COUNTRY FICHE

CYPRUS [CY]

Cyprus implemented only one Territorial Delivery Mechanism, namely Sustainable Urban Development (SUD) strategies as part of a Priority Axis of the National Competitiveness and Sustainable Development Operational Programme. All four strategies implemented were supported by the European Regional Development Fund (ERDF).

POPULATION	STATE TYPE
0.85 million	Centralised

NATIONAL ESIF BUDGET

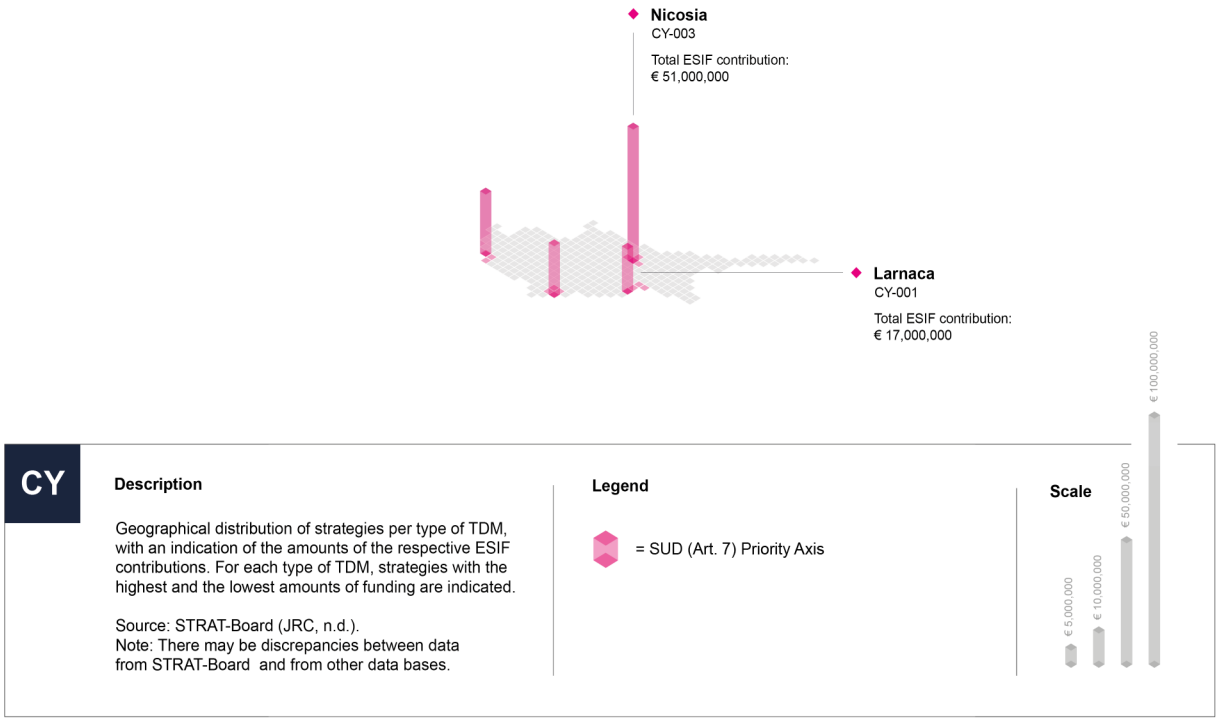
EU Contribution (EUR)	€ 1,113,884,281
National Contribution (EUR)	€ 277,818,690
Total Contribution (EUR)	€ 1,391,702,971

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	4	ERDF	23.7%	74%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**4**	**-**	**3.86%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commssion, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies"



GOVERNANCE CONTEXT

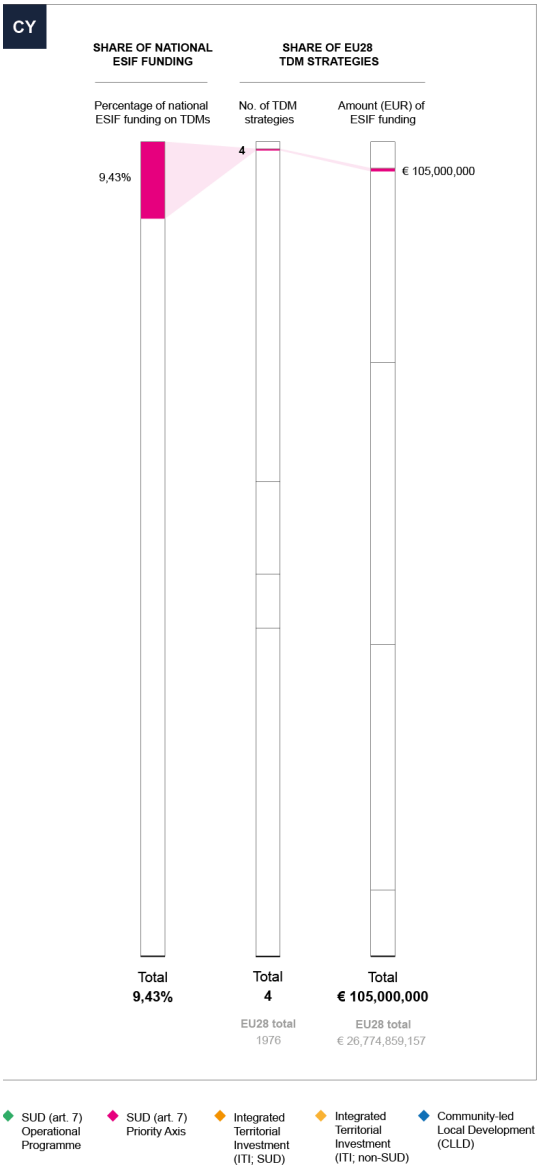
Cyprus' territorial governance is structured as a unitary state. The island is divided into six administrative districts, each with its own district administration. The central government, based in Nicosia, oversees national matters such as defence, foreign affairs, and finance. Municipalities and communities within the districts handle local administration, including education, healthcare, and infrastructure. Local councils are responsible for decision-making at the grassroots level. While districts have some autonomy, the central government maintains significant control over key areas. This unitary system aims to ensure uniform governance while accommodating local needs and preferences within the framework of national cohesion.

COHESION POLICY CONTEXT

During the 2014-20 Cohesion Policy period, four programmes were implemented in Cyprus. The two main Operational Programmes were the Competitiveness and Sustainable Development Programme, supported by the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), and the Employment, Human Capital and Social Cohesion Programme, funded by the European Social Fund (ESF) and the Youth Employment Initiative (YEI). The former included a relatively large share of CF resources and focused mainly on environmental protection and resource efficiency, the low-carbon economy, research and innovation, resilience, and the competitiveness of small businesses. The latter programme primarily targeted social inclusion, employment, and improving resilience. The remaining two programmes addressed, respectively, the specific needs of rural development as well as the maritime and fisheries sector. The entire territory of Cyprus is categorised as a single NUTS2 region and a more developed region.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

In total, four Sustainable Urban Development (SUD) Priority Axis strategies were implemented across Cyprus. They were used in the cities of Nicosia, Larnaca, Paphos, and Limassol. The strategies were managed centrally by the Directorate General for European Programmes Coordination and Development, with the municipal governments playing the role of implementing bodies. In terms of territorial focus, the strategies focused on specific, less developed parts of the cities, for instance in the old town of Paphos, where investments targeted urban regeneration, or on the central area of Nicosia where the presence of the demilitarised zone next to the border with Northern Cyprus negatively impacted urban development, economic welfare and sustainability of the built environment (Interreg Europe, 2021). In terms of financial implementation, Sustainable Urban Development strategies performed better than mainstream Cohesion Policy funding, with 74% of funding decided absorbed by these strategies the end of 2022 as compared to 60% for mainstream programmes in the same period.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

IN SUM

Territorial Delivery Mechanisms in Cyprus were utilised only in four cities, with a focus on specific deprived areas. However, a relatively large amount of ERDF/CF resources were allocated through these strategies. The emphasis on these areas in need of investment and urban regeneration channelled EU funding to address the specific development needs of these territories. Additional case study research is needed to draw firmer conclusions on the extent to which the use of the strategies helped deliver more place-based interventions with strong territorial rationales, and whether the implementation triggered governance innovation and mobilisation of local stakeholders. Given the concentration on specific urban areas, functional territorial linkages were not necessarily strengthened by the use of the SUD Priority Axis Territorial Delivery Mechanism

References

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