

# CYPRUS



## Basic Information:

The Rural Development Programme (RDP) of Cyprus has budgeted for 2007-2013 a total public expenditure of €275 million (European Agricultural Fund for Rural Development and Member State contribution). At the end of 2013, €212 million were spent out of the allocated budget (see figure 1).

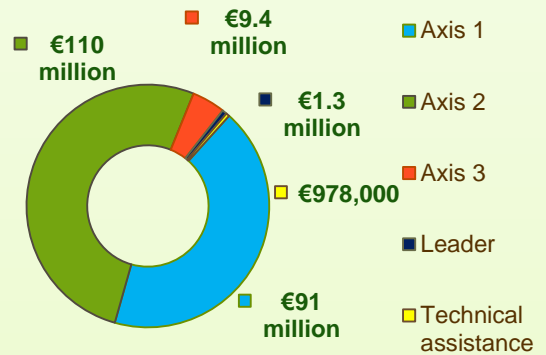
**Axis 1** – “Improving the competitiveness of the agricultural and forestry sector” has utilised nearly 77% of its allocated budget.

**Axis 2** – “Improving the environment and the countryside” has used 88% of its programmed expenditure.

**Axis 3** – “Improving the quality of life in rural areas” has spent nearly 49% of its budget.

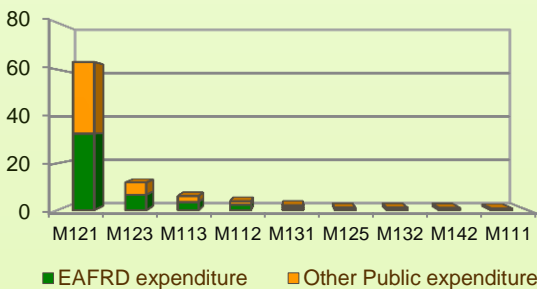
**Axis 4** – “Leader” has utilised approximately 15% of the programmed expenditure.

**Figure 1: Total Public Expenditure from 2007 to 2013 in Cyprus & expenditure per Axis**

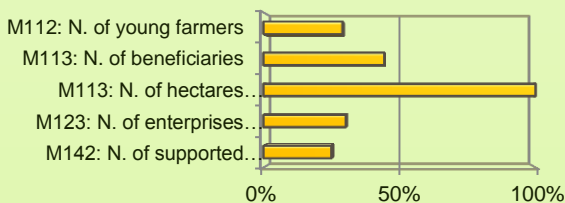


## Axis 1 - Improving the competitiveness of the agricultural and forestry sector

**Figure 2: Axis 1 - Total Public expenditure per measure in million EURO (2007-2013)**



**Figure 3: Axis 1 - Progress against 2007-2013 output targets in Cyprus (2007-2012)**



Axis 1 places an emphasis on the Modernisation of agricultural holdings (Measure 121), allocating to this measure 63% of the overall budgeted funds for this Axis.

Analysis of the expenditure rates per measure up to 2012 shows that:

- ❖ Meeting standards based on EU legislation (M131) has spent 95% of its allocated funds.
- ❖ Infrastructure related to the development and adaptation of agriculture and forestry (M125) and Vocational training and information actions (M111) have utilized around 90% of their planned allocations.
- ❖ Modernisation of agricultural holdings (M121) has utilised 84% of its allocated budget.
- ❖ Three measures have utilised between 55% and 69% of their programmed expenditure:
  - Setting up of young farmers (M112), 55%;
  - Early retirement (M113), 65%; and
  - Adding value to agricultural and forestry products (M123), 69%.
- ❖ Participation of farmers in food quality schemes (M132) has spent 45% of its budget.
- ❖ Producer groups (M142) and Information and promotion activities (M133) have used 31% and 37% of their allocated funds.

Figure 3 provides an indication of the achieved outputs available up to 2012 in comparison to the output targets for 2007-2013.

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## Measure 121 project example: Automated Irrigation System for Mediterranean Horticulture / Cyprus

Solomou Nurseries is a pioneer and a market leader for seedling production for vegetables, ornamental plants, herbs and cut-flowers in Cyprus. Its owners implemented an EAFRD supported project in response to a growing demand for their products. The production unit was extended by co-financing the installation of a modern ‘smart’ irrigation system that saves costs and conserves water.

A new greenhouse and working space were built together with the new irrigation system, including specific components for automated desalinisation of underground water, rain water collection, and collection and treatment of waste water.

Using modern and environmentally friendly technology lead to an increased productivity, an improved quality of outputs and better protects the environment. “Good for business but also good for the environment”, the managing director said.

The total cost of the project was €1,708,601, out of which €307,548 was EAFRD contribution.

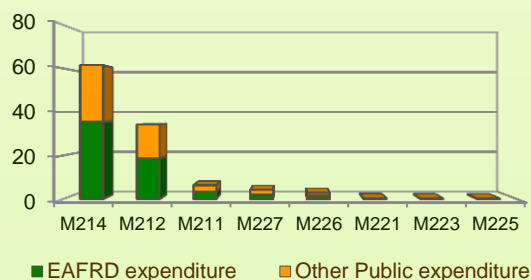
**Link:** [http://enrd.ec.europa.eu/policy-in-action/rdp\\_view/en/view\\_projects\\_en.cfm?action=detail&backfuse=jsview&postcard\\_id=841](http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=841)

## Axis 2 - Improving the environment and the countryside

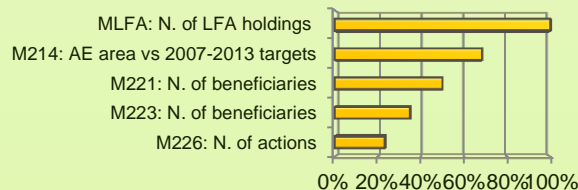
Axis 2 focuses on Agri-environment payments (M214) and Payments to farmers in areas with handicaps, other than mountain areas (M212). The two measures represent in absolute terms the majority of Axis 2 expenditure (see figure 3). Together they have been allocated 37% of the total public budget programmed in the Cyprus RDP for 2007-2013.

- ❖ Three measures have utilised 88-94% of their allocated budgets:
  - Natural handicap payments to farmers in mountain areas (M211), 88%;
  - Payments to farmers in areas with handicaps, other than mountain areas (M212), 94% and
  - Agri-environment payments (M214), 94%
- ❖ Forest-environment payments (M225) have spent 80% of its planned allocation.
- ❖ Non-productive investments - forestry (M227) and Restoring forestry potential and introducing prevention actions (M226) have used each 57% and 69% of their budgets.
- ❖ First afforestation of agricultural land (M221) and First afforestation of non-agricultural land (M223) have utilised 48% and 47% of their programmed expenditure.
- ❖ Finally, up to the end of 2013 no expenditure has been recorded for Natura 2000 payments and payments linked to Directive 2000/60/EC (M213).

**Figure 4: Axis 2 - Total Public expenditure per measure in million EURO (2007-2013)**



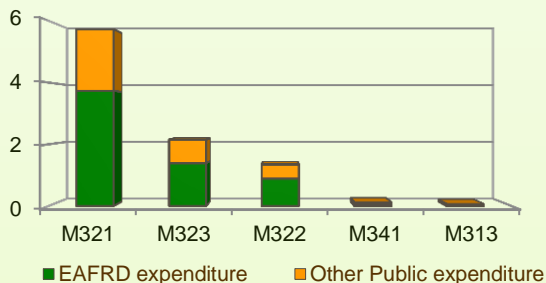
**Figure 5: Axis 2 - Progress against 2007-2013 output targets in Cyprus (2007-2012)**



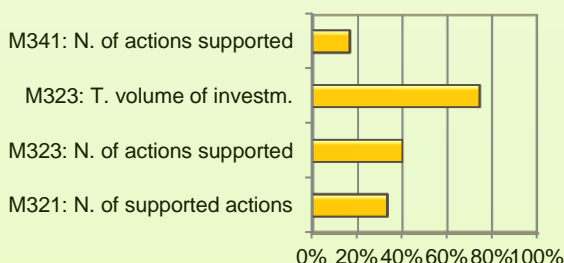
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## Axis 3 - Quality of life in rural areas and diversification of the rural economy

**Figure 6: Axis 3 - Total Public expenditure per measure in million EURO (2007-2013)**



**Figure 7: Axis 3 - Progress against 2007-2013 output targets in Cyprus (2007-2012)**



Axis 3 of the Cyprus RDP focuses on Basic services for the economy and rural population (M321), which represents 66% of the Axis overall budget.

- ❖ Conservation and upgrading of the rural heritage (M323) and Village renewal and development (M322) have utilised 63% and 67% of their funds.
- ❖ Basic services for the economy and rural population (M321) has spent 45% of its budget.
- ❖ Skills acquisition and animation (M341) has spent 40% of its programmed budget.
- ❖ Encouragement of tourism activities (M313) has spent 7% of their planned allocation.

Limited output indicator data were available for Axis 3 in Cyprus for 2012.

## Axis 4 - Leader

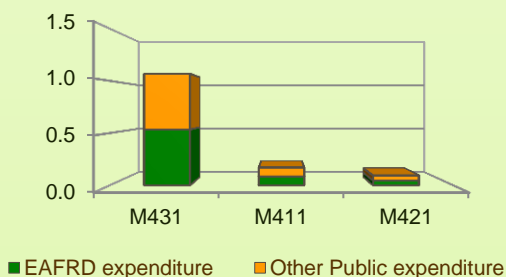
The Leader Axis in the Cyprus RDP has allocated budget of €9 million out of which €1.33 million have been spent by 2013. Within the Axis, emphasis has been given to the Quality of life and diversification measure (M413) which has the largest allocation of funds.

When comparing expenditure per measure up to 2013 (figure 6) it is observed that:

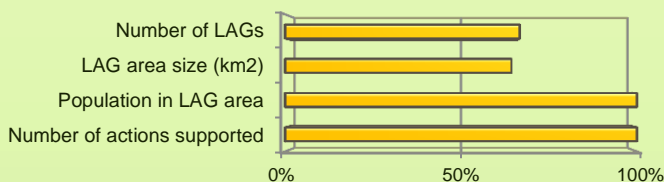
- ❖ Running the LAG, skills acquisition and animation (M431) has utilised 52% of its programmed expenditure.
- ❖ Implementing cooperation projects (M421) has spent 21% of its planned allocation.
- ❖ Competitiveness (M411) has used 6% of its funds.
- ❖ Up to the end of 2013, no expenditure has been recorded for Environment/land management (M412) and Quality of life and diversification (M413).

Figure 9 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

**Figure 8: Axis 4 - Total Public expenditure per measure in million EURO (2007-2013)**



**Figure 9: Axis 4 - Progress against 2007-2013 output targets in Cyprus (2007-2012)**

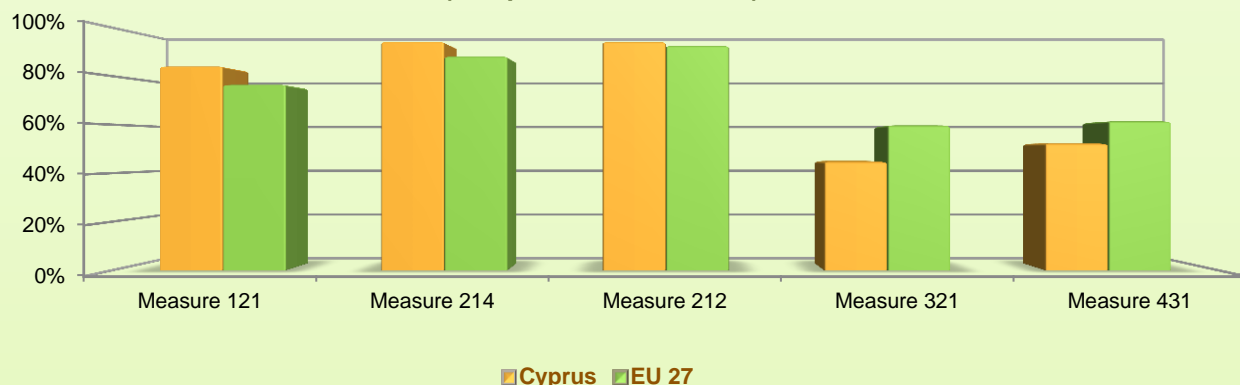


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## Summary

- ✓ Within the seven years of implementation, the Cyprus RDP has utilised about 77% of the total public expenditure planned for the current Programming Period (post Health Check and the European Economic Recovery Package modification).
- ✓ Modernisation of agricultural holdings (M121) is the measure with the highest allocated budget in the Cyprus RDP. Up to 2013, it has utilised 84% of its available budget and represents 30% of the total public expenditure of the programme.
- ✓ Agri-environment payments (M214) has the second largest budget in the Cyprus RDP and the utilised expenditure is 94% of its allocated funds. M214 represents 29% of the total public expenditure of the programme.
- ✓ The third largest measure budget is for Payments to farmers in areas with handicaps, other than mountain areas (M212), which has used 94% of its programmed total public expenditure and represents 16% of the total public expenditure of the programme.

**Figure 10: Progress of total public expenditure up to 2013, main measures (comparison with EU 27)**



**Source of the data:**

1) Programmed expenditures 2007-2013: RDP budget allocation following Health Check revision (December 2013)

2) Expenditures 2007-2013: DG AGRI

3) Output indicators data are available only at National level; therefore at regional level a comparison of financial implementation progress is provided between the regional RDPs.

For further detailed information on financial / physical and output indicators data please refer to the dedicated ENRD website section on Monitoring Indicators.