the investment. It will be followed by target 10, related which requires to at least 23 more health institutions of various categories, in total, have received financial support from the scheme for medical equipment acquisition. The investment has a final expected date for implementation in Q4/2025.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) was satisfactorily fulfilled.
2	Call for proposals	
3	Grant Scheme Guide for Applicants to the Call for proposals.	
4	Assessment Committee's reports for approved projects	Copies of the ten reports of the Assessment Committee regarding its assessment based on transparent selection criteria as indicated in CID Annex.
5	Decision of the Ministry of Health No. I.Y.21.10.001.15.01 of 8 May 2023	Copy of the decision of the Ministry of Health appointing the Assessment Committee.

6	Declaration of 19 November 2024 and list of final recipients.	A declaration of the head of the Implementing Body verifying that all conditions of the grant scheme have been complied with and grant has been paid to the listed final recipients, accompanied by the complete list of the final recipients supported.
7	<p>Signed grant agreement for each of the following projects:</p> <ul style="list-style-type: none"> – 32-2023 with Nephrozoi Medical Centre (Nep New Era Holdings Ltd). – 01-2023 with Mother And Child Medical Centre Ltd. – 02-2023 with Elpis Medical Centre (Elpis Medical Centre Ltd) . – 06-2023 with Evangelismus Private Hospital (Mine Management Ltd). – 09-2023 with Polyclinic Health Public Company Ltd. – 15-2023 and 18-2023 with Panos economou I.E.P.E. – Agios Anastasios Clinic. – 16-2023 with Saint Raphael Private Hospital (Saint Raphael Private Hospital Ltd) – 17-2023 with Ilias N Ilia I.E.P.E. - Ophthalmological Centre Limassol – 20-2023 with Nicosia Polyclinic (F & D Galazis Estate Ltd) . – 29-2023 and 30-2023 with Panos Hadjikostas I.E.P.E. - Agios Panteleimon Clinic – 33-2023 and 34-2023 with Ophthalmological Research and Education Institute (Tasos Georgiou Dlc) – 35-2023, 36-2023 and 37-2023 with Oncology Centre Bank Of Cyprus . 	Copies of the grant agreements for the selected projects.
8	Completion certificates for the projects 32-2023, 01-2023 , 02-2023 , 06-2023 , 09-2023 , 15-2023, 16-2023 , 17-2023 , 18-2023 , 20-2023, 29-2023 , 30-2023 , 33-2023 , 34-2023, 35-2023 , 36-2023, 37-2023 .	Copies of the completion certificates issued by the Implementing body, stating that the project (i.e. medical equipment acquisition/replacement) was completed in full compliance with the terms of the scheme and the grant decisions. Each certificate includes the relevant payment transfer document in the amount of RRF co-financing.

9	Annex VI to Scheme Guide assessment criteria.	The assessment criteria for the selection of projects.
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3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the target.

- **At least ten of the applicant health institutions of various categories have received financial support from the scheme for medical equipment acquisition.**

The scheme was launched with the first Call for proposals (evidence no.2) and so far has been granted to 12 health institutions. More precisely, the Call was open from 29 May 2023 to 03 July 2023 and 44 project proposals were submitted (on behalf of 24 health institutions), out of which 40 projects have been positively assessed.

Grant agreements have been signed for 40 projects (with 22 health institutions) (evidence no.7), while the implementation of 17 projects has been completed and aid has been granted to 12 final recipients (health institutions). The RRF support amount has been paid to the final beneficiaries (evidence no.8). These are as follows: Nephrozoi Medical Centre (Nep New Era Holdings Ltd); Mother And Child Medical Centre Ltd); Saint Raphael Private Hospital (Saint Raphael Private Hospital Ltd); Oncology Centre Bank Of Cyprus; Ophthalmological Research And Education Institute (Tasos Georgiou Dlc); PANOS ECONOMOU I.E.P.E. – Agios Anastasios Clinic; Panos Hadjikostas I.E.P.E. - Agios Panteleimon Clinic; Nicosia Polyclinic (F & D Galazis Estate Ltd); Evangelismos Private Hospital (Mine Management Ltd); Polyclinic Health Public Company Ltd; Ilias N Ilia I.E.P.E. - Ophthalmological Centre Limassol; Elpis Medical Centre (Elpis Medical Centre Ltd) (evidence no. 6, 7 and 8)

- **Furthermore, in line with its description the measure shall comprise a support scheme for private hospitals supporting the upgrade or replacement of medical equipment.**

The scheme was launched on 29 May 2023 with the first Call for proposals (evidence no.2). The Grant scheme guide for applicants explains that the scheme aims to subsidise the acquisition of new medical technology equipment by private health institutions operating in Cyprus, in order either to replace existing (depreciated) equipment with a new and/or upgraded one serving (or better serving) the same need, or to address new needs through the acquisition of additional equipment (evidence no.3, Heading 3). The Grant scheme guide for applicants provides and indicative list of medical equipment categories that can be subsidized under the scheme. (evidence no.3, Heading 4).

- **Furthermore, in line with the description of the measure applications for funding shall be assessed based on transparent selection criteria by a special Assessment Committee, which shall be appointed by the Minister of Health.**

The Assessment Committee has been appointed by the competent Ministry of Health (evidence no.5). The selection criteria were transparent with the methodology for evaluating the project proposals having been public and described in the Annex to the Grants scheme guide for applicants (evidence no.9). The Assessment Committee has evaluated the project proposals and approved the projects according to the set criteria (evidence no.4).

4. Commission Preliminary Assessment: Satisfactory fulfilled

Number and name of the Milestone: 13 Completion of the analysis, design and development phase of the IT System for cross-border e-health services

Related Measure: C1.1.I6 Deployment of generic cross border e-health services in Cyprus

Qualitative Indicator: Completion of the analysis, design and development phase of the IT System, as provided in a dedicated report by the deliverables acceptance team in the contracting authority

Time: Q4 2023

1. Context: The investment aims at extending e-health services to allow cross-border exchange of patient health information (in particular patient summaries and e-prescriptions), to become part of a secure peer-to-peer e-health network within the EU. It shall consist in putting in operation a cross-border data exchange between Cyprus and Union Member States with operational National Contact Points for eHealth (NCPeH), for example e-prescriptions, e-dispensations, patient summaries, and additional data sets (amongst others discharge forms, laboratory and imaging reports) as agreed with the eHealth Digital Service Infrastructure (eHDSI). The investment has an expected date for implementation in 31 December 2025.

Milestone 13 requires the completion of the analysis, design and development phase of the IT System for cross-border e-health services. Specifications shall include: a) Service Location and capability lookup Profile / the Cross-Community Patient Discovery Profile (to locate communities that hold patient relevant health data and the translation of patient identifiers across communities holding the same patient's data); b) Open-source National Contact Point (OpenNCP) update that supports the eHDSI Automatic Data Collection (eADC); c) Update Patient Summary (PS-A), e-Prescription (eP), e-Dispensing (eD), unstructured clinical documents, and patient access to cross border data services, based on Wave 6 Clinical Document Architecture (W6 CDA) Implementation Guidelines by the e-Health network. Milestone 13 is the first step of the implementation of the investment. It will be followed by milestone 14, related to the operation of cross-border data exchange between Cyprus and countries with Operational National Contact Points for eHealth (for example e-prescriptions, e-dispensations, patient summaries exchanged with Cyprus) and also, a new service shall be created to enable the exchange of unstructured original clinical documents (OrCD), for example discharge forms, laboratory and imaging reports.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled
2	Contract for the "Deployment of generic cross-border eHealth services in Cyprus" signed on 4 April 2022 between the National eHealth Authority and the University of Cyprus.	Signed contract and its Annexes which include the technical specification for all the functionalities covered by the CID-Annex.
3	Completion certificate issued on 15 January 2024 by the eHealth Authority under Regulations 26, 27 and 28 of the	It covers covering all the functionalities in the CID-Annex issued by the Contracting Authority, in accordance with the national legislation,

	Administrative Acts Regulation 138/2016.	demonstrating the completion of the analysis, design and development of the new IT system, and the set-up of the new service.
4	Technical testing report adopted on 27 September 2024 by eHealth Digital Service Infrastructure (eHDSI) Member State Expert Group.	eHDSI Technical Testing report including a positive decision of the eHDSI regarding the Cyprian NCPeH to continue routine operations based on Wave 6 Clinical Document Architecture (W6 CDA) Implementation Guidelines by the e-Health network.
5	Report Summary generated in the context of the regular test event for eHDSI systems with identifier 2023.Europe.Connectathon.UCY.20230417102924 on 17 April 2023.	Report summarising the results of the test event session held from 27 February 2023 to 7 April 2023 on eHDSI Wave 6 Formal and Upgrade Pre-Production testing (PPT)
6	Report from the on-the-spot check 9 April 2025.	Report drafted by Commission services from the on-the-spot check of the IT system and the presentation of its functionalities by the authorities.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **The analysis, design and development of the IT System phase shall be completed.**

The National eHealth Authority has assigned a contract to the University of Cyprus for the implementation of the entire measure as required by CID Annex. The Contract (evidence no.2) was signed on 4 April 2022 and concerns the deployment of generic cross-border eHealth services in Cyprus (evidence no.2, page 3, Article 2). The first phase of the project includes the analysis, design and development of an information system for cross-border e-health services according to the eHDSI Operations Framework (evidence no.2, page 38 and 42-50). More precisely the implementation plan (evidence no.2 page 38) envisages as a first activity the “Preparation and Implementation” which includes the “Analysis, Design and Development -Finalise of development” as its final step. The first phase of the project covering the analysis, design and development of the system has been successfully delivered and received by the National eHealth Authority on 15 January 2024 (evidence no.3) on the basis of the project descriptions and the agreed deliverables in the contract (evidence no.2, Article 13, page 6).

- **Specifications shall include:**

a) Service Location and capability lookup Profile / the Cross-Community Patient Discovery Profile (to locate communities that hold patient relevant health data and the translation of patient identifiers across communities holding the same patient’s data).

The system is based on the open-source National Contact Point (OpenNCP) specifications and connects to the openNCP server of the eHealth Digital Service Infrastructure (eHDSI). This connection enables the secure cross-border exchange of elements of patients’ Electronic Health Records (evidence no.2, p.12 “Common Information”) using a Cross-Community Patient Discovery (XCPD) Service (evidence no.2, p. 68 “Protocol Terminators”). The operation of the system has been tested and Cyprus

successfully passed the European test events (with health data from different countries members of the eHDSI) and received the necessary technical approvals from the eHDSI (evidence no.4). Moreover, the Commission services conducted an on-the-spot check on 9 April 2025 to verify that the service location and capability lookup profile and the cross-community patient discovery profile functions are operational (evidence no.6). This check was completed successfully, confirming that the requirement of service location and capability lookup profile and the cross-community patient discovery profile is satisfactorily fulfilled.

b) Open-source National Contact Point (OpenNCP) update that supports the eHDSI Automatic Data Collection (eADC).

According to the specification as described in the project contract (evidence no.2 p. 73 “Automatic Data Collector”), the eADC provides information to evaluate the epSOS interoperability system performance and to collect statistics on the population using epSOS services. The eADC is designed to facilitate the automatic, unsupervised information gathering and data extraction from every NCP transaction or consumer document that passes the NCP, as it creates an entry in the database for each service call. The Commission services conducted an on-the-spot check on 9 April 2025 to verify that the Open NPC supports the eHDSI eADC. This check was completed successfully, confirming that the requirement that the OpenNCP supports the eHDSI eADC is satisfactorily fulfilled (evidence no.6).

c) Update Patient Summary (PS-A), e-Prescription (eP), e-Dispensing (eD), unstructured clinical documents, and patient access to cross border data services, based on Wave 6 Clinical Document Architecture (W6 CDA) Implementation Guidelines by the e-Health network.

The system has passed the test for the implementation of the Wave 6 Clinical Document Architecture (W6 CDA) Implementation Guidelines by the e-Health network including functions such as Patient Summary (PS-A), e-Prescription (eP), e-Dispensing (eD), unstructured clinical documents, and patient access to cross border data services (evidence no.5).

According to the presentation of the system during the on-the-spot check, patients and health professionals have access to cross border health data once the professional logs in through CY Login with their credentials. After identification, the healthcare professional is prompted to select whether the individual is a Cypriot citizen, an EU citizen, or if they wish to modify any details related to their profile as a healthcare professional. The healthcare provider can then search for the citizen using their ID number and date of birth and choose either to offer a service or to retrieve the citizen's medical records. For the citizen to give their consent to the healthcare professional, they must provide the unique identification code that will be sent to the phone number they have registered with CY Login. After authorization received, the doctor, depending on patient's demand chooses whether to offer the citizen a Patient Summary or e-prescription and they proceed with filling in the necessary information to create or update the Patient summary or the e-prescription (evidence no.6).

The Patient Summary service allows healthcare providers in one EU country to access essential health information about a patient from another EU country. This summary includes details like allergies, medical history, current medications, and other critical health data that help healthcare providers deliver informed and appropriate care in case of an emergency or for ongoing treatment.

The ePrescription and eDispensation service allows patients to receive prescribed medications in other EU countries by enabling pharmacies to access electronic prescriptions issued in the patient's home country. The Commission services conducted an on-the-spot check on 9 April 2025 to verify that the update of Patient Summary (PS-A), e-Prescription (eP), e-Dispensing (eD), unstructured clinical documents, and patient access to cross border data services, based on Wave 6 Clinical Document

Architecture (W6 CDA) Implementation Guidelines by the e-Health network has been implemented. This check was completed successfully, confirming that that the requirement of update of Patient Summary (PS-A), e-Prescription (eP), e-Dispensing (eD), unstructured clinical documents, and patient access to cross border data services, based on Wave 6 Clinical Document Architecture (W6 CDA) Implementation Guidelines by the e-Health network is satisfactorily fulfilled. (evidence no.6).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Target: 28a Dwellings and households with vulnerable electricity consumers (including people with disabilities) having improved their energy performance

Related Measure: C2.1.I2 Promoting renewables and individual energy efficiency measures in dwellings and tackling energy poverty, including in households with vulnerable electricity consumers

Quantitative Indicator: Number

Baseline: 0

Target: 16 200

Time: Q4 2023

1. Context: The objective of the measure is to encourage the use of renewable energy sources and energy savings by a large stock of old dwellings, as well as to subsidise the implementation of small-scale energy renovations in households with vulnerable electricity consumers including energy-poor households and people with disabilities. The investment is composed of two sub-measures: (i) a support scheme for promoting renewables and individual energy efficiency measures in dwellings and (ii) a support scheme for addressing energy poverty in households with vulnerable electricity consumers, including people with disabilities. The investment has a final expected date for implementation on 30 June 2026.

Target 28A requires that at least 16 200 dwellings, including 1 600 households with vulnerable electricity consumers (including people with disabilities) have improved their energy performance due to the financial support provided, with an objective to achieve on average at least a 30% primary energy demand reduction. Target 28a is the second target of the investment, and it follows the completion of milestone 27. The investment has a final expected date for implementation on 31 December 2023. Under the upscaled investment C6.1.I1 in the REPowerEU chapter, then, target 29b will be the final target.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Press releases referring to the calls issued by the RES and Energy Conservation Fund (grant plan to encourage use of renewable energy and energy savings in residential buildings): <ul style="list-style-type: none">– 2nd call for the period 2022/2023, issued in June 2022– 3rd call for the period 2024/2025, issued in February 2024	The call is implemented via the implementing body's website last accessed by European Commission staff in June 2025: https://resecfund.org.cy/el/anakoinwseis (see announcements dated 29/02/2024, 01/06/2022 and 14/04/2021). These calls complement the evidence submitted for milestone 27 under the 1 st payment request (Annex I – 1 st call of grant scheme).
3	Revised scheme guides issued by the RES and Energy Conservation Fund (grant plan to encourage use of renewable energy and energy savings in residential	The guides have also been published on the implementing body's website last accessed by European Commission staff in June 2025: https://resecfund.org.cy/sites/default/files/202

	buildings) including all the terms and conditions for the grant including the selection criteria that ensure that the scheme aims at achieving on average at least a 30% primary energy demand reduction, as specified in the CID Annex, for the second call (2022/2023) and the third call (2024/2025).	2-08/Sxedio Xorigiwn Katoikies 2022-23 V2 0.pdf https://resecfund.org.cy/sites/default/files/2024-01/SX_APE_EXE_katoikies2024-25.pdf These scheme guides complement the evidence submitted for milestone 27 under the 1 st payment request (Annex II a – Scheme guide including the terms and conditions for the use of renewable energy sources and energy efficiency measures in dwellings; Annex II b – Scheme guide including the terms and conditions for the installation of solar hot water production systems in dwellings).
4	Declaration of the head of the Implementing Body verifying that all conditions of the grant scheme have been complied with and grant has been paid to the listed final recipients, accompanied by a spreadsheet containing the complete list of 23153 final recipients which have been supported and have implemented energy efficiency interventions.	It details: -unique number of application for the grant, -unique identifier of final recipient (not containing personal data), -type of final recipient (dwelling or household with vulnerable electricity consumers), -category of investment/s, and -percentage of primary energy demand reduction achieved.
5	62 grant award decisions (sampled)	62 grant award decisions (sampled: random sampling of 60 households completed by a non-statistical sampling in order to assess two households with disabilities)
6	62 applicants' declarations forms / agreement (sampled)	62 applicants' declarations forms / agreement (sampled: random sampling of 60 households completed by a non-statistical sampling in order to assess two households with disabilities)
7	Excel sheet containing the results of relevant, transparent and proportionate calculation, demonstrating the level of primary energy demand reduction achieved, verified by the competent authority	The calculation of the primary energy demand reduction of each individual investment contained in the Excel sheet is performed on the basis of predetermined formulas and coefficients and taking into account the specificities of the concerned investment/dwelling as described by the following parameters: – The total capacity in kwh for the photovoltaic system supported by the measure, and/or – The thickness of insulation, roof area in m2 and roof thermal performance (U-value) for insulation systems support by the measure. For the calculation, the reference to establish the energy demand before the intervention was calculated based on Cyprus' typical and average building stock defined in accordance with

		Commission Regulation (EU) No 244/2012 of 16 January 2012 supplementing Directive 2010/31/EU and the accompanying guidelines.
8	62 orders of payment issued by the RES and Energy Conservation Fund, accompanied by the proofs of payment.	As explained below, the implementing body only proceeds with payment to the beneficiary once the investment has been fully completed.

3. Analysis:

The justification and substantiating evidence provided by the Cyprus authorities cover all constitutive elements of the target.

- **At least 16 200 dwellings, including 1 600 households with vulnerable electricity consumers (including people with disabilities) have improved their energy performance due to the financial support provided with an objective to achieve on average at least a 30% primary energy demand reduction.**

The scheme is being implemented since 2021 under the Recovery and Resilience Facility. The first call was announced in April 2021, serving to the fulfilment of milestone 27 (first payment request). Two more calls have been announced since (evidence no.2). Following the three calls, more than 23,000 households have received financial support out of which 2,400 are vulnerable electricity consumers, including people with disabilities.

According to the provisions of the scheme guide (evidence no.3, pages 15-17), the implementing body only proceeds with payment to the beneficiary once the renovation has been fully completed. Following a verification process conducted by the implementing body, the head of the implementing body then approves the disbursement of the grant, after which the payment is made to the beneficiary.

For the assessment of the milestone the sampling method was used. The Cypriot authorities provided information on 23 153 grant decisions (evidence no.4), from which a sample of 60 grant decisions was drawn (evidence no. 5-8), identified by the official application number (evidence no.4 to 8). The evidence provided for a sample of 60 units confirmed that the requirements of the target have been met. For each of the interventions, Commission services verified the following information via the sampled application forms and grant award decisions (evidence no.5), applicants' declaration forms (evidence no.6), primary energy demand savings calculated by the competent authority (evidence no.7) and orders of payment, accompanied by proofs of payment (evidence no. 8):

- the number of application/name of beneficiary was consistent throughout the documents.
- the vulnerable consumer identification number was presented in the declaration form for vulnerable households.
- the amount of funds awarded was the same throughout the documents.
- the type of intervention was consistent throughout the documents and corresponded to eligible investments in coherence with the calls (roof thermal intervention and/or installation of photovoltaics, evidence no.2).
- the relevant parameters for the calculation of the primary energy demand reduction were consistent with the calculated primary energy saving based on the methodology and formulas provided by the competent authority (implementing body) (evidence no.4 footnote 2, evidence no. 7).

The 30% primary energy demand reduction on average was confirmed by the 60 sampled interventions. The energy savings of each individual investment were calculated in a transparent and proportionate way by the implementing body, following the same methodology for each dwelling (evidence no.4 footnote 2 and evidence no.7). In particular, for each dwelling supported under the scheme the total primary energy saving (in kWh/year) was estimated on the basis of predetermined formulas and coefficients and taking into account the specificities of the concerned investment/dwelling as described by the following parameters:

- The total capacity in kwh for the photovoltaic system supported by the measure, and/or
- The thickness of insulation, roof area in m2 and roof thermal performance (U-value) for insulation systems supported by the measure.

For the calculation, the reference to establish the energy demand before the intervention was calculated based on Cyprus' typical and average building stock defined in accordance with Commission Regulation (EU) No 244/2012 of 16 January 2012 supplementing Directive 2010/31/EU and the accompanying guidelines.

In addition, a non-random sample consisting of two consumers with disabilities was selected and assessed, and was verified following the aforementioned methodology to have satisfactorily fulfilled all requirements (evidence no. 5 to 8). Moreover, as required by the calls (evidence no.2) for the households including consumers with disabilities, an energy saving study was performed under the provisions of the programme.

Due to data protection requirements the disability condition, when applied, was verified by the implementing body through special access to the national database granted for the purposes of the programme by the Commissioner for Data Protection (evidence no.4, footnote 1).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Target: 36 Completion of set up and installation of photovoltaics system at the Nicosia General Hospital

Related Measure: C2.1.I5 Energy Efficiency Upgrading of public buildings

Quantitative Indicator: Number

Baseline: 0

Target: 943

Time: Q4 2023

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

The investment is composed of three sub-measures: (i) Fire Service Properties and Schools; (ii) Nicosia General Hospital; and (iii) Installation of Grid connected Photovoltaic Energy Systems in Water Treatment Plants and water pumping stations. The second sub-measure which consists in the setting up and installation of photovoltaics system at the Nicosia General Hospital of a total capacity of 943 KW, is relevant for target 36. The investment has a final expected date for implementation on 31 December 2025.

Target 36 consists in the completion of set up and installation of a PV system at the Nicosia General Hospital of a total capacity of 943 KW. It follows the completion of target 35 consisting of the thermal insulation and photovoltaic systems installed in schools, related to the first sub-measure. This is the only target under the second sub-measure; it will be followed by target 37 consisting of the completion of the installation of photovoltaic systems in water pump stations and fire stations, related to the third sub-measure.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target in the CID Annex) was satisfactorily fulfilled.
2	Contract for the engineering, procurement and construction of PV System 1.3 MWp for Nicosia General Hospital, signed on 27 July 2023 between the State Health Services Organisation of Cyprus and Trikkis Energy LTD.	Contract including Annexes which include the technical specification for the PV system covered by the milestone description of the CID
3	Taking-over certificate issued by the Contracting Authority on 11 November 2024 demonstrating the completion of the set-up and installation of the system.	Copy of the taking-over certificate issued by the Contracting Authority including the description of the works taken over (plant, design, installation, testing and commissioning of "PV System for State Health Services Organisation" 1.3 MWp PV System, located in the Northwest parking area of Nicosia General

		Hospital) and a punch list detailing the final items to be addressed (documentation to be submitted, employer's personnel training to be performed and civil and electrical works to be completed).
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3. Analysis:

The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the target.

- **Completion of set up and installation of PV system at the Nicosia General Hospital [...]**

In response to the tender A.O 42/22 for the construction of a photovoltaic park at the Nicosia General Hospital announced on 3 February 2023 by the State Health Services Organisation (OKYpY), four offers were submitted and evaluated. The contract with the contractor "Trikkis Energy Ltd" was signed on 27 July 2023 (evidence no. 2, pp. 1-10).

The photovoltaic park was built in the parking lot at the North-West side of the Nicosia General Hospital, and the photovoltaic panels were placed on metal bases providing shade and roofing to the vehicles parking underneath. The installation of the photovoltaic system was completed at the end of July 2024. The taking-over certificate which states the completion of the works consisting in the set up and installation of the PV system was issued by Electricity Authority of Cyprus (EAC) on behalf of the Contracting Authority in November 2024 (evidence no.3, page 1).

- **[...] of total capacity of 943 KW.**

Due to the greater need to cover electricity needs at the Nicosia General Hospital, the State Health Services Organisation decided to take advantage of the entire existing parking area northwest of the Nicosia General Hospital to install more photovoltaic panels than originally planned. This was achieved by installing 3030 x 440 watt panels = 1333.2 KW (evidence no.3, page 1: the taking-over certificate states that works consisting of plant, design, installation, testing and commissioning of the 1,3 MW PV system have been completed), thus exceeding the targeted total capacity of 943 KW.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 38 Signature of contracts for the installation of equipment to upgrade the electricity grid into a smart grid

Related Measure: C2.1.I6 Upgrading renewable energy and smart grids testing infrastructure at the University of Cyprus

Qualitative Indicator: Contracts Signature

Time: Q4 2023

1. Context: The objective of measure C2.1.I6 is to upgrade the renewable energy and smart grids testing infrastructure at the University of Cyprus and to integrate this infrastructure in the future smart grid. The investment shall consist in the delivery, installation, testing, calibration, commissioning and acceptance of smart grids equipment, followed by final infrastructure integration. The measure shall also include personnel orientation and training. The implementation of the investment shall be completed by 31 December 2024.

Milestone 38 requires the signature of contracts for the installation of equipment to upgrade the electricity grid into a smart grid following a successful public procurement procedure. Milestone 38 is the first step of the implementation of the investment. It will be followed by milestone 39, related to delivery, successful installation, testing, calibration, commissioning and acceptance of the equipment for smart grids, followed by final infrastructure integration.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target in the CID Annex) was satisfactorily fulfilled.
2	<ul style="list-style-type: none">– Contract signed between the University of Cyprus and Pasan SA on 27 May 2024 following tender procedure UCY-2022-063-ΦΩΣ .– Written confirmation of acceptance of tenders by the University of Cyprus to BrightsSpot Automation, LCC on 12 February 2024 following tender procedure ΠΚ-2023-132-ΦΩΣ .– Written confirmation of acceptance of tenders by the University of Cyprus to Sprel Ltd on 15 January 2024 following tender procedure ΠΚ-2023-133-ΦΩΣ .– Written confirmation of acceptance of tenders by the University of Cyprus to NetScope Solutions SA on 28 March 2024 following tender procedure ΠΚ-2023-134-ΦΩΣ .	Signed contracts and their annexes or written confirmation of acceptance of tenders for simplified procedures for services below EUR 25.000 and for works and supplies below EUR 15.000.

	<ul style="list-style-type: none"> – Contract signed between the University of Cyprus and Ecotricity Holdings Ltd on 9 January 2024 following tender procedure UCY-2023-005-ΦΩΣ. – Contract signed between the University of Cyprus and Aralab Equipamentos de laboratorio e Electromecanica Geral Lda on 24 October 2024 following tender procedure UCY-2024-032-ΦΩΣ . – Written confirmation of acceptance of tenders by the University of Cyprus to Sprel Ltd on 12 January 2024 following tender procedure ΠΚ-2023-135-ΦΩΣ . – Contract signed between the University of Cyprus and CHROMA ATE Europe B.V. and SPREL Ltd on 29 December 2023 following tender procedure UCY-2022-076-ΦΩΣ . – Contract signed between the University of Cyprus and Netscope Solutions SA on 12 December 2023 following tender procedure UCY-2022-072-ΦΩΣ . – Contract signed between the University of Cyprus and Drys Techniki SA 30 August 2023 following tender procedure UCY-2022-073-ΦΩΣ . – Written confirmation of acceptance of tenders by the University of Cyprus to Sprel Ltd on 16 February 2024 following tender procedure ΠΚ-2023-136-ΦΩΣ . – Written confirmation of acceptance of tenders by the University of Cyprus to Gantner Instruments GmbH on 11 December 2023 following tender procedure ΠΚ-2022-178-ΦΩΣ . – Written confirmation of acceptance of tenders by the University of Cyprus to Conkista Ltd on 21 February 2024 following tender procedure ΠΚ-2023-137-ΦΩΣ . – Contract signed between the University of Cyprus and Asea Brown Boveri SA on 16 June 2023 following tender procedure UCY-2022-064-ΦΩΣ . 	
3	Published calls for tenders/invitations.	Publications of the calls for tenders / invitations for tenders for simplified procedures (for services below

		EUR 25'000 and for works and supplies below EUR 15'000).
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3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Signature of contracts for the installation of equipment to upgrade the electricity grid into a smart grid following a successful public procurement procedure.**

The installation of equipment to upgrade the electricity grid of the University on Cyprus into a smart grid will be materialised through 14 projects. All 14 projects started after the signature of contracts or the confirmation of acceptance of tenders (evidence no.2). The selection of suppliers (evidence no.3) followed successful public procurement procedures in line with the national legislation (in particular, Law 73(I)/2016), namely, calls for tenders or invitations for tenders if a simplified procedure was provided for in the Law 73(I)/2016 (in particular, Article 90) for services below EUR 25 000 and for works and supplies below EUR 15 000. More precisely the projects are the following:

1. Supply of Solar Simulator Flash System for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus.

The project concerns the supply, installation, training and maintenance of a Solar Simulator Flash System to be used for type approval and testing of PV modules based on the standards IEC 61215 (Design qualification and type approval for terrestrial PV modules), IEC 60904-1 (Measurement of photovoltaic current-voltage characteristics), IEC 60904-9 (Solar simulator performance requirements), IEC 60891 (Procedures for temperature and irradiance corrections to measured IV characteristics) and IEC TS 60904-1-2 (Measurement of current-voltage characteristics of bifacial photovoltaic (PV) devices). It also includes the commissioning and operational demonstration of the Solar Simulator Flash System.

The call for tenders (UCY-2022-063-ΦΩΣ, evidence no.3) was published on 13 March 2023 and the contract (evidence no.2) was signed with Pasan SA on 27 May 2024.

2. Supply of Electroluminescence (EL) Test-bench for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of Electroluminescence (EL) Test-bench for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus, to be used for testing PV modules based on the IEC TS 60904-13:2018 (Photovoltaic devices – Part 13: Electroluminescence of photovoltaic modules).

The invitation for tenders (ΠΚ-2023-132-ΦΩΣ, evidence no.3) was published on 7 December 2023 and the written confirmation (email) of acceptance of tender (evidence no.2) was sent by the successful tenderer (BrightsSpot Automation, LCC) on 12 February 2024.

3. Supply of Insulation and Potential Induced Degradation (PID) – Test-bench for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of Insulation and Potential Induced Degradation (PID) Test-bench for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus, to be used for testing PV modules based on the IEC 61215 (Insulation test) and IEC TS 62804-1 (Photovoltaic modules – Test methods for the detection of potential induced degradation).

The invitation for tenders (ΠΚ-2023-133-ΦΩΣ, evidence no.3) was published on 7 December 2023 and the written confirmation (email) of acceptance of tender (evidence no.2) was sent by the successful tenderer (Sprel Ltd) on 15 January 2024.

4. Supply of Data Acquisition Device for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of Data Acquisition Device for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus, to be used for acquiring data from tests performed for PV modules.

The invitation for tenders (ΠΚ-2023-134-ΦΩΣ, evidence no.3) was published on 16 February 2024 and the written confirmation (email) of acceptance of tender (evidence no.2) was sent by the successful tenderer (NetScope Solutions SA) on 28 March 2024.

5. Supply of Climatic Chamber for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus.

The project concerns the supply, installation, training and maintenance of a Climatic Chamber (turnkey solution) to be used for type approval and testing of PV modules based on the standard IEC 61215 (Design qualification and type approval for terrestrial PV modules). It also includes the commissioning and operational demonstration of the Climatic Chamber. The Contractor is responsible for repairing or replacing defective material within the warranty period.

The call for tenders (UCY-2023-005-ΦΩΣ, evidence no.3) was published on 13 March 2023 and the contract was signed with Ecotricity Holdings Ltd on 9 January 2024 (evidence no.2).

6. Supply of Climatic Chamber for Battery Testing for Upgrading Renewable Energy Testing Infrastructure at the University of Cyprus.

The project concerns the supply, installation, training and maintenance of a Climatic Chamber for Battery Testing (turnkey solution) to be used for type approval and testing of Lithium-ion battery cells and modules based on the standard IEC 62133 and 62619. It includes the commissioning and operational demonstration of the chamber.

The call for Tenders (UCY-2024-032-ΦΩΣ, evidence no.3) was published on 22 May 2024 and the contract was signed with Aralab Equipamentos de laboratorio e Electromecanica Geral Lda on 24 October 2024.

7. Supply of Smart Weather Station for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of Smart Weather Station for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus, necessary to complete a fully functional in every respect unit for weather data acquisition and integration to utility operations. It includes all necessary factory software configuration and testing of all equipment, data acquisition and communication devices. The Contractor is responsible for repairing or replacing defective material within the warranty period.

The invitation for tender (ΠΚ-2023-135-ΦΩΣ evidence no.3) using the simplified procedure was published on 7 December 2023 and the written confirmation (email) of acceptance of tender was sent by the successful tenderer (Sprel Ltd) on 12 January 2024 (evidence no.2).

8. Supply of Smart Grid Emulation Testbed for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus.

The contract concerns the supply, installation, training and maintenance of a Smart Grid Emulation Testbed comprising a Grid Emulator, a Solar Emulator, a Regenerative Battery Cycler, a Regenerative AC programmable load and source, and AC and DC programmable load units, necessary to complete a fully functional in every respect unit for smart grid testing and battery testing. It also includes the commissioning and operational demonstration of the system. The Contractor shall be responsible for repairing or replacing defective material within the warranty period.

The call for tenders (UCY-2022-076-ΦΩΣ, evidence no.3) was published on 7 April 2023 and the contract was signed with CHROMA ATE Europe B.V. and SPREL Ltd on 29 December 2023.

9. Supply of Real Time Simulation Microgrid Testbed for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of Real Time Simulation Microgrid Testbed for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus necessary to complete a fully functional in every respect unit for microgrid testing. The Testbed will be an upgraded solution of the existing Typhoon HIL 604 real time simulator of UCY-FOSS. The existing product will be upgraded to achieve high-speed real-time simulation timesteps and fast processing capabilities necessary for the demanding testing requirements of the upgraded smart grid testing infrastructure of UCY-FOSS. The requested Testbed must also be able to provide the necessary scalability to further expand in capacity solar photovoltaics, battery storage, diesel generators and protective emulation devices.

The invitation to tender (UCY-2022-072-ΦΩΣ, evidence no.3) using the negotiated procedure started on 27 September 2023 and the contract was signed with Netscope Solutions SA on 12 December 2023.

10. Supply of Universal Relay Test Set for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of a Universal Relay Test Set necessary to complete a fully functional in every respect unit for parameter and automated testing of power system protection devices of smart substations. The Contractor shall be responsible for repairing or replacing defective material within the warranty period.

The invitation for tender using the simplified procedure (UCY-2022-073-ΦΩΣ, evidence no.3) opened on 8 May 2023 and the contract with Drys Techniki SA was signed on 30 August 2023.

11. Supply of Sky Camera for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of Sky Camera for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus, necessary to complete a fully functional in every respect unit for intra-hour solar photovoltaic (PV) generation forecasting applications by acquiring high-resolution sky images and analysing the coverage and type of clouds, and with integrated cloud motion functions.

The invitation for tender using the negotiated procedure (ΠΚ-2023-136-ΦΩΣ, evidence no.3) opened on 2 February 2024 and the written confirmation (email) of acceptance of tender was sent by the successful tenderer (Sprel Ltd) on 16 February 2024 (evidence no.2).

12. Supply of Programmable Automation Controller (PAC) and Centralised Cloud Control Platform for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of Programmable Automation Controller (PAC) and Centralised Cloud Control Platform for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus,

necessary to complete a fully functional in every respect unit for high resolution data acquisition, streaming and data-driven control. It also includes all necessary factory software configuration and testing of all equipment (including high voltage measurements), data acquisition and communication devices.

The invitation for tender using the negotiated procedure (ΠΚ-2022-178-ΦΩΣ, evidence no.3) opened on 7 September 2023 and the written confirmation (email) of acceptance of tender was sent by the successful tenderer (Gantner Instruments GmbH) on 11 December 2023 (evidence no.2).

13. Supply of Video Wall Screen for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus.

The contract concerns the supply of Video Wall Screen for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus, necessary to complete a fully functional in every respect unit for visualizing electrical smart grid applications. It also includes the commissioning and operational demonstration of the Video Wall Screen.

The invitation for tender using the simplified procedure (ΠΚ-2023-137-ΦΩΣ, evidence no.3) was opened on 14 December 2023 and the written confirmation (email) of acceptance of tender was sent by the successful tenderer (Conkista Ltd.) on 21 February 2024 (evidence no.2).

14. Supply of Smart Substation Testbed for Upgrading Smart Grids Testing Infrastructure at the University of Cyprus.

The contract concerns the supply, installation, training and maintenance of a Smart Substation Testbed, necessary to complete a fully functional in every respect unit for smart digital substation supervision and control laboratory training testbed. The Contractor is responsible for repairing or replacing defective material within the warranty period.

The Call for Tenders (UCY-2022-064-ΦΩΣ, evidence no.3) was published on 10 March 2023 and the contract was signed with Asea Brown Boveri SA on 16 June 2023.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 55 Entry into force of the legislative/administrative acts related to the phasing out of the most polluting vehicles

Related Measure: C2.2.R3 Progressively phase out the most polluting vehicles, especially in polluted urban areas

Qualitative Indicator: Provision in the legislative act indicating the entry into force of the legislation

Time: Q4 2023

1. Context: The objective of the reform is to provide the regulatory framework to create impetus for replacing old and polluting rolling stock, and to provide incentives for using sustainable commuting and mobility solutions. The reform shall set up the legal framework allowing the implementation of measures aiming at the exclusion of polluting vehicles from key areas, such as no-emission zones, levies for the circulation of vehicles in certain areas, and compulsory use of EV in certain transport operations. The reform is supported by Investment 3 (Promote widespread use of EV, LEVs and alternative means of transport). The implementation of the reform shall be completed by 31 December 2025.

Milestone 55 entails the entry into force of the legislative act regarding the exclusion of polluting vehicles from areas or operations. Based on the measure description, the legislative act shall create the legal basis to enforce the adoption of restrictive measures related to the circulation of motor vehicles, with the aim to progressively phase out the most polluting vehicles. Milestone 55 is the first step of the implementation of the reform. It will be followed by milestone 56, related to the implementation of at least two measures aiming at the exclusion of polluting vehicles. The reform has a final expected date for implementation in Q4/2025.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone in the CID Annex) was satisfactorily fulfilled.
2	Law L117(I) of 2023 providing for the procedure for the establishment and application of specific measures for the reduction of air pollutants and greenhouse gases emitted from road transport, entered into force on the date of its publication in the Official Gazette of the Republic on 17 November 2023.	The relevant provisions of the Law are listed in the section “3. Analysis” below.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Entry into force of legislative act regarding the exclusion of polluting vehicles from areas or operations.**

The Law 117(I) of 2023 (hereinafter 'the Law', evidence no.2) was approved by the House of Representatives on 2 November 2023. It entered into force on 17 November 2023, date of its publication on the Official Gazette of the Republic of Cyprus, in line with Article 82 of the Constitution of Cyprus setting out that "A law or decision of the House of Representatives shall come into operation on its publication in the Official Gazette of the Republic unless another date is provided by such law or decision".

The Law defines the procedure for determining the restrictive measures, the supervisory authorities, and the offenses and penalties. The legislation created the legal basis to enforce the adoption of the restrictive measures related to the circulation of motor vehicles, with the aim to progressively phase out the most polluting vehicles.

Specifically, Article 3 of the Law defines that the Minister of Transport, Communications and Works (hereafter referred to as 'the Minister'), after receiving the opinions of the Technical Committee and the local administration authority, may determine by Decree published in the Official Gazette of the Republic of Cyprus, restrictive measures aiming to reduce atmospheric pollutants and greenhouse gases originating from road transport (Article 3(1)).

- **The legislative act shall create the legal basis to enforce the adoption of restrictive measures related to the circulation of motor vehicles, with the aim to progressively phase out the most polluting vehicles.**

The Law 117(I) of 2023 created the legal basis to enforce the adoption of the restrictive measures related to the circulation of motor vehicles, with the aim to progressively phase out the most polluting vehicles. The measures that can be included in the above decrees are listed in Article 4 of the Law as follows:

- a) the designation of low or zero emission areas or roads (Article 4(α));
- b) the prohibition, in specific areas or roads and/or on specific days and hours, of the circulation of vehicles of specified categories that run on conventional fuels and do not meet the specifications of anti-pollution technology and/or the limits of carbon dioxide (CO₂) emissions that are determined by the Minister, by decree published in accordance with the provision of the Article 3 (1) of the Law (Article 4(β));
- c) the prohibition of the circulation of vehicles of specified categories in specific areas or roads and/or on specific days and hours (Article 4(γ));
- d) the determination of a section or lane of the road within which vehicles of specified categories may not be driven (Article 4(δ));
- e) set up a date beyond which it is not permitted to register vehicles of specified categories, which do not meet the anti-pollution technology specifications and/or the carbon dioxide (CO₂) emission limits that are determined by the Minister by decree published in accordance with the provision of the Article 3 (1) of the Law and /or vehicles that run on conventional fuels (Article 4(ε));
- f) the determination of transport activities which are carried out exclusively with zero-emission vehicles or clean vehicles (Article 4(σ));
- g) the designation areas or roads whose use is possible only after paying a fee, collected by the local authority, depending on the anti-pollution technology specifications and/or the carbon dioxide (CO₂) emission limits of the vehicle used that are determined by the Minister, by decree published in accordance with the provision of the Article 3 (1) (Article 4(ζ));
- h) the determination of special traffic regulations in specific areas or roads, on specific days and times (Article 4(η));

- i) establishing requirements for inclusion in advertisements or other means of promoting the purchase or use of conventionally fueled vehicles of content that promotes alternative modes of transportation, including walking, cycling and the use of public passenger transport (Article 4(θ));
- j) the designation of roads in which the traffic of vehicles is prohibited, with the exception of vehicles designated by the local authority as authorized to use the said roads, in accordance with the provision of the Article 50 (1γ) of the Municipalities Law (52(I)/2022) as well as the determination of the speed limit for authorized vehicles on the said roads (Article 4(ι));
- k) the prohibition of the parking of specified categories of vehicles in specific areas or streets and/or on specific days and hours (Article 4(ια)).

Additionally, the Law includes provisions for: (i) monitoring its implementation (Article 7), (ii) the obligations of drivers and other persons (Article 9), (iii) the offenses and penalties (Article 10) and (iv) the possibility of recording violations using cameras (Article 12).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 100 Start of the grant scheme on large enterprises

Related Measure: C3.1.I7 Scheme for the enhancement of their competitiveness and/or the energy efficiency of large enterprises in Cyprus

Qualitative Indicator: Publication of the call for proposals on the Ministry website

Time: Q3 2023

1. Context: The objective of the investment is to help large enterprises with capital expenditures for modernisation efforts that are expected to enable these enterprises to grow, become more competitive, create employment and thus contribute to economic development of the country, including energy efficiency improvements. The investment consists in the launch and implementation of a grant scheme supporting large enterprises to enhance their competitiveness and/or their energy efficiency. The implementation of the investment is expected to be completed by 30 June 2026.

Milestone 100 is the first step of the implementation of the investment, consisting in the publication of the call for proposals for the grant scheme. It will be followed by targets 101a and 102a, related to the award of grants to large enterprises.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Call for proposals published on 24 April 2024 on the website of the Service of Industry and Technology, of the Ministry of Energy, Commerce and Industry.	The published call for proposals, describing the call and directing to the grant scheme guide for applicants and the application forms.
3	Grant scheme guide for applicants, published on 24 April 2024 on the website of the Service of Industry and Technology, of the Ministry of Energy, Commerce and Industry.	The grant scheme guide sets out the terms and conditions for the application and eligibility of projects, including the selection criteria that ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01).
4	Decision of the Council of Ministers approving the grant scheme dated 02 February 2024, as published on the website of the Council of Ministers.	

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Following scheme approval by the Council of Ministers, issuance of call for proposals for the award of grants (...)**

Following the Council of Ministers' decision approving the grant scheme (evidence no.4), the call for proposals (evidence no.2) and related documentation including the grant scheme guide (evidence no.

3) were published on the website of the Service of Industry and Technology, of the Ministry of Energy, Commerce and Industry.

- (...) **to large enterprises to expand existing business through investments that enhance the technological level, the production process and their productivity, as well as to undertake investments that improve their energy performance.** Furthermore, in line with the description of the measure, **the grant scheme shall provide incentives to the enterprises to maintain their activities and employment, as well as to undertake energy efficiency investments.**

The grant scheme supports projects for existing or new large enterprises in the Republic of Cyprus (evidence no.3, page 3), related to the upgrading of the operation and business activity, the creation of new production units, the promotion of energy-saving investments in buildings, facilities and/or equipment, as well as the transition of the business to a circular mode of operation (evidence no.3, page 5).

As regards the modernisation of the business specifically, the scheme targets new equipment and machinery (evidence no.3, sections 10.1 to 10.3), the extension of buildings and premises, as well as the purchase of advanced technologies with the objective to enhance the technological level, modernise the production process and their productivity, develop competitive and innovative products with high added-value (evidence no.3, annex III, page 67).

The grant scheme provides incentives to boost employment, through the creation of new and permanent jobs (evidence no.3, chapter 15.6 on page 50, and annex III page 68).

The grant scheme supports investments in the installation of production systems to produce renewable energy sources (including cogeneration) and improve energy efficiency in production processes and/or in the premises of the enterprise (evidence no.3, sections 10.7, 10.8 and 10.9).

- **The terms of reference including eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

The eligibility criteria set out in the grant scheme guide include the 'Do no significant harm' exclusion list, as per the list of activities mentioned in the CID annex. The terms of references require the compliance with the 'Do no significant harm' technical guidance (2021/C58/01) and relevant EU and national environmental legislation (evidence no.3, section 7.11, page 11 and Annex V, pages 90 and 91).

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

- Furthermore, in line with the measure description, **the investment shall consist in the grant scheme of up to EUR 7 000 000, to develop and promote existing and new large enterprises, mainly in the manufacturing sector.**

The call for proposals sets out that EUR 7 million can be awarded to develop and promote existing and new large enterprises (evidence no.3, section 9.1). The scheme targets “large companies” as beneficiaries (evidence no.3, section 7.2, and Annex I, page 57). These large companies can be either new or existing ones (evidence no.3, section 9.4(i)), active in the manufacturing sector (evidence No.3, section 9.1(i)).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 112 Signature of the contract for the installation of Green kiosks

Related Measure: C3.1.I12 Waste management towards circular economy

Qualitative Indicator: Signature of the contract

Time: Q3 2023

1. Context: The objective of the investment is to contribute effectively to upscaling efforts towards recycling of dry recyclables. The investment aims to assist the achievement of recycling targets, increase waste prevention as the most important way to improve resource efficiency and reduce the environmental impact of waste. The investment consists of the development, set-up, installation and operation of 50 green kiosks for dry recyclables to help municipalities in remote areas to improve their waste management schemes. The implementation of the investment is expected to be completed by 31 December 2025.

Milestone 112 consists in the signature of a contract for the set-up and installation of at least 50 green kiosks for dry recyclables. Milestone 112 is the first step of the implementation of the investment. It will be followed by target 115, related to completion of the set-up, installation and start of operation of the 50 green kiosks for dry recyclables.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document.	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Contract for the set-up and installation of at least 50 green kiosks for dry recyclables, signed on 19 March 2024 by the Department of Environment and Mesogeios Digital AE.	It consists of the “specific contract conditions” (Part B), the General terms and conditions of the contract (Annex I) and the terms of reference – technical specifications (Annex II).
3	List of the 50 municipalities for the installation of green kiosks with the mapping of their locations, elaborated by the Department of Environment.	The document sets out the final list of municipalities where green kiosk will be installed.
4	Study on the “design of the system of green kiosks in the selected areas and preparation of tender documents” of November 2023, approved by the Department of Environment, Ministry of Agriculture, Rural Development and Environment (MARDE), coordinating body of the project.	This study was delivered under a LIFE-IP CYzero WASTE European LIFE Programme on the “smart monitoring and effective waste reduction in Cyprus”. It constitutes a preliminary technical study on the waste management of recyclable and reusable municipal waste via the Green Kiosk in remote areas.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Signed contracts for the set-up and installation of at least 50 green kiosks for dry recyclables.**

Following the completion of a call for tenders procedure, a contract (evidence no.2) was signed on 19 March 2024 by the Department of Environment, the contracting authority, and Mesogeios Digital AE, the contractor. The object of the contract is the construction, delivery, transportation and installation of 50 green kiosks constructed in accordance with the terms and conditions laid in the contract (evidence No.2, Part B, Article 2).

The units consist of prefabricated and transportable green kiosks for the collection, separation, pressing and temporary storage of a number of different recyclable materials (evidence no.2, Annex II, Article 1.1.1). These recyclable materials correspond to dry recyclables, such as paper, cardboard, plastic and aluminium (evidence no.2, Annex II, Article 1.1.4.7), and textile (evidence no.4).

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

In line with the provisions of the contract (evidence no.2, Article 1.1.1, Article 3.1), the list of communities (municipalities in remote areas) for the installation is to be decided by the contracting authority. The final list of the 50 low-populated and remote communities where the kiosks are to be installed was provided (evidence no.3). These municipalities are located in (semi-)mountainous areas with (semi)-rural characteristics, as per the criteria set out in the study designing the system of green kiosks (evidence no.4, Section 4.2.1). The kiosks are to be installed in different areas such as squares, parking areas and remote areas away from urban centres (evidence no.2, Article 1.1.1). They consist of at least two distinct spaces, respectively for the reception and treatment of the recyclable waste, and its storage.

The contract sets out the modalities for the collection of the recyclable materials in bins and containers, their separation (by type, material and colours) and compression (when possible), the storage and transport of the materials (evidence no.2, Annex II, Article 1.1.2). The contract also includes technical specifications for the manufacturing and equipment of the kiosks (evidence no.2, Annex II, Article 1.1.4). The Contractor is required to provide training to the staff handling the equipment in terms of use, safety and basic preventive maintenance of the equipment (evidence no.2, Form 8).

The Green Kiosks aim to facilitate citizens' access to recycling in remote areas of Cyprus that were not served by any other collective system. The collected recyclable dry materials will be processed in recycling facilities (evidence no.4, Section 1.1), contributing to the improvement of the waste management scheme of these municipalities.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Target: 128 Completed projects to carry out R&I related activities

Related Measure: C3.2.I2 Innovation funding programmes for start-ups, innovative companies and SMEs

Quantitative Indicator: Number

Baseline: 0

Target: 70

Time: Q3 2023

1. Context: The objective of the measure is to provide grant support through innovation programmes (for example Fast-Track Innovation, Pre-Seed, Seed, Innovate) as a means to improve access to funds for innovative SMEs and start-ups and to create open access research infrastructures. The investment has a final expected date for implementation in Q2/2026.

The target requires at least 70 completed projects to carry out R&I related activities. Target 128 is the second target of the investment, and it follows the completion of milestone 127, which concerned the signing of grant agreements for innovation funding programmes for start-ups, innovative companies and SMEs. It will be followed by target 129, related to the completion of at least 231 projects to carry out R&I related activities.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document.	Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Declaration of the Head of the Research and Innovation Foundation (RIF) (implementing Body).	Declaration of the Head of the Implementing Body verifying that all conditions of the grant agreements have been complied with and grants have been paid out to the listed final recipients, accompanied by the complete list of the organisations supported, detailing the following: Scheme identifier, Call identifier, project protocol number, unique identifier of the final recipient, type of final recipient, sector and location of incorporation of the final recipient, type of R&I activity supported.
3	List of 83 projects completed and organisations supported.	
4	83 final progress and payment reports.	The documents are issued by the Implementing Body (via the Research and Innovation Foundation's electronic system). It includes the decision of the RIF regarding the implementation of the project and the decision of the final payments.

		<p>The evaluation results of final progress and payment reports serve as the completion certificate as set out in the further specification: The completion certificate will be the “Evaluation Result of the Funded Project’s Final Progress and Payment Reports” issued by the Implementing Body (via the RIF’s electronic system).</p> <p>They include the decision of the RIF regarding the implementation of the project and the decision of the payment of the final instalment.</p>
5	Explanation on the final progress and payment reports of INNOVATE-0719-0011 and INNOVATE-0719-0095.	Annexes to the evaluation results of the final progress and payment reports (INNOVATE/0719/0011 and INNOVATE/0719/0095).
6	RESTART Guide Work Programmes (version 11 and version 13) published by the Research and Innovation Foundation (RIF).	RESTART guide work programs version 11 (V11) and version 13 (V13), underlying the calls/projects funded within T128.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the target.

- At least 70 completed projects to carry out R&I related activities.** The target is further specified in the Operational Arrangements, as follows: **The completion certificate will be the “Evaluation Result of the Funded Project’s Final Progress and Payment Reports” issued by the Implementing Body (via the RIF’s electronic system). It includes the decision of the RIF regarding the implementation of the project and the decision of the payment of the final instalment.** The target is further specified in the Operational Arrangements, as follows: **For the purpose of these operational arrangements, “organizations supported” and “recipient” shall include only the organisation of the final recipient, which applied for the grant.**

The Cypriot authorities provided a declaration by the head of the Research and Innovation Foundation (RIF) (implementing body) verifying that all conditions of the grant agreements underlying the 83 completed projects have been complied with and grants have been paid out to the listed final recipients (evidence no.2 and 3). According to the evidence provided, Cyprus completed 83 projects, thus exceeding the goal of target 128 by 13 completed projects. The declaration has been accompanied by the Annex of the organisations supported, with the following information: scheme identifier, call identifier, project protocol number, unique identifier of the final recipient, type of final recipient, sector and location of incorporation of the final recipient, type of R&I activity supported (evidence no.2 and 3). The Annex includes final recipients only (lead partners) who have entered into an agreement with RIF (evidence no.2). Several projects include more than one beneficiary (lead partners and host partners). The declaration of the RIF (implementing body) and its Annex lists only the final recipient for each project, who applied for the grant.

In addition, the Cypriot authorities have submitted 83 reports composed of the evaluation result of the funded project’s final progress and payment reports for each of the completed projects, issued by the RIF (implementing body) via the RIF’s electronic system (evidence no.4 and no. 5). Each report includes the decision of the RIF regarding the implementation of the project, verifying their successful

completion and the decision of the payment of the final instalment (evidence no.4 and 5). The RESTART work guide programs V11 and V13, underlying each project, specify within section III, 6.1. progress reports and 6.2. scientific verification, the legal basis on which the final progress and payment reports are based on (evidence no. 6).

The RIF officers evaluate the implementation of a project on the basis of deliverables implementation, progress report examination and the conduct of on-the spot verifications. In addition, the RESTART work guide program (section III; 3.7) specifies that the final payment, which may correspond to up to the balance of the requested funding, taking into consideration the eligible costs of the project, the final aid intensity and on the condition the final progress report has been approved by the RIF (evidence no.6).

- Furthermore, in line with the description of the measure, **the investment shall consist in a grant support through innovation programmes (for instance, FastTrack Innovation, Pre-Seed, Seed, Innovate) for businesses to develop innovative products and services with international orientation from concept to ready-for-market ...**

The innovation programs underlying each completed project can be identified via the 83 evaluation result of the funded project's final progress and payment reports (evidence no.4). The 83 completed projects have been based on Innovate, Pre-Seed and Seed innovation programs (evidence no.4). The underlying RESTART guide work program V11, defines within Pillar II, section three, four and five the underlying objective of Innovate, Pre-Seed and Seed calls (evidence no.6). Innovate, Pre-Seed and Seed innovation programs include supporting the creation and initial development of innovative STARTUPS which intend to develop innovative products and services with global market penetration prospects, as well as supporting existing enterprises in all activity sectors that will invest in research and innovation, for the development of competitive innovative products or services with quick global market penetration prospects (evidence no.6).

The Commission services carried out on 8 January 2025 an on-the-spot check of the RIF's electronic system to verify that the final progress and payment reports are issued by the RIF via the RIF's electronic system.

4. Commission Preliminary Assessment: satisfactory fulfilled

Number and name of the Milestone: 156 New human resources management framework for Cyprus Police

Related Measure: C3.4R1 Enhance the administrative capacity and improve the functioning of public administration for better policy making and implementation

Qualitative Indicator: Adoption by the Chief of Police

Time: Q4 2023

1. Context: The objective of the reform is to improve the functioning of general public administration by improving its human resource management framework and to restructure and enhance the administrative capacity of the Cyprus Police. The implementation of the reform shall be completed by 31 December 2025.

Milestone 156 requires the adoption by the Chief of Police of a new human resources management framework for Cyprus Police, which shall cover the following areas: analysis and creation of job descriptions, recruitment, motivation, training and development, compensation and benefits, labour and employee relations and communication, management of retired members, safety and health, human resource management strategy. It follows the completion of Milestone 155 which required the adoption of the Action Plan on the efficient management of human resource issues in the national police administration by the Council of Ministers. It will be followed by Milestone 157 requiring the approval by the Council of Ministers of the final report on the implementation of the Action Plan.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Police Order 1/107 issued by the Chief of the Police dated 28 June 2024 and extract of its publication on the internal information website of the Police on 1 July 2024 (not publicly available).	The Police Order adopts a new human resources management framework for Cyprus Police is adopted.
3	Framework for the Operation of the Human Resources Directorate -Management Framework of Cyprus Police.	It describes the role and functions of the Human Resources Department (HRD), The organizational structure of the HRD, the individual offices and the functions and the frameworks for managing various HR issues.
4	Job Description Manual published in June 2024.	
5	Training and Development Framework of the Cyprus police.	It describes the functions in relation to the identification of needs, planning, implementation and evaluation of educational activities, and the role of the Cyprus Police

		Academy and points of coordination with the Human Resource Department.
6	Learning Plan Template (Μαθησιακό Πλάνο).	Extract of an excel sheet showing the template of the learning plan.
7	Police Order 1/104 issued by the Chief of the Police dated 10 February 2022 (not publicly available).	Police Order 1/104 establishes the new department: “Strategy and Management of Change Directorate”
8	Police Order 1/10 issued by the Chief of the Police dated 10 June 2024 (not publicly available).	Police Order 1/10 with the title “Police Organisation”, modifies the responsibilities of the Deputy Chief and Assistant Chiefs of the Police.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **The new human resources management framework for Cyprus Police shall cover following areas: [...]**

The new human resources management framework for Cyprus Police (evidence no.3) has been developed as part of a reform programme of the Cyprus Police carried out through different projects. Under the implementation of the Project “Provision of Planning, Development and Creation of a Modern Human Resources Directorate” the new Management Framework of Cyprus Police - Framework for the Operation of the Human Resources Directorate – describes: (i) the role and functions of the Human Resources Department (HRD), (ii) the organizational structure of the HRD, the individual offices and the functions and (iii) the frameworks for managing various HR issues.

The relevant Police Order (evidence no.2) informs that the new framework was adopted was issued on 28 June 2025 by the Chief of Police and published on the Internal Information Website of the Police on the 1 of July 2024.

- **[...] Analysis and creation of job descriptions [...]**

The development and the analysis of job descriptions and the organizational chart is published in the Job Description Manual (evidence no.4). Job descriptions include tasks, duties and responsibilities of the job, together with the qualifications for each role.

- **[...] Recruitment [...]**

The recruitment framework (evidence no.3, pages 41-42) reflects the current recruitment practices applied by the Police along with other additional recruitment practices for further strengthening personnel hiring.

- **[...] Motivation [...]**

Through the new Human Resources Management Framework and the policies and methods included, motivation, productivity and job satisfaction are expected to increase in the long-term since organizational policies have been found to have a significant impact on motivating the Police Force (evidence no.3, par. 4.3 – pages 10, 16 - 22, 40, 43).

The Human Resources Management Framework includes provisions for the following: (A) well-being, mental health and employee motivation: (i) HR Management of people on long-term sick leaves, (ii)

HR Support on mental health issues and implementation of well-being practices, (iii) HR Support and equality (B) labour relations and management of retired employees: (i) Management of labour relations between police associations and the Cyprus Police, (ii) Promotion of appropriate labour relations on the basis of cooperation and the values of the Cyprus Police, (iii) Management of retired members and implementation of practices for their appropriate management prior and after retirement.

- **[...] Training and Development [...]**

The Training and Development Framework (evidence no.5 and 6) describes the following elements: The functions in relation to the identification of needs, planning, implementation and evaluation of educational activities, and the role of the Cyprus Police Academy and points of coordination with the HRD.

The Police Academy of the Cyprus Police, which is the sole training and education body for the members of the Police Force, is a Public School of Higher Education (Law 68(I)96) certified by the Higher Education Quality Assurance and Certification Agency. The mission of the Police Academy is the provision of quality education and training to all members of the Cyprus Police, so that they expand their knowledge and develop their skills and abilities, for achieving the strategic goals of the Police. The educational programmes offered by the Police Academy are addressed to all members of the Police and provide the opportunity for training, education and developing the necessary knowledge, abilities and skills to face the daily challenges of modern policing. A coordinator has been appointed to serve as a link between the Police Academy and the Human Resource Department, ensuring smooth cooperation and coordination. This role facilitates the mutual exchange of information, and the alignment of activities related to staff training and development.

Areas in which there is a link between the HRD and the Police Academy include the following: determination of training and skills development priorities in relation to the strategic planning and operational plans of the Cyprus Police and the HRD, design and implementation of training programmes, in relation to Human Resources management procedures and skills, coordination and definition of the on-site training plan, based on the learning plans and in collaboration with the administrative support offices in the individual local Directorates/Departments, to finalize the list of employees who will be invited to trainings, Updating individual reports and personal files for attending trainings and, Update on future hires for training planning purposes.

- **[...] Compensation and Benefits [...]**

The framework for “Compensation and benefits” is included in the Framework for the Operation of the Human Resources Directorate -Management Framework of Cyprus Police (evidence no.3, par. 4.1 - pages 10, 34 – 39 and par. 4.3 -page 10).

- **[...] Labour and employee relations and communication [...]**

The framework for “Labour and employee relations and communication” focuses on determining the cooperation framework between the Police and the Police Associations for the exchange of views and for achieving an alignment in HR issues and the well-being of the personnel (evidence no.3, page 16).

- **[...] Management of retired members [...]**

The framework of “Management of retired members” aims to prepare and support members of the Police at the stage of their retirement and at the same time to utilize their knowledge and experience for the benefit of the Police, the younger members of the Police and for their own through their engagement in the Police community after their retirement (evidence no.3, pages 22-24).

- **[...] Safety and Health [...]**

The Safety and Health Operation Framework intends to enhance the Health and Safety Management System of the Cyprus Police by establishing a more structured and consistent approach. The goal is to ensure uniform and effective implementation across all departments and personnel, enabling full compliance with national health and safety legislation as well as the international requirements of ISO 45001. aims at improving the existing Safety and Health Framework and the provision of a uniform and effective implementation for all members of the Police (evidence no.3, pages 27-33).

- **[...] Human resources management strategy.**

The main goal of the Human Resources Management Strategy is creating a coherent framework (evidence no.3) for the recruitment, management and development of employees aiming to support the organization's goals. Strategic HR planning provides many direct and indirect benefits for Cyprus Police: (i) encouragement of proactive rather than reactive behaviour, (ii) Explicit communication of organization's goals, (iii) Stimulation of critical thinking and ongoing examination of assumptions, (iv) Identification of gaps between current situation and future vision, (v) Encouragement of Line Manager's participation, (vi) Identification of HR constraints and opportunities, (vii) Creation of common bonds.

This is also in line with the description of the measure, which states that **a new human resources management framework is designed.**

- In line with the description of the measure, **the reform shall consist in the reorganisation and modernisation of the Cyprus Police by designing and implementing a new model of policing and operations, [...]**

As part of the Cyprus Police reform programme, studies were conducted to support the design and implementation of a modern policing and operational model aimed at improving efficiency, structure, and alignment with strategic goals. Key recommendations included reorganising core functions, transferring non-policing responsibilities to other agencies, and restructuring leadership roles. Dedicated project teams were established to implement these changes, with a new directorate (Evidence no.7) the Strategy and Change Management. Also, the responsibilities of the Deputy Police Chief and the Assistant Chiefs have been modified (Evidence no.8).

- In line with the description of the measure, **the reform shall consist in a new management framework for learning and development [...]**

The "Human Resources Training and Development Framework" of the Cyprus Police (evidence no.5, 6) has been developed in the context of the implementation of the Project "Provision of Planning, Development and Creation of a Modern Human Resources Directorate which aims to make the Cyprus Police more functional and more efficient for the maintenance of law and order, the preservation of peace, the prevention and detection of crime and the arrest and prosecution of criminals". The Human Resource Training and Development Framework describes the following: (i) The functions in relation to the identification of needs, planning, implementation and evaluation of educational activities and (ii) the role of the Cyprus Police Academy and points of coordination with the HRD.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 163 New IT system for the Law Office

Related Measure: C3.4.R5 Enhancement of the capacity of the Law Office

Qualitative Indicator: Entry into service of the new IT system

Time: Q4 2023

1. Context: The objective of the reform is to implement a digital transformation of the Law Office, aiming to increase its efficiency and effectiveness, as well as the productivity, quality of work and working conditions of the employees. The reform consists in digitalising all the processes and procedures of the Law Office by introducing an IT system (e-Law system), which shall be delivered as a complete Software-as-a-Service solution. The implementation of the reform shall be completed by 31 December 2023.

Milestone 163 requires the full operationalisation of a Software-as-a-Service solution for the Law Office. Milestone 163 is the only milestone to be implemented under the reform.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Contract C.2022/39 related to the “Purchase of the right to use an integrated legal service case management information system (e-Law system), training of staff and right of the Government to extend the right of use and purchase this system as an option” signed on 1 September 2022 by the contracting authority (Department of Information Technology Services) and the contractor (Cosmos Computers A.E.B.E.).	Procurement contract for the design and delivery of the e-Law system, and the training of the staff for its use. The technical specifications are in Annex 2 to the Contract.
3	Deliverable 2 of the contract C.2022/39 regarding the “amendments to the mode of operation of the Law business re-engineering”, delivered by the contractor (Cosmos Computers A.E.B.E.).	The document reports on the reengineering of the workflow of the Law Office, for their optimization. The functionalities of the e-Law system were designed accordingly.
4	List of the training sessions attended by the users of the e-Law system.	The training sessions were organised in the period from 7 to 15 November 2023. Each training session targeted the staff of specific sector of the Law Office.
5	Attendance list for each training session for the users of the e-Law system, with signature of the participants.	

6	Acceptance certificate issued on 10 January 2024 by the Contracting Authority (Department of Information Technology Services, DIS) in accordance with the national legislation (Regulations 26, 27 and 28 RAA 138/2016), signed by the members of the Acceptance Committee for the Contract C.2022/39.	The document sets out that the services delivered comply with the terms and annexes of the Contract C.2022/39.
7	Attestation signed by the General Attorney of the Republic of Cyprus on 12 March 2024 confirming the completion by 15 November 2023 of the training of the Legal Service of the Republic of Cyprus (from all its sectors and departments) in the use of the Case Management Information System (e-Law system).	It includes in its annexes the training programme, the list of participants (with signatures) and the copy of the IT-system user manual used during the training.
8	Contract C.2022/01, “A contract for the digitisation of the files/documents of the Legal Service of the Republic”, signed on 5 October 2022 by the contracting authority (Department of Information Technology Services) and the contractor (Iron Mountain Cyprus LTD).	Procurement contract for the digitalisation of the documents of the Law Office. It includes in its Annex I the terms of references for the procured service.
9	Acceptance certificate issued on 19 December 2023 by the Contracting Authority (Department of IT services, DIS) in accordance with the national legislation (Regulations 26, 27 and 28 RAA 138/2016), signed by the members of the Acceptance Committee for the Contract C.2022/01.	The document sets out that the services delivered comply with the terms and annexes of the Contract C.2022/01.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **The e-Law system is made operational for the Law Office and used.**

The procurement contract C.2022/39 for the design and delivery of a digital management system for the Law Office, the “e-Law system” was signed on 1 September 2022 by the Department of Information Technology Services (the contracting authority) and Cosmos Computers A.E.B.E. (the contractor) (evidence no. 2).

The e-Law system modernises and digitalises the processes and procedures of the Law Office, to improve its organisation and efficiency, better manage and monitor the information and data, and produce statistical reports (evidence no. 2, Annex 2, points 2.1, 2.2 and 4.1). The system includes software and IT equipment (evidence no. 2, Annex 2, point 1.3). The acceptance certificate (evidence no. 3) issued on 10 January 2024 sets out that the services and works were delivered as per the technical specifications of the contract (evidence no. 2).

The e-Law system is fully operational and used by the staff of the Law Office, as demonstrated by the Cypriot authorities during the online on-the-spot check of the e-Law system performed by the Commission’s services on 2 December 2024.

This is also in line with the description of the measure, which states that **“The reform shall consist in digitalising the processes and procedures of the Law Office by introducing an IT system (eLaw System)”**.

- **It includes the following functionalities: creation of electronic case files and folders, case management and monitoring, internal communication and workflows, tracking of cases, financial management and payments, digitalisation of paper files.**

The functionalities of the system as described in Deliverable 2 of the contract C.2022/39 (evidence no.3, sections 1.1 to 1.12) were demonstrated during the online on-the-spot check of the e-Law system performed by the Commission's services on 2 December 2024:

- The system creates electronic case files and folders for digitalized documents. These files encompass an overview, case details, proceedings, pending items and notes, related judgments, actual expenses, receipts, all related documents, and messenger tasks. The system archives information for each incoming and outgoing document, with attachment of documents related to each case.
- The management and monitoring of a case is facilitated through a tabulation (tab) on each case/file, which registers the progress of each case step by step. The recording of tasks produces automatic reminders for upcoming deadlines regarding the progress of the case. The system can generate progress reports on given cases and tasks on request.
- Each opened case follows a structured workflow and internal communication/notification: the tasks are generated automatically by the system as the case progresses, with an automatic and immediate notification to the relevant lawyer(s) in charge, and copy to the other colleagues as relevant.
- The task assignee(s) and their supervisor(s) can track the progress of each case, and create reports for the task or case, under a wide range of reporting categories (i.e. if pending or completed, period, etc.).
- The system records under each case the debt owed by third parties to the Republic of Cyprus. It enables recording of any payments and automatic recalculation of the interest depending on the remaining amount of compensation.
- The e-Law system allows the creation of an electronic file with the possibility to store in it all scanned incoming and outgoing documents.

- **Training of users has been concluded.**

Training sessions on the new e-Law system for its users were carried out, as required under the technical specifications of the contract C.2022/39 (evidence No. 2, Annex 2, points 4.4.5). The acceptance certificate issued by the Contracting Authority (evidence no. 7) sets out that the training was delivered to its users in the Law Office as per the contract's requirements, in the period from 7 to 15 November 2023. It consisted in interactive sessions, during which the relevant sections of the IT user manuals were presented. The list of the training sessions implemented is provided (evidence no. 4), as well as attendance lists for each training session, signed by the participants (evidence no. 5).

- **The paper files of the Law Office are digitalised.**

Paper files were digitalised under the procurement contract C.2022/01 signed on 5 October 2022 by the Department of Information Technology Services (the contracting authority) and Iron Mountain Cyprus LTD (the contractor) (evidence no.8). An acceptance certificate issued on 19 December 2023 sets out that the digitalization of the documents was completed as per the terms of reference of the procurement contract, including the scanning of each page and categorisation of all the documents contained in these files (evidence no.9, Annex I, point 1.1).

- In line with the description of the measure, **“during the implementation of the project, a business analysis shall assess needs for process re-engineering”**.

The contractor delivered an analysis of the processes (workflows and procedures) of the Law office and possible modifications to them, with the view to improve the way tasks are carried and to optimize the procedures and workflows, as required under the technical specifications of the contract C.2022/39 (evidence no.2, Annex 2, point 4.4.2). A copy of the analysis by the contractor was provided (evidence no.3).

The acceptance certificate issued on 10 January 2024 sets out that the service for the process re-engineering was completed as per the terms of reference of the procurement contract (evidence no.6).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Number and name of the Milestone: 167 Setting up a Modelling Hub for Economic Policy Analysis

Related Measure: C3.4.I3 Economic Policy Modelling Hub

Qualitative Indicator: Entry into service of the Hub

Time: Q4 2023

1. Context: The investment aims to improve economic analysis, policymaking and implementation through the adoption of modelling techniques. It seeks to build modelling expertise among public personnel and integrate analytical tools that enhance policy impact assessment. The investment will be carried out in two stages. First, it will establish the Economic Policy Modelling Hub by recruiting the necessary scientific staff and acquiring and providing them with the required equipment (point (i) of the CID Annex). In the subsequent phases, the investment will focus on developing advanced tools for big data and economic analysis (point (iii) on the CID Annex), and equipping employees from the Ministry of Finance with the skills needed to use these tools effectively (point (ii) on the CID Annex) (1). The implementation of the investment shall be completed by 31 December 2025.

Milestone 167 represents the first step in the investment's implementation, namely the establishment of the Modelling Hub for economic policy analysis. It will be followed by Target 168, consisting in the complete development of at least 20 macro-econometric impact assessment models and new data analytics tools for the Cyprus economy based on different methodologies. After their development, those models shall be simulated, tested and applied for economic policy analysis and forecasting. The Target also involves initiatives to equip employees from the Ministry of Finance with the necessary skills to use these tools for policy analysis and evaluation.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Report on "the operationalization and equipment of the Economic Policy Modelling Hub" signed in May 2024 by the Director of the Economic Research Centre in the University of Cyprus.	It confirms that the Economic Policy Modelling Hub is equipped and in operation. It lists the equipment acquired for the operation of the Hub and their intended use, as well as the scientific team working on the Hub in May 2024 with information on their profile and seniority.
3	Acceptance certificates issued by the Contracting Authority in accordance with the national legislation (Regulations 26, 27 and 28 RAA 138/2016), signed by the members of the Acceptance Committee for the supply Contracts ΠΚ-2021-157-KOE and UCY-2020-034-YPY).	The certificates relate to the delivery of laptops (on 23 February 2021 and 8 November 2021), laptop equipment (on 2 November 2021 and 7 December 2021) and laptop peripherals (on 5 November 2021).

4	Written confirmation on the appointment of the team of scientific staff at the Economic Policy Modelling Hub” signed on 19 May 2024 (evidence no. 2) the Director of the Economic Research Centre confirming the appointment of the team of the scientific staff of the Hub.	It lists the appointed scientific members of the Hub in May 2024, including their job profile, university degree, name and expertise.
5	Template of employment contracts, providing evidence on the position, contract duration and working hours.	The document informs that the experts are hired as special research scientists, in line with the hiring policies adopted by the University of Cyprus. The contracts are similar for all experts while differences relate to working hours, contract duration, salary and duties of the respective expert.
6	Employment contracts providing evidence on the staff hired by the Hub.	The contracts concern 15 staff persons engaged in the Hub in the 16 posts open.
7	Document signed on 17 March 2025 by the head of human resources department of the University of Cyprus.	The document lists the appointed scientific members of the Hub, including their hiring date, work arrangement (full or part time employment), and work hours per month.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities confirm that all constitutive elements of the milestone are met. Specifically:

- **Operationalisation and equipment of the Hub (...)**

The Economic Policy Modelling Hub helps improve policymaking and implementation by increasing the use of quantitative modelling techniques for regulatory impact assessment. It is hosted at the Economics Research Centre of the University of Cyprus.

A report signed by the Director of the Economics Research Centre (evidence no.2) sets out that the Hub is fully equipped and operational. The equipment acquired and delivered includes laptops and peripherals equipment (monitors and docking stations), which will be used by the staff for the development of analytical tools (evidence no.2). A copy of delivery certificate for the equipment was provided (evidence no.3).

- **(...) including appointment of the team of scientific staff. The team shall consist of experts on macro econometric models, econometricians, data analytics experts and economists.**

The scientific team of the Hub includes 16 expert posts in econometrics and macro-econometric modelling, economists, and data analysts, with diverse academic and professional experience and levels of seniority (evidence no.4, point (2)). The experts are hired as special research scientists, in line with the hiring policies adopted by the University of Cyprus (evidence no.5). The submitted documentation (evidence No.2, 4, 6, 7) confirms that all experts had been appointed by 19 May 2024. A document of the Head of Human Resources at the University of Cyprus lists the appointed experts (evidence no.7). Fifteen persons are engaged in a paid capacity with the Hub in the 16 expert posts of the Hub (evidence no.6).

4. Commission Preliminary Assessment: satisfactorily fulfilled.

Number and name of the Milestone: 180 Entry into force of new Rules of Civil Procedure

Related Measure: C3.4.R8 Efficiency of Justice

Qualitative Indicator: Provision in new Rules of Civil Procedure (published in the Official Gazette) indicating the entry into force of the Rules of procedures (1 September 2023)

Time: Q3 2023

1. Context: The objective of the reform is to reduce the high backlog of cases pending before the courts and to increase the overall efficiency and quality of the justice system. The reform shall consist in preparing an action plan to eliminate the backlog of cases and appeals with specific annual targets and setting up a taskforce of judges, which is expected to coordinate the implementation of the action plan to reduce the backlog of pending cases. The reform shall also consist in implementing the revised Rules of Civil Procedure, which were adopted by the Supreme Court on 19 May 2021 and which shall increase efficiency in the judicial proceedings including in adjudicating cases. The implementation of the reform shall be completed by 30 June 2024.

Milestone 180 requires the entry into force of new rules of civil procedures for new cases submitted to the court as from 1 September 2023. The new rules of civil procedure shall modernise the hearing of cases in order to deliver a less costly, more accessible and timelier service to parties. Milestone 180 is the first step of the implementation of the reform. It will be followed by target 181 and target 182, related to the reduction of the backlog of cases and appeals pending for over two years before the District Courts and the Supreme Court.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	"Functioning of the Supreme Constitutional Court Procedural Rules of Procedure of 2023" published in the Official Journal of the Republic of Cyprus no. 4156 of 3 July 2023.	The document sets out the new rules of civil procedures. It was approved by the Supreme Court and entered into force on 1 September 2023 for proceedings registered as from that date.

3. Analysis: The justification and substantiating evidence provided by the Cyprus authorities cover all constitutive elements of the milestone.

- **Entry into force of new rules of civil procedures for new cases submitted to the court as from 1 September 2023.**

The new rules of civil procedures (evidence no.2), were adopted by the Supreme Court on 19 May 2021, and entered into force on 1 September 2023 for the proceedings registered from 1 September 2023 (Part 60, point 60.1(1) and (2)).

The rules of procedures consist in "a procedural code, the primary purpose of which is to allow the Court to handle cases in a fair and proportionate manner" (Part 1, point 1.2(1)). They apply to all procedures of the provincial Courts in the exercise of their civil jurisdiction (Part 1, point 2.1(1)).

This is also in line with the description of the measure, which states that **the reform shall consist in the adoption and entry into force of the revised Rules of Civil Procedure.**

- **The new rules of civil procedure shall modernise the hearing of cases in order to deliver a less costly, more accessible and timelier service to parties.**

The primary purpose of the rules of procedures is the “handling of a case fairly and at a proportionate cost”. It sets out new provisions aimed at delivering a less costly (a), more accessible (b) and timelier service to parties (c), such as the following ones:

- Costs of interim steps in a case are adjudicated on a “pay as you go” basis (Part 39, rule 39.2(1)), enabling the litigant to know at any time the amount of costs that it/She/he owes to pay to the Court;
- New Court Forms (prescribed in Part 4, and listed in Annex A) allow litigants-in-person to navigate court procedures with greater ease;
- the Court is now able to engage in active case management (Part 3, Section I, rules 3.1 to 3.8) and litigants-in-person can channel through court proceedings by following the directions of the court. On this basis, case management empowers the court to give directions for the efficient and expeditious management of the case, leading to an irrevocable trial date. New pre-action conduct (Part 3, Section II, rules 3.9 to 3.17) and related Protocols are set out, Part 3, Section II, Appendix I) aiming at the final settlement of disputes at an early, pre-action stage.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Target: 196 Review of the Streets and Building Regulation

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

Qualitative Indicator: Provision in the law indicating the entry into force of the amended Streets and Building Regulation

Time: Q4 2023

1. Context: The objective of the reform is to address inefficiencies in the system of issuing and transferring title deeds, specifically by reviewing and amending the Streets and Buildings Regulation Law to introduce the right incentives for the supervising engineer to further discourage irregularities that would result in title deeds not being issued. The reform has a final expected date for implementation on 31 December 2023.

Milestone 196 covers the entry into force of an amendment to the Streets and Buildings Regulation, introducing incentives for supervising engineers to ensure project compliance with the issued permit, reducing irregularities that could delay title deed issuance and certify project completion in line with the permit when submitting final documentation to the authorities. Milestone 196 is the fourth and last milestone of the reform, and it follows the completion of target 193, which reduced the backlog of pending title deeds either by issuing them or by rejecting the case. It follows milestone 194, which extended the new planning and building permit policy to allow up to four residential units to be built on residential plots, and milestone 195 under which the Sale of Property (Specific Performance) Law was reviewed and amended.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Amended Streets and Building law (L.145(I)/ 2024) with entry into force on 6 December 2024 and published in the Official Gazette on 6 December 2024 with the reference number N5017.	

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Entry into force of the law amending the Streets and Building Regulation which shall introduce the right incentives for the supervising engineer to (i) oversee the project development in accordance with the permit issued, to further discourage irregularities that would result in title deeds not being issued (...)**

The law amending the Street and Building Regulation (*hereinafter referred to as “the law”*, evidence no.2) entered into force on 6 December 2024. It entered into force on the date of its publication in

the Official Gazette of the Republic of Cyprus, in line with Article 82 of the Constitution of Cyprus setting out that "A law or decision of the House of Representatives shall come into operation on its publication in the Official Gazette of the Republic unless another date is provided by such law or decision".

The law amends Article 23 of the Regulation, which covers cases for issuing administrative penalties of up to EUR 5 000. The amendment to Article 23 introduces a new paragraph (d), establishing an administrative penalty of up to EUR 5 000 for supervising engineers who fail to notify the competent authority within 30 days of identifying non-compliance by the owner or contractor with the provisions of the permit. With the amendment introducing an incentive for supervising engineers to uphold regulatory compliance, irregularities that would result in the title deeds not being issued are discouraged.

- **(...) and (ii) submit to the competent authority a certificate confirming the completion of work in line with the permit issued.**

The amended regulation stipulates under Article 23 an imposition of an administrative fine on a supervising engineer who, within a period of 30 days from the completion of the building, has not submitted to the competent authority a certificate certifying the completion of the work in line with the permit issued.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 203 Strategy for Combating Financial Illiteracy

Related Measure: C3.5.R7 Strategy for Combating Financial Illiteracy

Qualitative Indicator: Approval of the Strategy for Combating Financial Illiteracy by the Council of Ministers

Time: Q4 2023

1. Context: The objective of the measure is to promote financial literacy, enhance financial education within the general population, improve financial decision making, correct wrong attitudes and biases, support more informed and financially responsible citizens and ultimately, help improve debt repayment discipline. The reform had a final expected date for implementation on 31 December 2023.

Milestone 203 relates to the approval, by the Council of Ministers, of the strategy for combating financial illiteracy, outlining its goal and objectives, specifying the channels for promoting financial literacy, and including specific actions for implementation. The milestone also requires completion of specific initiatives promoting financial literacy. Milestone 203 is the only milestone under this reform.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Council of Ministers' decision no. 93.301 of 28 June 2022, published in the Official Journal no. 4783 on 2 September 2022.	Decision approving the strategy for combating financial illiteracy.
3	National Strategy for the promotion of financial literacy and education in Cyprus, Central Bank of Cyprus, June 2022.	Strategy created by the Ad-hoc Committee set-up for the purpose of its development.
4	Program of the conference on "Digital Financial Literacy: The Way Forward".	Program of the conference organised by the Central Bank of Cyprus on 29 March 2024
5	Summary of the conference on "Financial Literacy and Education in Cyprus: Challenges, Lessons from Other Countries and the Way Forward".	Summary of the conference deliberations, key takeaways, presenters – discussants, and the conference papers. The conference was organised by the Central Bank of Cyprus on 10 March 2023.
6	Global Money Week Action Calendar 2023.	A document outlining the activities related to financial literacy that were conducted in the period February-April 2023, containing their short description, the organisation that carried them out, and links to online sources where available.
7	Global Money Week Action Calendar 2024.	A document outlining the activities related to financial literacy that were conducted in the period December 2023-July 2024, containing their short description, the organisation that

		carried them out, and links to online sources where available.
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3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **the Strategy for Combating Financial Illiteracy shall outline its goal and objectives, specify the channels for promoting financial literacy, and include specific actions for implementation.**

The Strategy for Combating Financial Illiteracy (*hereinafter referred to as “Strategy”*, evidence no.2) was approved by the Council of Ministers on 28 June 2022, and the decision was published in the Official Journal on 2 September 2022. The goal of the Strategy is to promote financial literacy and education among citizens, in order to contribute to the efficient management of their financial resources and, consequently, to the enhancement of their financial wellbeing (evidence no.3, page 24).

The strategic objectives of the Strategy relate to the following (evidence no.3, p. 24-25):

- Raising public awareness of the importance of financial literacy and education;
- Empowering citizens, starting with young people, with core financial skills, as to be able to manage their personal or family finances to improve their financial well-being;
- Raising citizens’ awareness of the need for adequate financial planning for insurance and retirement matters;
- Raising awareness on the use and associated risks of digital financial products and services.

To fulfil the above strategic objectives, the strategy determines specific actions for implementation, as well as the channels for achieving them, stating that the priority actions are the following (evidence no.3, p. 25-27):

- Raising awareness about the importance of financial literacy through targeted communication and public events, such as media briefings, seminars and competitions, and by introducing a financial literacy week or month.
- Promoting financial literacy in public education, by introducing a compulsory financial education course for secondary school students and incorporating financial concepts into existing subjects, such as mathematics and home economics.
- Promoting lifelong learning through the organisation of educational seminars, leveraging programs of the Human Resource Development Authority for the financial education of workers and the unemployed, and working with local authorities to set up institutions like the Family Budget Adviser and to introduce municipality open school courses.
- Creating a website providing educational materials and information necessary for financial decisions, also serving as a one-stop shop for financial education, as well as a mobile application enabling easy access to the website’s information.
- Strengthening existing good practices and initiatives in Cyprus.
- Launching a training of teachers and other trainers on the financial concepts and methods used during education and training programs.

- **The reform shall also include completion of initiatives promoting financial literacy.**

Cypriot authorities submitted evidence on several initiatives that were completed to promote the topic of financial literacy. For example, the Central Bank of Cyprus (CBC) organised a conference on digital financial literacy in March 2024 (evidence no.4), as well as a conference on the challenges, lessons from other countries, and the way forward on the financial literacy and education in Cyprus in March 2023 (evidence no.5). As part of the Global Money Week organised in 2023 and 2024, a series of initiatives related to the topic of financial literacy were undertaken, including lectures, webinars, and

quizzes (evidence no.6 and 7). Additionally, the summary document submitted by the authorities provides information and hyperlinks to various online materials outlining the completed activities, such as articles written by academics, videos of lectures, and a website of an organisation that conducted online lectures on the topic (evidence no.1).

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

The Strategy identifies the issues of financial illiteracy in Cyprus based on a survey carried out by the CBC. The results of the survey showed that the relatively low levels of financial knowledge concern the wider population of Cyprus and that the portion of people perceived as financially literate is slightly more than one third of the country's total population. Furthermore, the results show that, despite the fact that citizens are familiar with some basic financial concepts, such as simple interest rates and inflation, they do not seem to have a sufficiently clear understanding of notional concepts, such as compound interest and transparent risk treatment, highlighting the potential correlation with the dramatic effects of the financial crises faced by Cyprus. Additionally, the CBC's research identified the population groups with the lowest level of financial literacy, as well as a strong correlation between the educational direction (discipline/selected subjects) in secondary education and the level of financial literacy (evidence no.3, p. 15-18).

The development of the Strategy was informed by a thorough review of both domestic and international literature, which is listed in its annex (evidence no.3, p. 36). As noted above, the Strategy also determines specific actions for implementation, as well as the related strategy and channels for achieving them (evidence no.3, p. 25-27).

3. **Commission Preliminary Assessment:** satisfactorily fulfilled.

Number and name of the Target: 205 Supervisory tools including data collection and analysis tool

Related Measure: C3.5R8 Enhancing supervision of Insurance and Pension Funds

Qualitative Indicator: Support tools for enhancing the supervision of pension funds and insurance companies

Time: Q4 2023

1. Context:

The objective of the reform is to enhance the supervision of the insurance and pension funds, specifically by increasing the administrative capacity of the supervisory authorities, preparing and implementing tools in line with the regulatory frameworks conveyed to the European Insurance and Occupational Pensions Authority (EIOPA), undertaking specific supervisory actions according to plans as conveyed to EIOPA and based on the authorities' supervisory review processes and increasing permanent staff of the Department of the Registrar of Occupational Retirement Benefit Funds and the Insurance Companies Control Service.

Milestone 205 covers the implementation of tools in line with the new legislation (Institutions for Occupational Retirement Benefits Law, Insurance and Reinsurance Business and Other Related Issues Law). Milestone 205 is the first completed milestone of the reform, and it will be followed by target 204, which covers the increase in permanent staff by thirteen employees for the Registrar of Occupational Retirement Benefit Funds and by three employees for the Insurance Companies Control Service. The reform has a final expected date for implementation on 31 March 2025.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Compiled list of supervisory tools and related supervisory actions implemented by the Registrar of Institutions for Occupational Retirement Provisions (RIORP).	The list includes and describes the tools and related actions implemented by the RIORP in line with the provisions of the Law L.10(I)/2020. It includes weblinks and copies of documents evidencing the implementation of the tools. It notes for each tool, the corresponding article(s) of the Law L.10(I)/2020 (or other legislative/legal text(s)), as well as the date of its entry into force or use.
3	Letter signed on 20 September 2024 by a representative of the Registrar of Institutions for Occupational Retirement Provisions confirming the implementation and entry into use of tools	The letter confirms the implementation and entry into use of tools and related actions by the RIORP (evidence no.2).
4	Compiled list of supervisory tools and related actions implemented by the	The list includes and describes the tools implemented by the ICCS to enforce the provisions of the Law N.38(I)/2016. It includes

	Insurance Companies Control Service (ICCS).	weblinks and copies of documents evidencing the implementation of the tools. It notes for each tool/action, the corresponding article(s) of the Law N.38(I)/2016 (or other legislative/legal text(s)), as well as the date of its entry into force or use.
5	Letter signed on 24 September 2024 by a representative of the Insurance Companies Control Service confirming the implementation and entry into use of tools and related actions (evidence no.4).	The letter confirms the implementation and entry into use of tools and related actions by the ICCS (evidence no.4).

3. Analysis:

The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Implementation of tools (for example procedures, checklists, fitness and propriety applications) in line with new legislation (providing for the establishment, activities and supervision of Institutions for Occupational Retirement Benefits Law of 2020 L 10(I)/2020...**

The Registrar of Institutions for Occupational Retirement Provisions (*hereinafter referred as RIORP*) under the Ministry of labour and social insurance and the Insurance Companies Control Service (*hereinafter referred as ICCS*) under the Ministry of finance confirmed that they have implemented a set of tools in line with the provisions of the new legislative framework in question, namely the Law providing for the establishment, activities and supervision of Institutions for Occupational Retirement Benefits Law of 2020 (L 10(I)/2020) and the Law on the Insurance and Reinsurance Business and Other Related Issues Law of 2016 (N.38(I)/2016) (evidence no.3 and 5).

The compiled list of tools developed and implemented by the RIORP provides a detailed description of each tool or related action, with reference to the relevant provisions of the Laws (evidence no.2) comprising:

- Circulars and explanatory notes were issued regarding the provisions of the new legislation, COVID-19 related guidance, and procedures.
- A suite of application forms and declarations including those related to fitness and propriety were standardized to ensure consistency and transparency in regulatory submissions. New templates and sample documents were also prepared, such as model statutes, rules of operation, and participation agreements, to help pension schemes align with the law.
- New electronic checklists were issued for offsite and onsite inspections, and the review of applications for registration, cross-border activities, and governance structures; tools for risk-based assessments and maintaining statutory registers were also deployed. Internal manuals and handbooks were drafted to guide supervisory staff in consistently applying the new regulatory framework.
- The Commission services conducted an on-the-spot check on 5 June 2025 to verify the implementation and use of IT tools developed in line with new legislation (providing for the establishment, activities and supervision of Institutions for Occupational Retirement Benefits Law of 2020 L 10(I)/2020). RIORP provided a live demonstration of the data submission, validation and supervisory analysis processes, showing how each system functions in practice

to support the implementation of the applicable legislation and supervisory requirements. This check was completed successfully, confirming that the requirement for tools developed in line with new legislation (providing for the establishment, activities and supervision of Institutions for Occupational Retirement Benefits Law of 2020 L 10(I)/2020) is successfully fulfilled.

- The compiled list of tools developed and implemented by the RIORP provides a detailed description of each tool or related action, reference to the relevant provisions of the Laws (evidence no.2) comprising:
- **[...] and the legislation of the Insurance and Reinsurance Business and Other Related Issues Law of 2016 (N.38(I)/2016).**

The compiled list of tools developed and implemented by the ICCS provides a detailed description of each tool or related action, reference to the relevant provisions of the Laws (evidence no.4) comprising:

- Guidance on continuing professional development for insurance intermediaries and the European Banking Authority's guidelines on compliance officer responsibilities were prepared, in order to translate complex regulatory expectations into practical requirements for undertakings.
- Regarding the supervisory tools related to governance and fitness and propriety: new checklists and self-assessment questionnaires were revised, in view of assessing and ensuring the suitability of board members and key function holders, in line with Articles 42 to 50 of the Law. An internal governance database was developed to track and share fitness and propriety assessments, shareholding structures, and licensing status among supervisory teams.
- Tools implemented to assess liquidity and solvency risks to enhance prudential supervision include stress testing templates, liquidity and asset reports, and enhanced data validation systems. A new eXtensible Business Reporting Language system was implemented, aligned with the standards of the European Insurance and Occupational Pensions Authority (EIOPA) for the submission and quality control of quantitative reporting templates.
- The Commission services conducted an on-the-spot check on 5 June 2025 to verify the implementation and use of the IT tool developed in line with new legislation (providing for the establishment, activities and supervision of Insurance and Reinsurance Business and Other Related Issues Law of 2016 (N.38(I)/2016). ICCS provided a live demonstration of the data submission, validation and supervisory analysis processes, showing how the system functions in practice to support the implementation of the applicable legislation and supervisory requirements. This check was completed successfully, confirming that the requirements for tools to be developed in line with new legislation (providing for the establishment, activities and supervision of Insurance and Reinsurance Business and Other Related Issues Law of 2016 (N.38(I)/2016) is successfully fulfilled.
- Furthermore, in line with the description of the measure **the reform shall consist of preparing and implementing tools in line with the regulatory frameworks conveyed to the European Insurance and Occupational Pensions Authority (EIOPA) (for example, the revised Institutions for Occupational Retirement Provision (IORP II) Directive) and (iii) undertaking specific supervisory actions according to plans as conveyed to EIOPA and based on the**

authorities supervisory review processes, for ensuring financial stability and for protecting the interests of pension funds members and insurance policy holders.

RIORP and ICCS supervisory tools have been implemented in line with EIOPA frameworks, including Solvency II and the IORP II Directive. The two pension authorities adopted multiple EIOPA guidelines on ICT security, outsourcing and product distribution and carried out targeted supervisory actions, including stress tests, ORSA guidance, and governance reviews. These actions were based on supervisory review processes and regularly communicated to EIOPA (evidence no.2 and 4).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 206 Digital system for supervision of transactions for the Cyprus Securities and Exchange Commission

Related Measure: C3.5.I1 Enhancement of the Supervisory Function of the Cyprus Securities and Exchange Commission

Qualitative Indicator: Project management committee verifies acceptance of deliverables in due time; and quality and standards as specified in tender documents

Time: Q4 2023

1. Context: The objective of the measure is to enhance the supervisory capacity of Cyprus Securities and Exchange Commission through digitalisation, allowing for better supervision of transactions. The investment consists in developing an advanced digital system, based on cloud architecture, covering the supervision needs of the relevant regulations, while also supporting the connection to the European Securities and Markets Authority (ESMA) hub, loading and pre-processing of transaction data, aggregation and performance of queries on data to generate regulatory insights, and generation of on-schedule and ad-hoc reports. The investment has a final expected date for implementation on 31 December 2023.

Milestone 206 relates to the full implementation of a new digital system of supervision of transactions. Milestone 206 is the only milestone under this investment.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Contract signed on 1 July 2021 by the Cyprus Securities and Exchange Commission and H.S. Data Limited.	Contract for creation, implementation and maintenance of a system in Cloud architecture to cover the needs of the Cyprus Securities and Exchange Commission stemming from European Regulations, under the tender No. 05/2021.
3	Certificate of acceptance of Azure Infrastructure issued on 13 February 2024.	Completion acceptance certificate issued by the Acceptance Committee, confirming that the delivered services are compliant with the requirements of the abovementioned contract. It was issued in accordance with regulations 26, 27, and 28 RAA 138/2016.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Implementation of a new digital system of supervision of transactions. The new digital system shall have the following features:** - Loading and pre-processing of transaction data. [...]

In 2021, the Cyprus Securities and Exchange Commission (CySEC) signed a contract for creation, implementation, and maintenance of a system in cloud architecture to cover the needs of the CySEC stemming from European regulations (evidence no.2, page 1). In describing its subject matter, the contract outlines the requirements for CySEC to be able to satisfy its regulatory duties (evidence no.2, part A, p. 6 onwards). Detailed technical specifications for the new system are outlined in Form 1 of the tender documents (p. 36 of 55) annexed to the contract (evidence no.2).

Among other, the new digital system is required to download, decrypt, and unzip the encrypted and zipped transaction data files; load the data in the extracted XML files into a storage system; parse and read the XML files resulting from the preprocessing and add data to the data store, updating it as needed (evidence no.2, part A, p. 7-8).

- [...] - **Aggregations and queries on data to generate regulatory insights.** [...]

Furthermore, the contract specifies that data aggregations are to be done based on specific queries expressed as views on the data store and after applying data modifications. The views are queried by the system which will also store the aggregations. The system must be accessible and able to be queried from the reporting framework that will be used (evidence no.2, part A, p. 9).

- [...] - **Generation of on-schedule and ad-hoc reports.** [...]

The contract also stipulates that the reporting system must have queries that correspond to the data aggregations mentioned above. It connects to the aggregations store, loads the aggregations from the store into its own storage medium, and generates reports based on the aggregations. Such reports need to integrate data from other sources in the CySEC local network, so the system is able to access data sources inside this network while being able to access aggregations on the cloud-based aggregations store. The reporting system allows for the creation of ad-hoc reports using data source in the Data Lake store, the SQL-based storage of aggregations, and data sources inside the CySEC local network (evidence no. 2, part A, p. 9-10). The contract also outlines the provision of on-schedule reports, such as the reports on unpaired and unmatched transactions, as well as reports on transaction statistics, all running weekly (evidence no. 2, part A, p. 10-12).

As confirmed by the completion acceptance certificate (evidence no. 3), the services outlined in the terms and annexes of the abovementioned contract are delivered and compliant with it. Therefore, the new digital system is considered to be implemented.

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

In the context of the EMIR and SFTR projects, European Securities and Markets Authority (ESMA) maintains a central repository, accessible via secure file transfer protocol (SFTP), that contains transaction data reported by different individual transaction repositories. This hub thus operates as a common point of access for transaction data reported by the different repositories. As outlined in the technical analysis document annexed to the contract for the digital system's development (evidence no. 2, Annex II, p. 2), the solution of the new digital system will leverage Microsoft Azure cloud to host the processing system of transaction files existing on ESMA's server, downloading and validating the server data. Therefore, the new system supports the connection to the ESMA hub, as well as the remaining features required by the Council Implementing Decision, as analyzed above.

4. Commission Preliminary Assessment: satisfactorily fulfilled.

Number and name of the Milestone: 207b Purchase of the new building for the integrated Nicosia District Office and Large Taxpayers' Office

Related Measure: C3.5.R9 Improving tax collection and effectiveness of the Tax Department

Qualitative Indicator: Completion of the purchase and start of operations

Time: Q3 2023

1. Context: The objective of the measure is to make tax collection more efficient and effective, through a higher level of digitalisation and tax compliance, and improve customer service. The reform consists in integrating different tax units, procedures and processes, so as to offer single point of taxpayer service, legislative changes, and implementation of a new IT system and digitalisation of the Tax department. The reform has a final expected date for implementation on 31 December 2025.

Milestone 207b requires the new building for the integrated Nicosia District Office and Large Taxpayers' Office to be purchased. Milestone 207b is the second milestone of the reform, and it follows the completion of milestone 207a, related to the start of Integrated Tax Administration System's (ITAS) operation and the completion of its VAT-related functionalities. It will be followed by milestone 208, related to the tax administration services regarding direct taxes of natural and legal persons (in addition to VAT) being operational within the Integrated Tax Administration System.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Purchase agreement signed on 20 July 2020 between the Republic of Cyprus and Welbon Limited.	Purchase agreement (contract) for a new building for the purpose of relocating the District Office of the Nicosia Tax Department.
3	Contact details of the Tax Department's district offices.	Excerpt from the publicly available website of the Tax Department.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **The new building for the integrated Nicosia District Office and Large Taxpayers' Office has been purchased.**

The purchase agreement for the new building for the integrated Nicosia District Office and Large Taxpayers' Office was signed on 20 July 2020 (evidence no.2). In accordance with this agreement, the Cypriot authorities agreed to purchase the subject building for the purpose of relocating the District Office of the Nicosia Tax department (evidence no.2, page 2).

- Furthermore, in line with the description of the measure, **the newly acquired building for the integrated Nicosia District Office and Large Taxpayers' Office shall enhance the efforts of integrating the district tax offices in the capital, from five different office-buildings at different locations deemed technologically unsuitable previously, and allow the provision of taxpayer services from one single location in Nicosia district.**

All five units of the Nicosia District Office – Direct Taxation, VAT, Large Taxpayers’ Office, Taxisnet, and International Affairs unit - are located at the same address in Strovolos municipality, as evidenced by the document containing contact details of the district offices (evidence no.3), which is also publicly available on the website of the Ministry of Finance, Tax Department. Thus, the taxpayer services are provided from one single location in Nicosia district. The building is in use since 8 December 2020 (evidence no. , page 4).

4. Commission Preliminary Assessment: satisfactorily fulfilled.

Number and name of the Target: 212 Putting into operation of the information systems envisaged under the Union Customs Code (UCC)

Related Measure: C3.5.I2 Modernisation of Customs and Electronic Payment System

Quantitative Indicator: Number

Baseline: 0

Target: 2

Time: Q4 2023

1. Context: The objective of the measure is to develop and implement the electronic systems provided for under the Union Customs Code (UCC). The measure is expected to simplify and expedite customs formalities and reduce the administrative cost for all stakeholders and thus make revenue collection more efficient. The investment required for the fulfilment of this measure consists in developing and putting into operation 12 systems of three different types: (i) the Declaration Systems, which shall communicate with the Operational Components, the Management Components and External Interfaces using the Integration Layer; (ii) the Operational Systems, which shall consist of the Risk Analysis, Accounting, Audit, Tariff, Customs Warehouse, Case Management, Surveillance and Quota and (iii) the Management Systems, which shall consist of the Business Rule Management, Business Process Management, Reference Data Management, Internal IAM and Reporting. The investment has a final expected date for implementation on 31 December 2025.

Target 212 requires that at least two of the following import-related information systems have been completed, installed and put into operation. Target 212 is the first step of the implementation of the investment, and it will be followed by target 213, related to the completion, installation and putting into operation all 12 information systems required by the measure.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Contract (C.2021/47) of 14 December 2021 between the Department of Information Technology Services (DITS) and the European Dynamics Luxembourg SA.	A copy of the contract and its Annexes which include the technical specifications for the development of twelve systems and their functionalities.
3	Acceptance certificate issued by the Acceptance Committee on 19 February 2024.	A copy of the completion acceptance certificate signed by the acceptance committee on 19 February 2024 (according to the provisions of regulations 25,26, 27 and the regulatory administrative act 138/2016) attesting the completion, installation and operation of Automated Export System
4	Acceptance certificate issued by the acceptance committee on 19 February 2024.	A copy of the completion acceptance certificate signed by the acceptance committee on 19 February 2024 (according to the provisions of

		regulations 25, 26, 27 and the regulatory administrative act 138/2016) attesting the completion, installation and operation of UCC Import Control System 2 (ICS2) Release 2
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3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the target.

- **At least two of the following import-related information systems have been completed, installed and put into operation:**
 - 1. Automated Export System**
 - 2. New Computerised Transit System**
 - 3. EU Single Window**
 - 4. Union Customs Code**
 - 5. Guarantee Management**
 - 6. Union Customs Code**
 - 7. SURVEILLANCE 3**
 - 8. Union Customs Code - Import Control System 2**
 - 9. Import Applications under the Union Customs Code**
 - 10. Customs Union Performance – Management Information System**
 - 11. Union Customs Code Proof of Union Status**
 - 12. Uniform User Management and Digital Signature**

Two import-related information systems from the above list have been completed, installed and put into operation, namely:

1. Automated Export System (AES), in operation since 18 December 2023, and
2. Union Customs Code - Import Control System 2 (ICS2) Release 2, in operation since 21 June 2023.

Their respective acceptance certificates were issued on 19 February 2024 (evidence no.3 and 4 respectively).

The contract (evidence no.2) was awarded on 14 December 2021 with the scope to complete, install and put into operation 12 information systems for the national implementation and maintenance of the Union Customs Code (UCC) System. AES and ICS2-R2 systems are Trans-European systems for all 27 EU Member States. Both systems were developed according to the new EU customs data model and specifications/guidelines based on EU-relevant documentation with the addition of necessary national requirements (evidence no.2 Annex II: Terms of Reference, in particular Sections 1.1, 3.1.6, 3.1.7 and 3.1.8 and Appendix B – RFP Systems List).

The AES enables the full automation of the export procedures and exit formalities. It covers the business requirements for processes and data brought about by the UCC, including procedures and clearance for exports. These requirements include Pre-Departure (EXS) declaration, export declaration (direct and indirect exit) for formal, simplified and supplementary procedure, Special Procedures at Export, Centralised Clearance, Surveillance, as well as implementation of EU Customs Single Window Programme. The AES project also covers the development of interfaces with the Excise Movement and Control System (EMCS) and the New Computerized Transit System (NCTS) (evidence no.2, Annex II: Terms of Reference, Section 3.1.2 and Appendix B – RFP Systems List). The system was completed, installed and put into operation on 18 December 2023 according to the requirements of the contract, which was confirmed by the acceptance committee on 19 February 2024 (evidence no.3).

The ICS2 Release 2 is an IT system under the Automated Import Systems (AIS) with the purpose to strengthen the pre-arrival safety and security of goods entering the Union by implementing the new

UCC requirements regarding the lodging and treatment of entry summary declarations (ENS) for risk management purposes (evidence no.2 Section Annex II: Terms of Reference, Section 3.1.2 and Appendix B – RFP Systems List). The system was completed, installed and put into operation on 21 June 2023 according to the requirements of the contract, which was confirmed by the acceptance committee on 19 February 2024 (evidence no.4).

4. Commission Preliminary Assessment: satisfactorily fulfilled.

Number and name of the Milestone: 217 Start of very high capacity networks' deployment in underserved areas

Related Measure: C4.1.11 Expansion of Very High Capacity Networks in underserved areas

Qualitative Indicator: Signed contracts with contractors to deploy very high capacity networks in areas of no interest to private very high capacity network investors

Time: Q4 2023

1. Context: The objective of the investment is to improve connectivity with VHCN (such as fibre and 5G), by supporting the build-up of VHCN in areas of no private interest and thereby addressing territorial disparities of broadband availability. The VHCN network is to be deployed after an open tender procedure for three lots of the geographical territory of the Republic of Cyprus which is under the control of the Government of Cyprus. The investment has a final expected date for implementation on 31 December 2025.

Milestone 217 concerns the signature of contracts for the deployment of the network at the end of an open tender procedure. Milestone 217 is the first step of the implementation of the investment. It will be followed by target 218 and target 219, related to the completion of the deployment of the network in 10 000 and 44 000 premises in underserved areas, respectively.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Tender notice	Notice of tender No 11/2023/THE for the design, construction and operation (Design, Build and Operate) of very high- capacity networks in underserved areas as published on 22 December 2023 on the e-procurement website eProcurement - Tender Notice . The last access to the link was on 17 June 2024.
3	Tender documentation	Terms and conditions of tender No 11/2023/THE for the design, construction and operation (Design, Build and Operate) of very high capacity networks in underserved areas as published on 21 December 2023 on the e-procurement website eProcurement - Tender Notice . The last access to the link was on 17 June 2024.
4	Signed contract for Lot A	Contract between Department of Electronic Communications and the winning contractor for lot A, Cyprus Telecommunications Authority (Cyta) signed on 15 March 2024. It is integrated by a supplementary agreement providing further clarification on the specific responsibilities of the Implementing Body and the Recipient of the Funds, signed by the Department of Electronic Communications and the winning contractor for lot A, Cyprus Telecommunications Authority (Cyta) on 19 November 2024.
5	Signed contract for Lot B	Contract between Department of Electronic Communications and the winning contractor for lot B, Cyprus Telecommunications Authority (Cyta) signed on 15 March

		2024. It is complemented by a supplementary agreement providing further clarification on the specific responsibilities of the Implementing Body and the Recipient of the Funds, signed by the Department of Electronic Communications and the winning contractor for lot B, Cyprus Telecommunications Authority (Cyta) on 19 November 2024.
6	Signed contract for Lot C	Contract between Department of Electronic Communications and the winning contractor for lot C, Cyprus Telecommunications Authority (Cyta) signed on 15 March 2024. It is complemented by a supplementary agreement providing further clarification on the specific responsibilities of the Implementing Body and the Recipient of the Funds, signed by the Department of Electronic Communications and the winning contractor for lot C, Cyprus Telecommunications Authority (Cyta) on 19 November 2024.

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Contracts have been signed with contractors, which shall have been selected through an open tender procedure, to deploy very high capacity networks (in particular, fixed or mobile (5G) networks offering a download speed of at least 100Mbps, which shall be readily upgradable to Gigabit for fixed access)**

Cyprus provided evidence that three contracts were signed to deploy very high capacity networks in areas of no interest to private very high capacity network investors.

An open tender procedure was launched on 22 December 2023 and published on the e-procurement website (evidence no.2) together with the related documentation outlining the tender's terms and conditions (evidence no.3). The open tender procedure is an open tender for a service contract pursuant to the Regulation of Public Procurement Procedures and Related Matters Law 2016 (I)/2016, as referred to in evidence no.3.

The tender notice (evidence no.2) clarifies that the subject of the tender is the design, construction and operation of very high capacity networks in underserved areas. The tender documentation (evidence no.3) further specifies the subject of the investment. In particular, 2 types of interventions are subject to the investment:

- investments in Very-high Capacity fixed access networks including, but not limited to, 300 Mbps reception speed products upgradable to 1 Gbps reception speed, in areas where there are no networks providing 100 Mbps reception connectivity or not planned to be deployed by 2025;
- Investments in Very-high Capacity Network (VHCN) to provide symmetric speeds of 1 Gbps to Socioeconomic Drivers (SEDs), in areas where 1 Gbps symmetric speed services are not available or not planned by 2025.

Three contracts (evidence no.4 for lot A, evidence no.5 for lot B, evidence no.6 for lot C) were signed to implement the investment; in paragraph 2.1 of each contract, it is recalled that the Contractor undertakes to provide services in the relevant lot related to the design, build and operation of Very High Capacity Networks in underserved areas, in accordance with the terms and conditions laid down in the Contract, and that:

- the contract involves providing services through a Private DBO (Design, Build, and Operate) model with Gap Funding;

- under this arrangement, the contractor will be responsible for designing, constructing, and operating the network for a minimum of 10 years, as well as contributing to a portion of the funding;
- the Contracting Authority will cover the remaining funding gap through a grant based on a percentage of eligible investment costs for subsidized infrastructure installation;
- the Republic of Cyprus will be divided into three lots, and the contractor will be tasked with connecting at least 15,000 premises in their assigned area;
- the contractor will retain ownership of the infrastructure built to support these investments.

- **in areas of no interest to private very high capacity network investors.**

The tender documentation (evidence no.3) includes, in its Appendix 2, an analysis on the lots (intervention areas) subject to the investment. As described in section 1 of the analysis, its purpose is the geographical separation of areas of the Republic of Cyprus (lots) for the purposes of the tender on the deployment of very high capacity networks in underserved areas. The analysis outlines the statistic and demographic variables (including building density, existence of road network, population and other demographic data) as well as the data on the existing physical infrastructure (such as distance between each community and existing network splitters) used to designate the three lots, with the objective that the three lots are equally attractive.

Through this analysis, the Cypriot authorities identified the number of buildings (84 509) located in areas where no VHCN is deployed nor is planned to be deployed, thus in areas where there was no interest to deploy VHCN. By cross referencing the buildings with the postcode of their location, CY defined three lots of no interest to private VHCN investors in the territory under the control of the Republic of Cyprus for deploying the investment.

- Furthermore, in line with the description of the measure, **the investment consists in organising public tenders through an open tender procedure addressed to telecom operators to select contractors that shall undertake the design, construction and operation of the network, as well as part of the financing**

As outlined in the tender notice (evidence no.2), paragraph 2.1, the description of the tender is the following: provision of services in which the Contractor will undertake the design, construction and operation of the network for at least 10 years, as well as part of the funding, and the Contracting Authority will fill the funding gap by means of a grant, calculated on the basis of a percentage of the eligible investment costs for the installation of subsidized infrastructure.

- **The geographical territory of the Republic of Cyprus which is under the control of the Government of Cyprus expected to shall be divided into three lots. The maximum amount of public financial contribution shall be set separately for each lot. The award criteria aim to include the requested public support as well as the price offered to end-users and to other retail operators.**

As explained above, the analysis on the lots (intervention areas) subject to the investment, as outlined in evidence no.3, leads to the division of the geographical territory of the Republic of Cyprus under the control of the Government of Cyprus in three lots for the implementation of the investment. The criteria used for the division in lots include: 1. the density of buildings per Organised Community as the main factor (60 %); 2. the actual distance to the closest branch for connecting the areas (20 %); 3. the existence of a road network (10 %); 4. the population of the community (10 %). As a result, the first lot (lot A) comprises 82 postal codes and 28 277 buildings, for a maximum amount of public financial contribution established with a value of EUR 11.7 million; the second lot (lot B) comprises 99 postal codes and 28 297 buildings, for a maximum amount of public financial contribution established

with a value of EUR 11.65 million; the third lot (lot C) comprises 123 postal codes and 27 944 buildings, for a maximum amount of public financial contribution established with a value of EUR 11.65 million.

As provided for in page 27 of evidence no.3, the public support requested by the bidder was taken into consideration in the award criteria. While price offered to end users and other retail operators is not one of the criteria outlined in evidence no.3, CY authorities explained that this is compensated by wholesale obligations in the three signed contracts (evidence no.4 for lot A, evidence no.5 for lot B, evidence no.6 for lot C), including that the wholesale service price for the proposed products must be less than or equal to the regulated wholesale prices approved by the Cyprus National Regulatory Authority (NRA).

- **Wholesale obligations shall be imposed to the contractors**

Wholesale obligations are embedded in each of the three signed contracts (evidence no.4 for lot A, evidence no.5 for lot B, evidence no.6 for lot C), in their annex II on terms of reference and technical specifications, under paragraph 4.1.3. As recalled in paragraph 1 of the contracts, the Annex II on terms of reference and technical specifications is a single and integral part of the signed contracts. In particular, the three contracts establish that wholesale obligations are provided: for all active access for at least ten (10) years from the start of the operation of the network in each covered area of interest; for passive infrastructure for an unlimited duration, throughout the lifetime of the infrastructure concerned; for virtual unbundling (VULA) services for a period equal to the lifetime of the infrastructure for which virtual unbundling (VULA) serves as a substitute for physical unbundling. Moreover, the three contracts establish that the wholesale service price for the proposed products must be less than or equal to the regulated wholesale prices approved by the Cyprus National Regulatory Authority (NRA), as applicable or can be determined through any existing commercial agreements. Lastly, the contractor must publish a wholesale offer describing all the wholesale products supported, their conditions and prices, as well as a supporting wholesale supply system, 6 months before the provision of retail products.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Target: 225 Expansion of delivery of government services online through the Digital Services Factory

Related Measure: C4.2.R1 Digital Services Factory

Quantitative Indicator: Number

Baseline: 0

Target: 20

Time: Q4 2023

1. Context: The objective of the reform is to build a new Service Delivery Model for the development of quality digital services addressed to the public, to facilitate the interaction with public services. The reform consists in the design and development of this new model, the Digital Services Factory (DSF), in two steps. First, setting up the core team, defining the standards and procedures for the development of the services. Second, the development of the services in cooperation with the private sector, to be provided on the website gov.cy, in synergy with already existing services. The reform has a final expected date for implementation on 30 June 2026.

Target 225 concerns the delivery of 20 services and follows milestone 224 on the definition of the service delivery model for the DSF and of the standards and procedures for the development of digital services. It will be followed by target 226, related to the delivery of 70 services.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Link to each service on the official gov.cy portal.	https://www.gov.cy/service/aitisi-gia-diavatirio/ https://www.gov.cy/service/aitisi-gia-diavatirio/ https://www.gov.cy/service/ekdosi-pistopoiitikou-gennisis/ https://www.gov.cy/service/ekdosi-pistopoiitikou-thanatou/ https://www.gov.cy/service/ekdosi-vevaiosis-monimis-diamonis/ https://www.gov.cy/service/ekdosi-vevaiosis-monimis-diamonis/ https://www.gov.cy/service/diacheirisi-engrafon-tou-politi/ https://www.gov.cy/service/elegchos-engyrotitas-engrafon-tou-politi/ https://national-solidarity-fund.service.gov.cy/?culture=en-GB https://www.gov.cy/en/service/military-service-certificate-or-exit-permit-issuance/

		https://www.gov.cy/en/service/military-service-certificate-or-exit-permit-validity-check/ The last access to the link was on 17 June 2024.
3	Link to the Digital Services Factory website, including the list of services compliant with the service delivery model.	https://dsf.dmrid.gov.cy/ The last access to the link was on 17 June 2024.
4	Acceptance certificate issued in accordance with national legislation from Ministry of Finance of 12 December 2023 on the completion of the digitalisation of 2 government services.	
5	Acceptance certificate from Ministry of Interior of 21 June 2024 on the completion of the digitalisation of 10 government services.	
6	Acceptance certificate issued in accordance with national legislation from Ministry of Defence of 15 April 2024 on the completion of the digitalisation of 8 government services.	

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the target.

- **Digitalisation and delivery online of at least 20 services to the public through the Digital Services Factory, using the defined Service Delivery Model (under milestone with a sequential number 224) and agile methodologies.**

The Cypriot authorities provided evidence that 20 government services were digitalised and delivered to the public through the Digital Services Factory (DSF).

The Cypriot authorities provided online links (evidence no.2) representing the digitalisation of 20 government services through the DSF. In some instances, some of the 20 services digitalised are available through were grouped in a single link. In particular:

- 10 government services were digitalised for the Ministry of Interior, for which CY authorities provided an acceptance certificate (evidence no.4). These services are: issuance or renewal of a passport; issuance or renewal of an Identity Card; reissuance of Birth Certificate; reissuance of Consular Birth Certificate for CY citizens born abroad; reissuance of death certificate; reissuance of consular death certificate for CY citizens who died abroad; issuance of a Certificate of Permanent Residence; issuance of a Certificate of Origin that can be used to apply to universities in Greece; accessing certificates issued electronically by the Civil Registry for viewing and downloading; checking the validity of a certificate issued electronically by the Civil Registry.
- Eight government services were digitalised for the Ministry of Defence, for which CY authorities provided an acceptance certificate (evidence no.5). These services are: obtaining a military service certificate for the issuance of Athlete's Health Card; requesting proof of military service details for scoring purposes in hiring or promotion within the municipal, educational Service, and/or a private organization; obtaining a Certificate of military status for employment-related purposes that may be required by employers or government agencies, as part of the employment application process; obtaining a confirmation for student grant

applications and for enrolment purposes, in order to secured a university position; requesting proof of military service history that is required by authorities in order to issue firearm licenses; requesting recognition for the military service performed in the Armed Forces of another country, for individuals that hold dual citizenship; obtaining a certificate of military status for social insurance and social benefits; issuance of an exit permit for traveling abroad.

- Two government services were digitalised for the Ministry of Finance, for which CY authorities provided an acceptance certificate (evidence no.6). These services are: applying on behalf of a legal entity to participate in the National Solidarity Fund Scheme; applying as an individual or physical person to participate in the National Solidarity Fund Scheme.

The Commission services accessed the links provided by the authorities on 8 May 2025 (evidence no.2) to verify that the services were digitalised within the Service Delivery Model of the DSF. The check was completed successfully as each service was granted a “service standard verified seal” under the DSF. The online links resulting from the digitalisation of 20 government services are also listed on the “service standard verified services” webpage on the DSF website listing the services that fully comply with the service standard (evidence no.3), as verified by the Commission services on 24 March 2025. The service standard includes a section on the implementation of agile methodology in the development of digital services. Agile methodology is a project management and software development approach that emphasizes flexibility, collaboration, and customer-centricity that includes development of services tailored to users’ needs through multi-disciplinary and flexible teams.

For each government service, the Commission services conducted an on-the-spot check on the links provided by the CY authorities on 24 March 2025 to verify that the 20 digitalised government services were available through the online links and included the “service standard verified seal”. This check was completed successfully, confirming that the government services were digitalised and online through the DSF.

Two of the digitalised government services, namely to apply on behalf of a legal entity to participate in the National Solidarity Fund Scheme, and to apply as an individual or physical person to participate in the National Solidarity Fund relate to a process (application to the National Solidarity Fund) which was only temporarily open between 20 December 2023 and 30 April 2024 as well as between 14 May 2024 and 25 May 2024 and will be open again later in 2025 when applications to the National Solidarity Fund will be open again. Through the on-the-spot check of 24 March 2025 the Commission Services could verify that the services are online.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 231 Beneficial ownership registry available for use

Related Measure: C4.2R4 Setting up the beneficial ownership registry

Qualitative Indicator: Beneficial ownership registry publicly available online at national and European Level

Time: Q4 2023

1. Context: The objective of the measure is to set up the register for the submission of the data of beneficial owners of all corporate and other legal entities. Such registration aims to improve corporate trust and transparency in Cyprus and shall make it clear who ultimately owns and controls companies and other legal entities. The reform shall consist in setting up the register. Currently, an online platform has been developed as an interim solution, but its functionalities are limited. The reform shall result in a solution with the necessary functionalities to support the maintenance of the register and management of relevant information (for example by sending out notifications for updating, enforcement of late filing fees, search facilities with prescribed levels of access). This aims to support the registration of the data of beneficial owners of all corporate and other legal entities and achieve interconnection with the beneficial ownership registers of other Member States. The implementation of the reform shall be completed by 31 December 2023.

Milestone 231 is the first and only milestone of this measure.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Completion certificate signed by the contracting authority in accordance with the national law dated 10 June 2024.	The signed completion certificate confirms that the main IT system of beneficial ownership registry is deployed and ready for use.
3	Completion Certificate signed by the competent authority in accordance with national law dated 26 November 2024.	The signed completion certificate confirms that the registry is connected with the European System (BORIS) and has become available for use at European level.
4	<ul style="list-style-type: none">– Description of the necessary functionalities of the system developed to support the maintenance of the register and management of relevant information.– Guidance to the final solution of the Beneficial Ownership Registry dated February 2024– Presentation dated 12 December 2023.	<ul style="list-style-type: none">– A list describing the functionalities of the system, issued by the Department of Registrar of Companies and Intellectual Property.– Front Office Functionalities (i.e. Update Beneficial Owner (BO) details for a specific organization) issued by the Department of Registrar of Companies and Intellectual Property.– Presentation providing further information on the Front-Office functionalities prepared

	<ul style="list-style-type: none"> – Manual on the back-office functionality dated May 2024. – Manual on the back-office functionality dated May 2024. 	<ul style="list-style-type: none"> by the Department of Registrar of Companies and Intellectual Property. – Training manual for Officers at the Department of the Registrar of Companies and Intellectual Property prepared by the contracting authority who developed the system. – Administrator Training Manual prepared by the contracting authority who developed the system.
5	Link to the Ultimate Beneficial ownership (UBO) Platform https://ubo.meci.gov.cy	<ul style="list-style-type: none"> – Direct link to the UBO platform – Link through the website of the Department of Registrar of Companies and Intellectual Property – Link to CY_Login

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **The beneficial ownership registry shall be deployed and become available for use at national level, [...]**

The IT system for the beneficial ownership registry was developed in the existing infrastructure of the Department of Registrar and Intellectual Property (DRCIP) as a continuity of the interim solution. The System was available for use at national level on 14 November 2023. In line with Regulation 138/2016, the acceptance certificate (evidence no.2) for the completion of the system was issued and signed on 10 June 2024 by the Acceptance Committee set up by the Contracting Authority. The acceptance certificate includes a Project Completion Report confirming that the system, is developed in accordance with the requirements and includes the following functionalities among other things: users based on their role can search the database, online payments are supported, reports and statistics are supported, organizations can initially register beneficiaries, requests can be made to access information about minors, organisations can verify beneficiary information.

To verify the completeness of the system, its deployment both nationally and at European level and its interconnection with the beneficiary ownership registers of other Member States and to test the functionalities of the system, the Commission services conducted an on-the-spot check on 17 March 2025. This check was completed successfully, confirming that the system is completed, is in use, it is connected at the European E-Justice system and is interconnected with the systems of other EU member states and also that the links (<https://ubo.meci.gov.cy>, https://e-justice.europa.eu/38590/EN/beneficial_ownership_registers_interconnection_system_boris) provided by the CY authorities are functioning.

- **[...] enabling users to check the ultimate beneficial ownership information of legal entities [...]**

The Commission services conducted an on-the-spot check on 17 March 2025 to verify the functionalities offered by the system to the users. This check was completed successfully, confirming that the system provides access to accounts with VIP1 (Competent Authorities) and VIP2 (Obligated Entities) roles to check beneficial ownership information of legal entities. Additionally, the public using

an authenticated CyLogin has the ability to submit requests for exemption from disclosure of information, and for access to minors' information. Also, an official or the company, has the ability to register beneficiary information.

- **[...] The beneficial ownership registry shall be deployed and become available for use at European level, [...]**

The Beneficial Ownership Registry is available for use by Competent Authorities (VIP1) at a European level through the European Portal of e-Justice (evidence no.3). The Commission services conducted an on-the-spot check on 17 March 2025 to verify that the beneficial ownership registry is deployed and that it is available for use at European level. This check was completed successfully, confirming that the system is connected at the European E-Justice system and is interconnected with the systems of other EU member states and also that the link (https://e-justice.europa.eu/38590/EN/beneficial_ownership_registers_interconnection_system_boris) to E-justice EU PORTAL (BORIS) provided by the CY authorities is functioning.

To achieve the interconnection with the EU Portal, the Department of Registrar and Intellectual Property developed a service responsible to answer requests from the BORIS e-justice portal on Legal Entities and their Beneficial Owners (evidence no.3).

- **[...] and to achieve interconnection of the beneficiary ownership registers with other Member States.**

To achieve the interconnection of the Cyprus Beneficiary Ownership register with Beneficial Ownership Registers Interconnection System (BORIS), the "Integration Test Strategy" defined by DIGIT-BORIS Team was followed. The Integration Testing of this strategy validates that all system components interact and exchange data in a compliant and cohesive manner. To accomplish this objective, the DIGIT BORIS team has identified both the requirements that are in/out of scope for Integration Testing and the planned testing activities [Verification of the expected integration between ECP and interacting systems of Member States (Beneficial Ownership Registers) over the e-Delivery gateway (stand-alone testing) and Verification of the expected integration between ECP, e-Justice Portal and Beneficial Ownership Registers (end-to-end integration testing)]. The conformance overview report was issued by DIGIT-BORIS automated system verifying successful connection and exchange of information between systems (evidence no.3 appendix B). The Commission services conducted an on-the-spot check on 17 March 2025 to verify that the beneficial ownership registry achieved interconnection of the beneficiary ownership registers with other Member States. This check was completed successfully, confirming that the system is interconnected with the systems of other EU member states and also that the link (https://e-justice.europa.eu/38590/EN/beneficial_ownership_registers_interconnection_system_boris) to E-justice EU PORTAL (BORIS) provided by the CY authorities is functioning.

This is also in line with the description of the measure, which states that **the solution aims to achieve interconnection with the beneficial ownership registers of other Member States.**

- Furthermore, in line with the measure description, **the reform shall consist in setting up the register. Currently, an online platform has been developed as an interim solution, but its functionalities are limited. The reform shall result in a solution with the necessary functionalities to support the maintenance of the register and management of relevant information (for example by sending out notifications for updating, enforcement of late filing fees, search facilities with prescribed levels of access).**

The UBO System provides a back-office functionality with the below capabilities per two different roles: (1) System Admin: Can view and manage all Department of Registrar of Companies an Intellectual Property(DRCIP) Users, can provide VIP1 or VIP2 user role after the specific user was approved by Companies Registrar, can provide access to specific DRCIP officers to the system, can view and disable or enable user, (2) DRCIP officers: Check penalties for a specific company for late filing fees (Late initial Entry, Late update of BO information or Late confirmation of BO Date during the Confirmation period), search BO data for specific company (with organisation number or name), review applications to access BO minor data, review applications for exclusion to search, review applications for mismatch, review payments from users (export list to excel for reconciliation with accounting department), Review and Pay Late filing fees for specific company (Users can review and pay all pending penalties: Late Filing fee for updating BO information (45 days of the change), Late Filing fee for annual confirmation of data, Late Filing fee for initial entry after an organisation was register to DRCIP (90 Days)), E-mail notifications for successful submission, confirmation, mismatch, reminders. The system sends e-mail notifications for: Payment transactions for search and penalty, initial BO entry and Updating of BO records email, Mismatch/Discrepancy notifications, Reminder for the obligation to confirm data (annually), Confirming data (annually). System sent notification for successful submission of Data Confirmation.

The Commission services conducted an on-the-spot check on 17 March 2025 to verify all above Back Office functionalities. This check was completed successfully, confirming that the system can provide all of the above back office functionalities.

- Furthermore, in line with the measure description, **the solution aims to support the registration of the data of beneficial owners of all corporate and other legal entities.**

Commission services conducted an on-the-spot check on 17 March 2025 to verify Front Office Functionalities. This check was completed successfully, confirming that the system can provide the following functions: Front Office Functionalities: Corporate and other legal entities can access their data either through a verified CYLogin account linked to the legal entity or through a verified CYLogin account linked to an active official of the organisation/legal entity.

Users can:

- Login with an authenticated or non-authenticated profile.
- Register/update their Beneficial Owner(s) information for the legal entities they are authorised to do so,
- Search and view existing data details for a specific legal entity. Search privileges depend on the user type and the status of the profile,
- Pay for Search fees and Penalties automatically in the system,
- Submit Confirmation of data once a year,
- File/manage a mismatch,
- Apply for the specific legal entity to be excluded for search,
- Request for permission to access data of individuals who are minors,
- E-mail notifications for successful submission, confirmation, mismatch, reminders.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

Number and name of the Milestone: 243 Entry into force of the new Law regarding the gradual extension of free compulsory pre-primary education from the age of four years and adoption of aid schemes by the Council of Ministers

Related Measure: C5.1.R3 Gradual extension of free compulsory pre-primary education from the age of four

Qualitative Indicator: Provision in the law(s) indicating the entry into force of the law(s)

Time: Q4 2023

1. Context: The objective of the reform is to improve access to affordable early childhood education and care (ECEC) to support parents, particularly women, in re-entering the labour market while enhancing children's education and social inclusion. It includes a gradual reduction of the entry age for free compulsory pre-primary education from 4 years and 8 months to 4 years by 2032-2033, alongside expanding public kindergarten capacity and providing tuition subsidies for communal and private kindergartens and nurseries. By June 2026, compulsory pre-primary education will begin at 4 years and 5 months, with subsidies covering younger children enrolled in private kindergartens. The reform has a final expected date for implementation on 31 December 2023.

Milestone 243 required the entry into force of a law which gradually lowers the entry age for free compulsory pre-primary education from 4 years and 8 months to 4 years between the academic years 2024-2025 and 2032-2033. The Council of Ministers shall adopt aid schemes to (a) fully cover tuition fees for children eligible for compulsory pre-primary education attending communal kindergartens when public kindergarten enrolment is unavailable, and (b) subsidize tuition fees for children over 4 years old but below the compulsory pre-primary entry age attending communal and private kindergartens and nurseries. Milestone 243 is the first step of the implementation of the reform. It will be followed by target 244 and target 245, related to increase in the number of children in public, community and private kindergartens.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
2	Primary and Secondary Education (Compulsory Attendance and Provision of Free Education) (Amendment) Law 30(I)/2024 published in the Official Gazette on 26 March 2024.	Law amending the laws on primary and secondary education (compulsory attendance and provision of free education) of 1993 to 2022.
3	Proposal "Tuition and Meal Subsidy Scheme for Children up to 4 Years Old and New Tuition and Meal Subsidy Scheme for Children from 4 Years Old up to the Age Limit of Free Compulsory Pre-primary Education" submitted to the Council of Ministers on 27 June 2024.	A proposal for a tuition subsidy scheme aimed at supporting families by covering private kindergartens and nurseries and communal kindergartens fees for children aged 4 and above until they reach the age for free compulsory pre-primary education.

4	Decision of the Council of Ministers no. 96 644 of 8 July 2024 approving the scheme for fully subsidizing tuition fees for children at the entry age in free compulsory pre-primary education.	It adopts the scheme for fully subsidizing tuition fees for children from 4 Years old up to the age limit of free compulsory pre-primary education in private kindergartens and nurseries and communal kindergartens for 2024-2026, which was submitted as a proposal to the Council of Ministers on 27 June 2024 (evidence no.3)
5	Proposal to the Council of Ministers for the implementation of C5.1R3 in the framework of the National Recovery and Resilience Plan submitted on 6 August 2024.	The proposal suggests the full subsidization of tuition fees for children at the entry age of free compulsory pre-primary education who could not secure a place in public kindergartens.
6	Decision of the Council of Ministers no. 96 813 3 August 2024 for the approval of the scheme for fully subsidizing tuition fees for children in communal kindergartens at the entry age in free compulsory pre-primary education.	It adopts the proposal submitted on 6 August that on the full subsidization of tuition fees for children at the entry age of free compulsory pre-primary education who could not secure a place in public kindergartens (evidence no.5).

3. Analysis: The justification and substantiating evidence provided by the Cypriot authorities cover all constitutive elements of the milestone.

- **Entry into force of the Law which shall gradually (starting in the academic year 2024-2025 until academic year 2032-2033) reduce the entry age in free compulsory pre-primary education from the age of four years and eight months to four years.**

The Primary and Secondary Education (Compulsory Attendance and Provision of Free Education) (amendment) Law (30(I)/ 2024) entered into force with its publication in the Official Gazette of the Republic on March 26, 2024 (evidence no.2).

The law provides for the gradual reduction of the entry age in free compulsory pre-primary education from the age of 4 years and 8 months to the age of 4 as follows (evidence no.2, par. 3):

- in the school year 2024-2025, children who have reached the age of 4 years and 6 months will attend compulsory pre-primary education in the school year 2025-2026, children who have reached the age of 4 years and 5 months will attend compulsory pre-primary education;
- in the school year 2026-2027, children who have reached the age of 4 years and 4 months will attend compulsory pre-primary education;
- in the school year 2028-2029, children who have reached the age of 4 years and 3 months will attend compulsory pre-primary education;
- in the school year 2029-2030, children who have reached the age of 4 years and 2 months will attend compulsory pre-primary education;
- in the school year 2030-2031, children who have reached the age of 4 years and 1 month will attend compulsory pre-primary education;
- in the school year 2031-2032, children who have reached the age of 4 years will attend compulsory pre-primary education.

According to the evidence provided, Cyprus will reduce the entry age in free compulsory pre-primary education to the age of 4 in school year 2031-2032, thus exceeding the goal of milestone 243 by 1 school year.

- **Adoption by the Council of Ministers of aid schemes to (a) cover tuition fees for the free compulsory pre-primary education in communal kindergartens, for children that cannot be enrolled in public kindergartens (...),**

The Council of Ministers' decision (evidence no.7) from 23 August 2024 approved the scheme for fully subsidizing tuition fees for children in communal kindergartens at the entry age in free compulsory pre-primary education. The decision is based on the Proposal by the Ministry of Education, Sport and Youth submitted to the Council of Ministers on 6 August 2024 (evidence no.6).

Paragraphs 2 and 3 of this proposal are laying down the tuition subsidy scheme for children, who are at the entry age of free, compulsory pre-primary education. In particular, the Directorate of Primary Education, after recording the children of compulsory pre-primary education who, due to the lack of available places in public kindergartens, will attend community classes for free, will pay tuition fees to the owners of community kindergartens amounting to EUR 130 per month per child to fully cover the cost of attendance (evidence no. 6, par. 3). The amount of the subsidy may vary in the coming school years depending on the financial conditions of each year (evidence no.6, par. 3).

- **(...) and (b) subsidise tuition fees in private kindergartens, communal kindergartens and nurseries for the enrolment of children aged under the entry level of compulsory pre-primary education and above the age of four.**

The Council of Ministers decision no. 96.644 approved the scheme for fully subsidizing tuition fees for children under the entry level of compulsory pre-primary education and above the age of four on 8 July 2024 (evidence no. 5, page 1, points β and γ). The decision is based on the proposal submitted to the Council of Ministers by the Deputy Ministry of Social Welfare on 27 June 2024 (evidence no. 4, par. 4-10), which refers to the subsidisation of the tuition fees in communal kindergartens and nurseries.

- Furthermore, in line with the description of the measure, **(ii) an aid scheme to subsidise in full the tuition fees of communal kindergartens for children at the entry age in free compulsory pre-primary education**

The Council of Ministers' decision (evidence no. 7) from 23 August 2024 approved the scheme for fully subsidizing tuition fees for children in communal kindergartens at the entry age in free compulsory pre-primary education. It is based on the Proposal by the Ministry of Education, Sport and Youth submitted to the Council of Ministers on 6 August 2024 (evidence no.6).

Paragraphs 2 and 3 of this proposal are laying down the tuition subsidy scheme for children, who are at the entry age of free, compulsory pre-primary education. In particular, the Directorate of Primary Education, after recording the children of compulsory pre-primary education who, due to the lack of available places in public kindergartens, will attend community classes for free, will pay tuition fees to the owners of community kindergartens amounting to EUR 130 per month per child to fully cover the cost of attendance (evidence no.6, par. 3). The amount of the subsidy may vary in the coming school years depending on the financial conditions of each year (evidence no.6, par. 3).

- Furthermore, in line with the description of the measure **(iii) an aid scheme which shall subsidise the tuition fees for children above 4 years old and under the entry age in compulsory pre-primary education and are enrolled in private kindergartens, communal kindergartens and nurseries up to a maximum of 100% subject to a cap.**

The ministerial decision (evidence no.5, page 1, point γ) refers to paragraph 8 of the proposal (evidence no.4, p. 3) that states that the subsidy should cover 100% of tuition fees, while still applying maximum grant amounts.

4. Commission Preliminary Assessment: satisfactorily fulfilled.