Factsheet on Cohesion Policy implementation and performance

Case study: Cyprus

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| **Basic info** | **Cyprus** | **Unit** |
| Population [2008] | 776.3 | thous. |
| GDP [2008] | 18822 | mln EUR |
| Population [2014] | 858.0 | thous. |
| GDP [2014] | 17394 | mln EUR |
| ***Total allocation [incl. CBC programmes]*** |  | |
| Allocation ERDF+CF [2004-2006] | 82.0 | mln EUR |
| Allocation ERDF+CF 2007-2013 | 610.8 | mln EUR |
| Ratio [period 2007-2013 to 2000-2006] | 7.45 | ratio |
| ***Absorption rates ERDF+CF*** |  | |
| Absorption rate 2000-2006 [final] | 100 | per cent |
| Absorption rate 2007-2013 [in 2014] | 64.6 | per cent |

The total allocation for Cyprus has increased significantly in the programming period 2007-2013, as compared to the former period, reaching 610.8 mln EUR or over 700 EUR in per capita terms. Simultaneously, Cyprus was classified as a phasing-in region. After 2014, under the new programming period, its eligibility status has been changed to a transition region. The 2014 absorption rate for Cyprus was modest, equalling 64.6%.

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| **Thematic structure** [Reg OP, 2007-13, ERDF+CF] | **Cyprus** |
| ***% of allocation*** |  |
| Category A “Innovative enivironment”: business support, human resources, IT infrastructure and services, research and technology | 25.5% |
| Category B ”Basic infrastructure”: energy, environment and natural resources, transport infrastructure | 48.0% |
| Category C “Quality of life”: social infrastructure, tourism and culture, urban and rural regeneration | 22.9% |
| ***Rate of absorption [in 2014]*** |  |
| Category A “Innovative enivironment”: business support, human resources, IT infrastructure and services, research and technology | 62.8% |
| Category B ”Basic infrastructure”: energy, environment and natural resources, transport infrastructure | 58.4% |
| Category C “Quality of life”: social infrastructure, tourism and culture, urban and rural regeneration | 75.8% |

\* % of allocation does not add to 1, because the “technical assistance” is not included in any of the categories.

The thematic structure of allocation of the EU funds shows that the Category B, clustering mainly basic infrastructure investments, has received the largest share of total allocations. The two remaining categories were at a similar level, with allocations of approx. 25% per each. The rates of absorption broken down by themes are quite varied, with the absorption under the Category B lagging behind investments in quality of life by over 20 pp.

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| **Regional OP** [ERDF+CF] | **Cyprus** | | **Unit** |
| ***Allocations to Regional OPs*** | |  | |
| Allocation 2007-2013 | 574.4 | | mln EUR |
| Allocation 2014-2020 | 561.6 | | mln EUR |
| Ratio [period 2014-2020 to 2007-2013] | 0.98 | | ratio |
| ***Reported achievements: period 2007-2013 [as in 2013]*** | |  | |
| Aggregated jobs | 2185 | | jobs |
| Research jobs created | 568 | | jobs |
| New or reconstructed roads | 6.3 | | km |
| Number of beds upgraded in tourist establishments | 1225 | | beds |
| Direct investment aid projects to SME | 218 | | number |

In both programming periods included in the table above Cyprus channelled all its funding through only one operational programme. Total allocations to these two subsequent programs are quite stable over both programming periods, with only a minor decrease experienced in the 2014-2020 period. The reported achievements show that despite the relatively high share of funds directed to basic infrastructure, only 6 km of new or reconstructed roads was build as a result of implementation of the 2007-2013 OP. Among jobs created approx. 25% were research jobs .