

## Circular economy country profile 2024 – Cyprus



Cover design: EEA  
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Layout: ETC CE

**Version:** [If relevant]

## **Publication Date**

**EEA activity** Circular economy and resource use

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ETC CE coordinator: Vlaamse Instelling voor Technologisch Onderzoek (VITO)

ETC CE partners: Banson Editorial and Communications Ltd, česká informační agentura životního prostředí (CENIA), Collaborating Centre on Sustainable Consumption and Production (CSCP), Istituto Di Ricerca Sulla Crescita Economica Sostenibile (IRCrES), Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA), IVL Swedish Environmental Research Institute, PlanMiljø, Università Degli Studi Di Ferrara (SEEDS), German Environment Agency (UBA), Teknologian Tutkimuskeskus VTT oy, Wuppertal Institut für Klima, Umwelt, Energie gGmbH, World Resources Forum Association.

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## Introduction

The European Commission requested the EEA to produce EU country profiles that offer an updated view of the following elements:

- what circular economy policies are being implemented at a national level with a particular focus on elements that go beyond EU mandatory elements, and
- what are best practices with a focus on policy innovation.

With the EU Circular Economy Action Plan (CEAP 2020) "the Commission [...] encourages Member States to adopt or update their national circular economy strategies, plans and measures in the light of its ambition".

These country profiles originate in the work leading to the EEA More from less report (2016)<sup>1</sup>, that presented an overview of approaches to material resource efficiency and to circular economy in thirty-two European countries. The More from Less report was followed by the 2019 EEA Report 'Resource efficiency and the circular economy in Europe 2019 – even more from less: An overview of the policies, approaches and targets of 32 European countries'<sup>2</sup>.

It presented an updated and extended assessment of approaches and identified trends, similarities and new directions taken by countries in the connected policy areas of resource efficiency and the circular economy.

These reports, comprising a compilation of extensive survey responses from countries, were accompanied by 32 country profiles.

In the second quarter of 2022 a new survey with questions and guidelines was launched. Based on information reported by the Eionet network, in particular, the Eionet Group on Circular Economy and Resource Use, and after review and editing by the European Topic Centre on Circular economy and resource use (ETC CE), the 30 2022 CE country profiles<sup>3</sup> were published alongside the EEA report 'Circular Economy policy innovation and good practice in Member States'<sup>4</sup> (2022).

These 2024 CE country profiles are an update of the 2022 ones and based on the responses of 29 countries to the survey questions and guidelines that were launched in March 2024. The information in the countries' responses was again reviewed and edited by the European Topic Centre on Circular economy and resource use. A selection of Eurostat data was made to further complement these country profiles.

The main objectives of these assessments and its updates are to: • stimulate exchange of information and share good practice examples among country experts; • support policymakers in Eionet countries, the European institutions and international organisations by providing an updated catalogue of circular economy actions being undertaken in European countries.

This circular economy country profile is based on information reported by the Eionet network and, in particular, the Eionet Group members on Resource Efficiency and Circular Economy in the second quarter of 2024. Proposals for the further development or amendment of policies represent the view of the reporting country. For Cyprus, all input was provided by the Department of Environment of Cyprus and the Ministry of Energy, Commerce and Industry. The information was reviewed and edited by the European Topic Centre on Circular economy and resource use. A selection of Eurostat data was made to further complement this country profile.

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<sup>1</sup> [More from less – material resource efficiency in Europe – European Environment Agency \(europa.eu\)](#)


<sup>2</sup> [Resource efficiency and the circular economy in Europe 2019 – European Environment Agency \(europa.eu\)](#)

<sup>3</sup> [Country profiles on Circular Economy in Europe – Eionet Portal \(europa.eu\)](#)

<sup>4</sup> [draft-report-for-dg-env\\_final.pdf \(europa.eu\)](#)

The information is current as of September 2024, when members of Eionet verified the content of this profile.

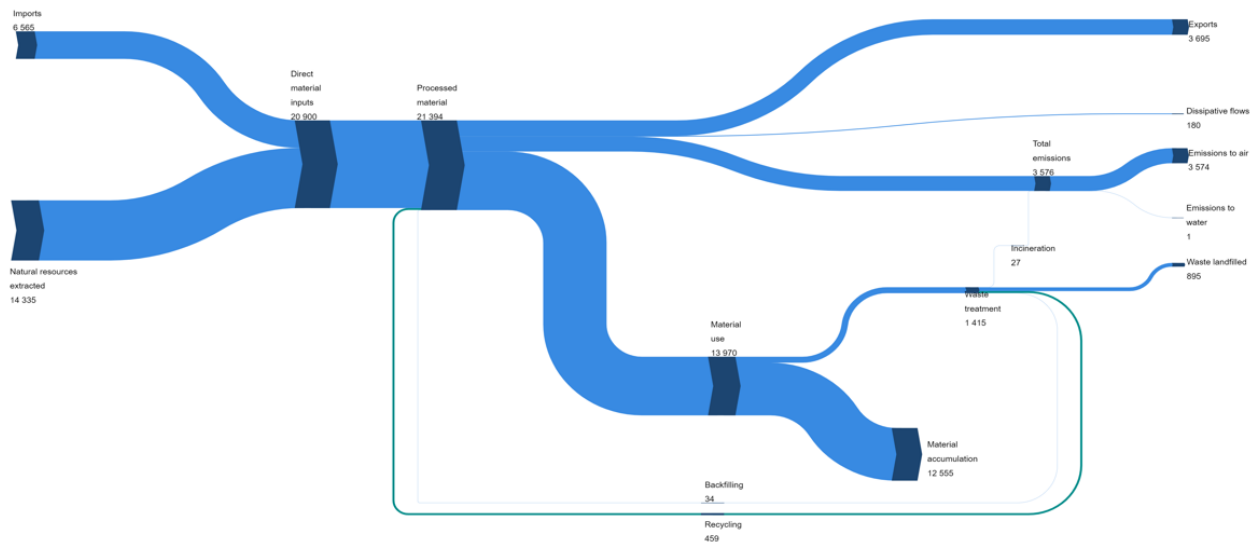
## Cyprus – facts and figures

	<b>GDP:</b> EUR 29.8 billion (0.2 % of EU27 total in 2023)
	<b>GDP per person:</b> EUR 32,150 (purchasing power standard) (94.7 % of EU27 (from 2020) total per person)
	<b>Use of materials (domestic material consumption (DMC))</b> 17.3 million tonnes DMC (0.3 % of EU27 total in 2022) 19.0 tonnes DMC/person (133.6 % of EU27 average per person in 2022)
	<b>Structure of the economy (2023):</b> Agriculture: 1.8 % Industry: 13.9 % Services: 84.3 %
	<b>Employment in circular sectors:</b> 8,827 people employed in CE sectors (0.2 % of EU total in 2021) People employed expressed as a percentage of total employment: 2.0 % (compared to 2.1 % for EU average in 2021)
<b>Surface area:</b> 9,251 square kilometres (0.2 % of EU27 total)	
<b>Population:</b> 920,701 (0.2 % of EU27 total in 2023)	

Note: all definitions and metadata used in this profile are taken, as shown, from Eurostat

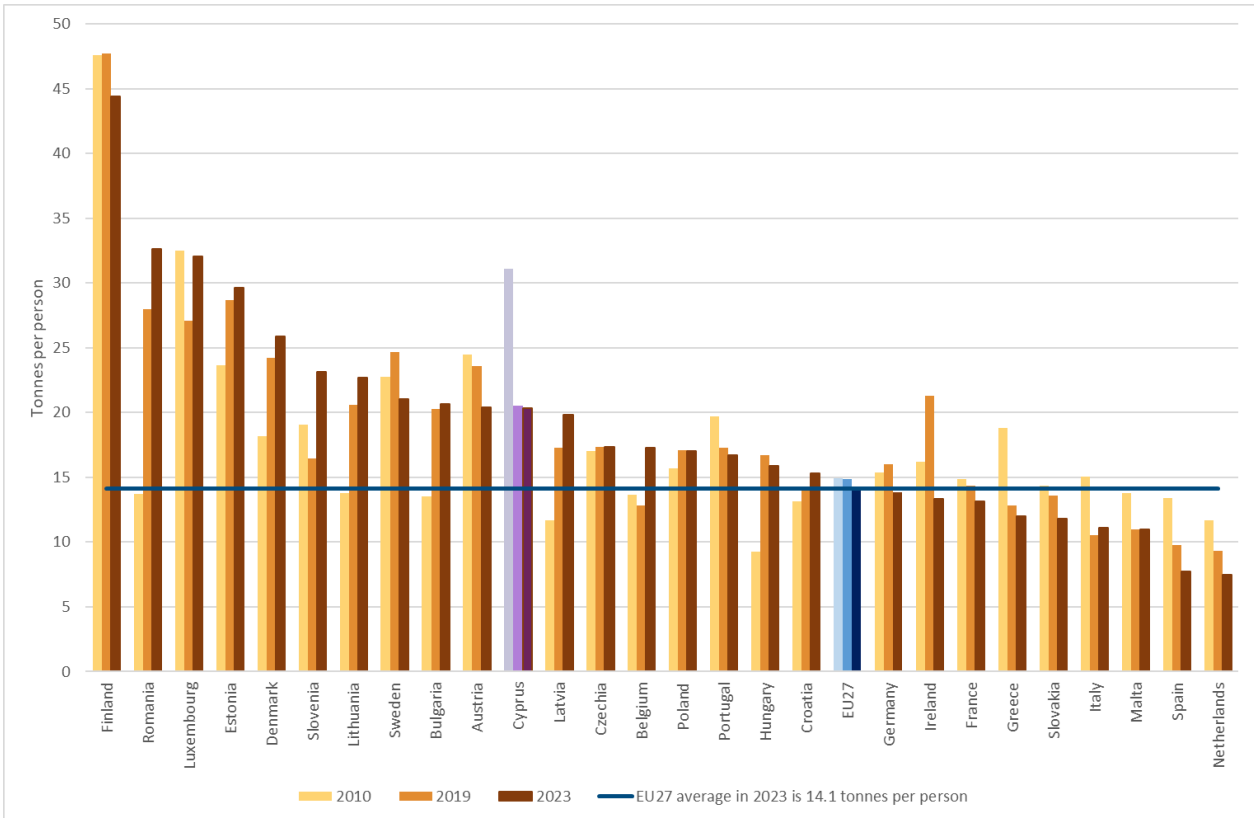
Source: Eurostat datasets, EU27 2021 EU27 2022 and EU27 2022 (accessed 21 August 2024)

Figure 1 Material flow diagram for Cyprus in 2022, thousand tonnes



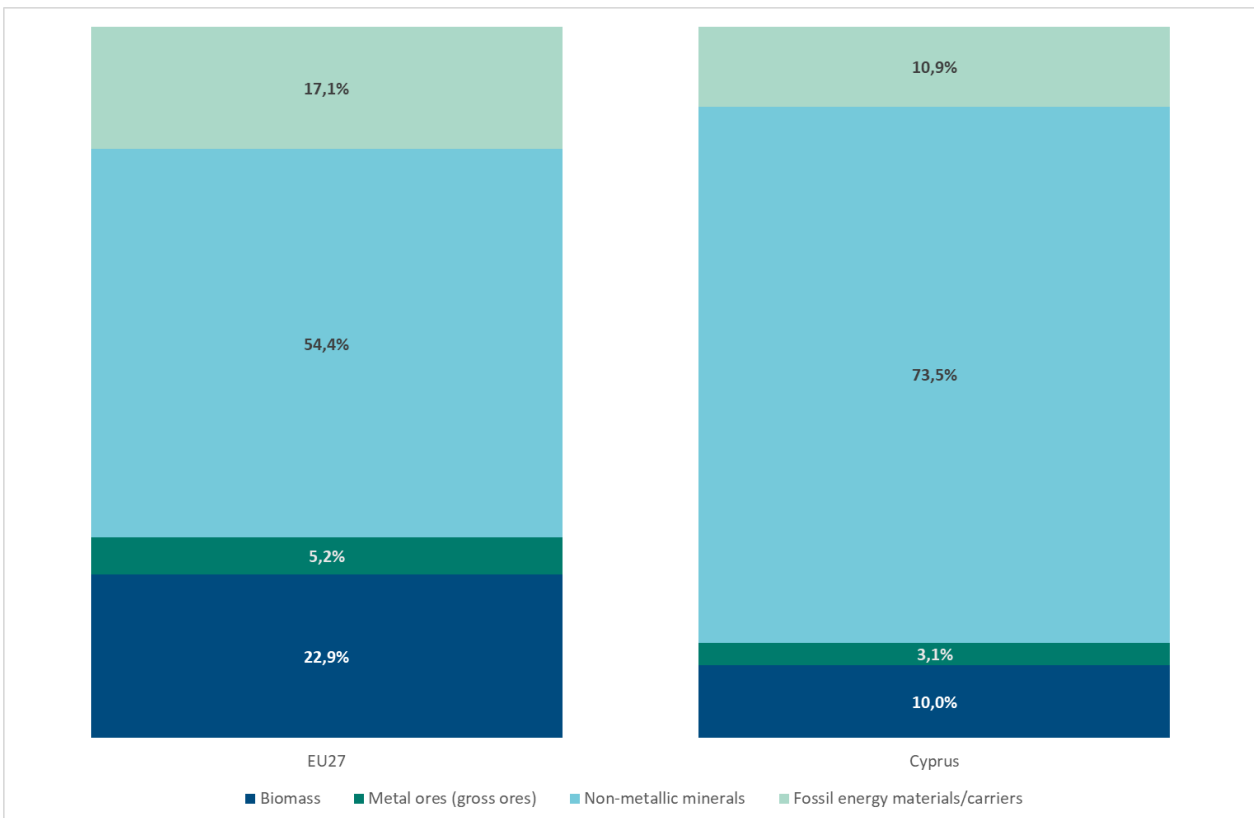
Source: Eurostat (2024) [env\_ac\_mfa], [en\_ac\_sd], [env\_wassd] (accessed 10 June 2024)

**Figure 2 Material footprint (raw material consumption), 2010, 2019 and 2023, tonnes per person**



Source: Eurostat (2024) [env\_ac\_rme] (accessed 21 August 2024)

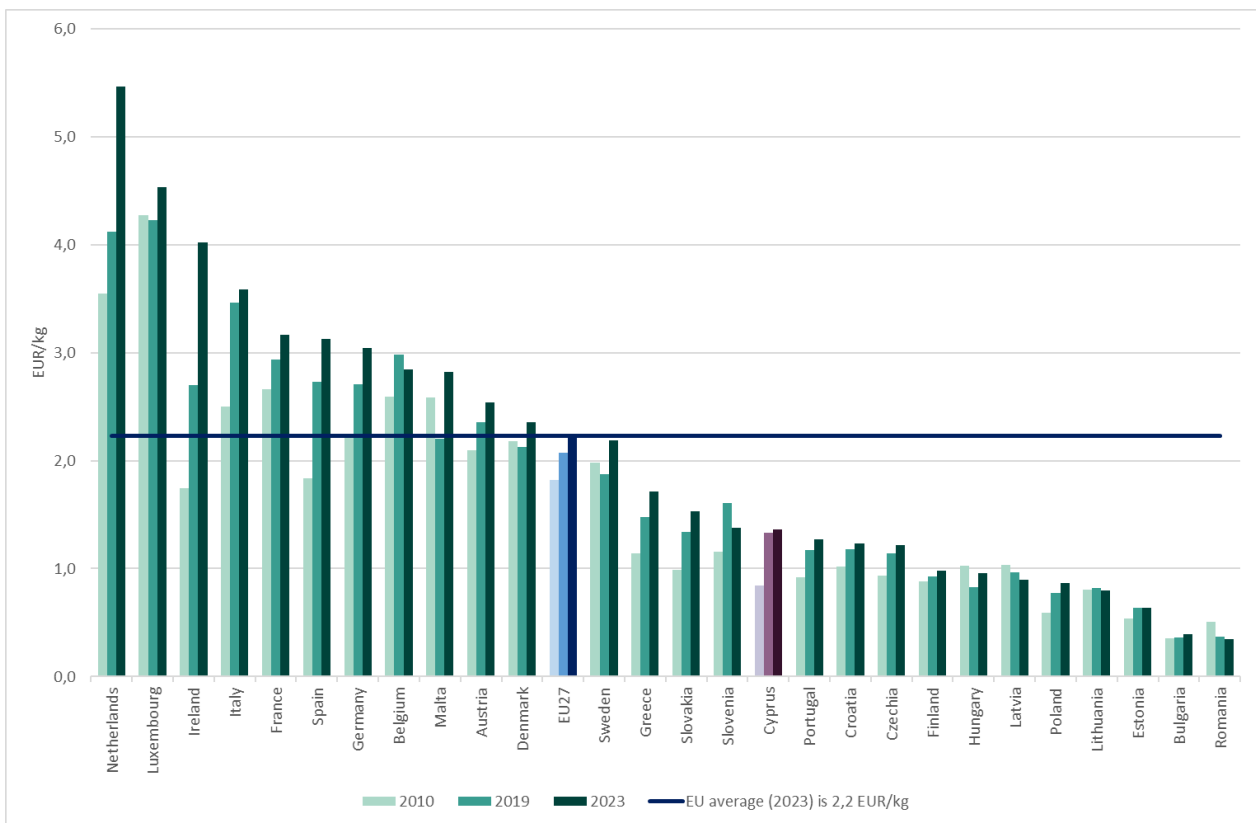
**Figure 3 Domestic material consumption by selected material category, EU and Cyprus, 2023, per cent**



Note: totals may not sum to 100 % due to rounding

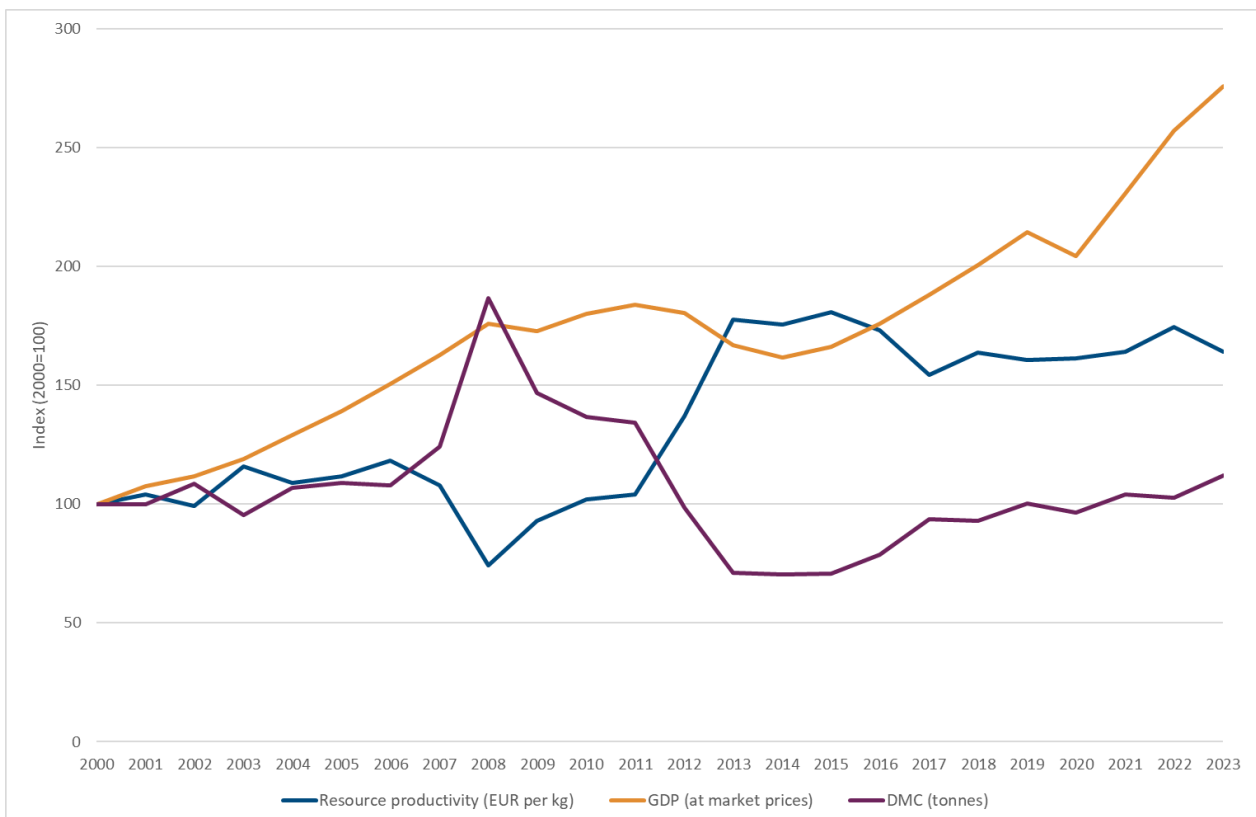
Source: Eurostat (2024) [env\_ac\_mfa] (accessed 21 August 2024)

**Figure 4 Resource productivity (gross domestic product/domestic material consumption), EU27, 2010, 2019 and 2023, EUR per kilogramme**



Source: Eurostat (2024) [env\_ac\_rp] (accessed 21 August 2024)

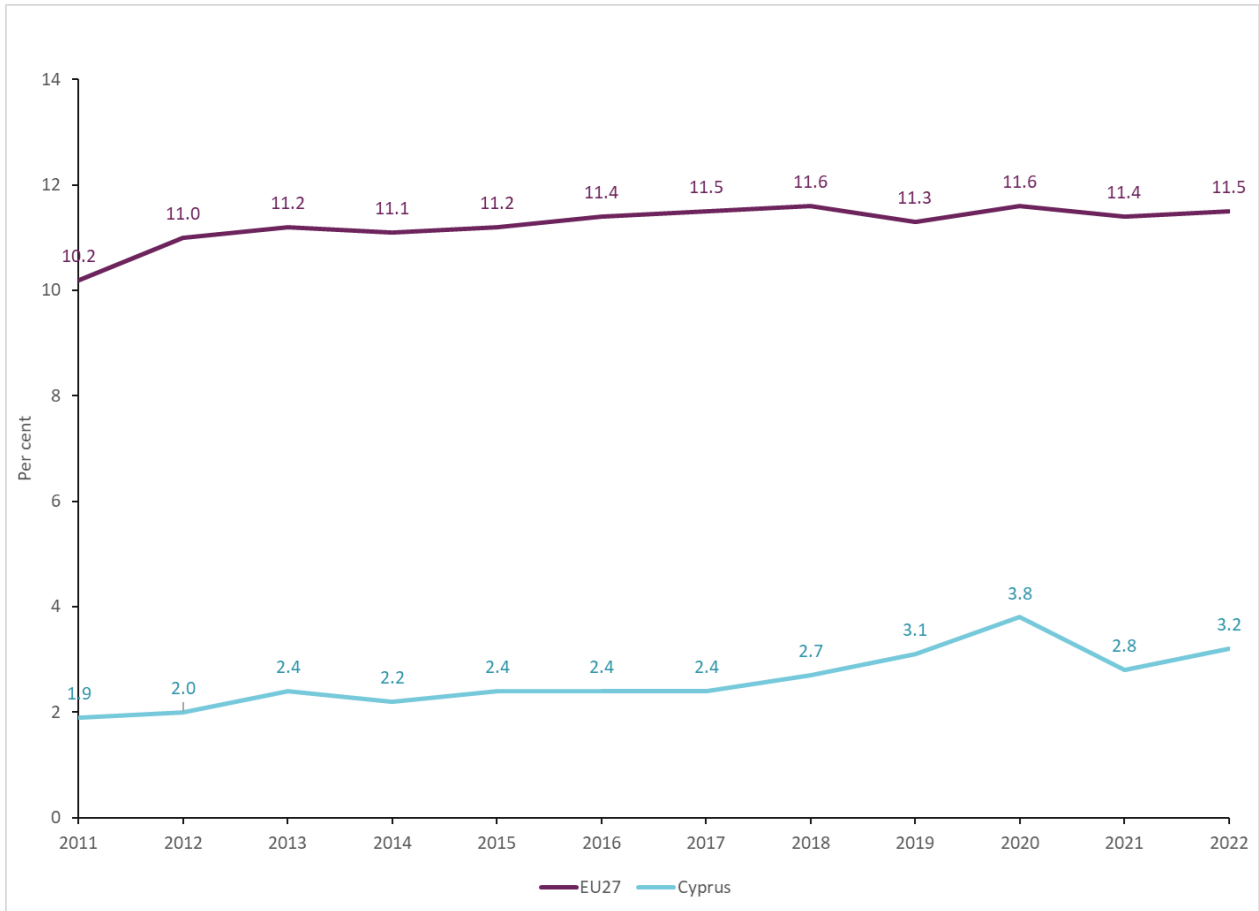
**Figure 5 Gross domestic product, domestic material consumption and resource productivity trends, Cyprus, 2000–2023, index (2000=100)**



Source: Eurostat (2024) [env\_ac\_mfa], [env\_ac\_rp] & [nama\_10\_gdp] (accessed 21 August 2024)

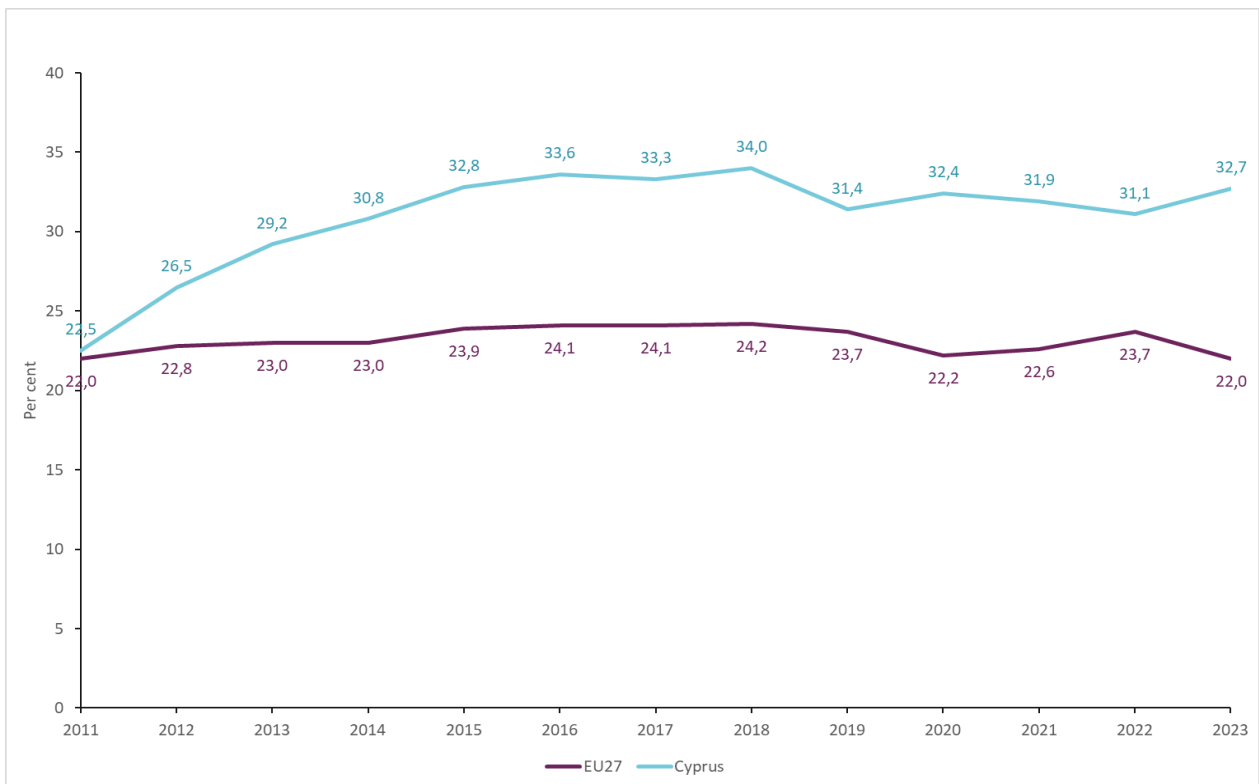


**Figure 6 Circular material use rate in Cyprus, 2011–2022, per cent**



Source: Eurostat (2024) [env\_ac\_cur] (accessed 21 August 2024)

**Figure 7 Material import dependency in Cyprus, 2011-2023, per cent**



Source: Eurostat (2024) [cei\_gsr030] (accessed 21 August 2024)

## Existing policy framework

### Dedicated national and/or regional and/or local strategy, roadmap or action plan for circular economy

#### *Key elements*

The **Cyprus Action Plan for the transition to a circular economy 2021-2027** was prepared in the context of the New Industrial Policy and was adopted by the Council of Ministers on 16/06/2021. The implementation of the Action Plan is jointly coordinated by the Ministry of Energy, Commerce and Industry, the Deputy Ministry of Research, Innovation and Digital Policy and the Ministry of Agriculture, Rural Development and Environment. It includes actions in the following 4 Key Pillars:

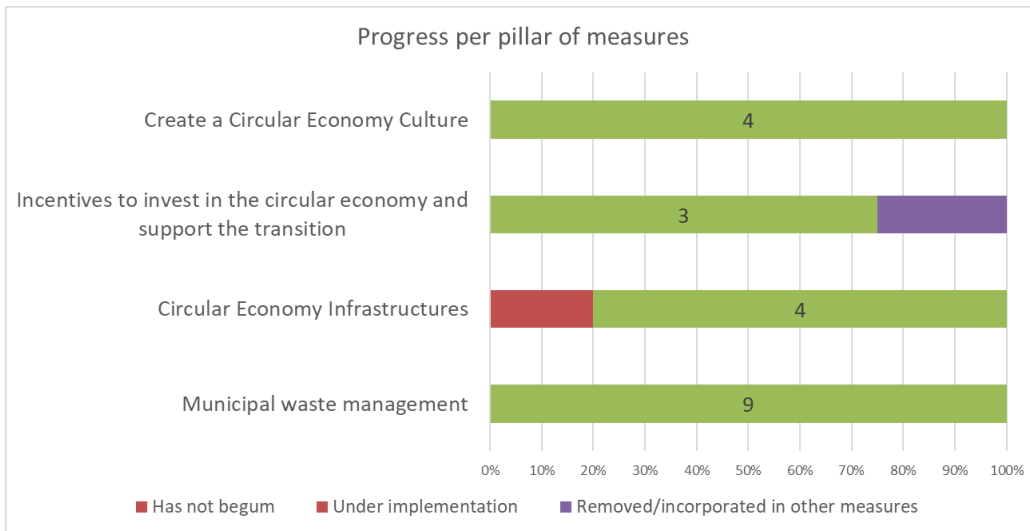
- I. Creating a Circular Economy Culture;
- II. Incentives to invest in the circular economy and support the transition;
- III. Circular Economy Infrastructures;
- IV. Municipal waste management.

Priority sectors have been selected based on their contribution to the GDP, the number of jobs they offer, as well as their recognition as key priority sectors, through the Smart Specialization Strategy and the New Industrial Policy. In particular, the sectors that have been selected are the Primary sector and the Food and Beverage sector, which relate to the biological production cycle of products dealt with by the Circular Economy, and the Manufacturing sector which relates to the technical production cycle. The Hotel sector (HoReCa) was also chosen as it is an important factor in closing the cycle of the other sectors, due to the high flows of products that enter and exit each year from its activities.

The Action Plan consists of 22 actions divided in the 4 Pillars listed above. Currently, 17 actions are implemented according to their original planning, 2 actions have not yet started their implementation, but initially had a later start date, while one 1 action has been completed. Finally, one (1) action was judged to be unfeasible on its own and has been integrated into another actions. Specifically, the Municipal Waste Management Pillar, which includes most of the actions, is currently on a normal course of implementation for all its actions. Accordingly, the Pillars concerning the creation of Culture and Infrastructure are in a normal course of implementation with an action in each of them expected to begin at a later stage.

The Action Plan is not a static text but an evolving process that aims to strengthen the implementation of the Circular Economy in Cyprus. In this context, the actions that were initially included in the Action Plan are periodically evaluated according to the existing situation and their applicability and, where deemed necessary, revisions are made.

The measures of the plan and their implementation are outlined below.



<b>NATIONAL ACTION PLAN FOR STRENGTHENING THE CIRCULAR ECONOMY 2021-2026</b>			
<b>a/a</b>	<b>Action</b>	<b>Implementation</b>	<b>Cost Estimate</b>
<b>1. CREATING A CIRCULAR ECONOMY CULTURE</b>			
<b>1.1</b>	<b>Communication Plan</b> To Inform the business community and consumers about the prospects and business opportunities offered by the circular economy.	Implementation 2022 – 2026 The following actions have been implemented: <ul style="list-style-type: none"> <li>Preparation and presentation of TV and radio spots</li> <li>outdoor advertising</li> <li>Entries in print magazines</li> <li>Implementation of a survey to capture opinions and perceptions of the public and businesses regarding circular economy</li> <li>Digital advertising</li> </ul>	€500,000  RRF
<b>1.2</b>	<b>Communication plan for the management of municipal waste in the context of the circular economy</b> Information campaigns are carried out as part of the co-funded waste management programmes	Ongoing action Five communication campaigns currently implemented under the following programmes: <ul style="list-style-type: none"> <li>LIFE IP CYzero WASTE project</li> <li>PAYT Programme</li> <li>Separation at the source in Mountainous Cyprus</li> <li>Solid municipal waste reduction program of beach hotel units and related waste production areas, for the Districts of Limassol and Paphos</li> <li>Project for the Separate Collection and Management of Hazardous Household Waste</li> </ul>	€4,400,000 under the Programme for the techno-economic support of local authorities for the establishment of a separate collection system for municipal solid waste and the implementation of the Pay-As-You-Throw Scheme, plus additional funds under the other programmes currently in implementation
<b>1.3</b>	<b>Implementation of training, education and skills development programmes</b> <ul style="list-style-type: none"> <li>Utilization of various Plans implemented by the Human Resource Development Authority.</li> </ul>	Ongoing action	2023 – 2026

	<ul style="list-style-type: none"> <li>Vocational training of employees of Cypriot companies/organizations, in educational and training institutions/centers in Cyprus and abroad, in a series of topics related to the circular economy, e.g. reverse logistics, circular value chains, etc.</li> </ul>		
<b>1.4</b>	<b>Information on the use of financing tools</b> Organization of events, seminars and other informative actions to present / display the available financial tools to strengthen the circular economy / green transition, to a targeted audience	March 2022 onwards on an annual basis	2022 – 2027
<b>2. INCENTIVES FOR INVESTMENT IN THE CIRCULAR ECONOMY AND SUPPORTING THE TRANSITION</b>			
<b>2.1</b>	<b>Business coaching</b> Provision of business coaching and skills development services. The business guidance will also include the preparation of Diagnostics Reports for businesses for the steps that should be followed to transition to a circular operating model	<u>Progress Report:</u> The action will be implemented within the framework of the Grant Scheme to strengthen investments in a circular economy with the budgeted expenditure being integrated into the budget of the Grant Scheme	€1.000.000 RRF
<b>2.2</b>	<b>"Go Circular" Funding Scheme to boost investment in a circular economy in businesses (R&amp;D projects)</b> <ul style="list-style-type: none"> <li>Funding of R&amp;D projects for the development of new circular products and services.</li> <li>Collaboration between Businesses – Centers of Excellence, Research Organizations, academia and consulting organizations.</li> </ul>	Start: Project Announcement March 2022 Completed Announcement of the CoDevelop program and funding of 4 projects with a total funding of €2,349,616. The action is considered complete, however the Research Innovation Foundation will continue to support the transition to a Circular Economy through the CoDevelop programs	€1.000.000 RRF
<b>2.3</b>	<b>Grant Scheme to strengthen circular economy investments in businesses</b> Submission of a comprehensive proposal for the implementation of investment proposals including certification, as well as promotion of proposals concerning best practices for supporting business clusters – Cooperation with Research Centers and Centers of Excellence	The guidance document is complete and the Scheme has been announced. It will remain open until funds are exhausted.	€13.300.000 RRF
<b>2.4</b>	<b>Promotion of the circular economy in the hotel sector</b> Provision of training and guidance to facilitate the transition to a circular operating model in the hospitality sector and certification	Into the 2nd implementation period <ul style="list-style-type: none"> <li>50 participating hotels for the 1<sup>st</sup> implementation period. Their diagnostic reports have been completed.</li> <li>The Circular Economy Certification Scheme in the Hotel Sector has been development</li> <li>20 hotels have continued into the 2<sup>nd</sup> phase for the certification</li> </ul> Implementation completed in 2026	€1.400.000 RRF

<b>3. CIRCULAR ECONOMY INFRASTRUCTURES</b>			
<b>3.1</b>	<b>End-of-Waste status</b> <ul style="list-style-type: none"> <li>• Study to identify priority waste types for which end-of-waste criteria need to be established</li> <li>• Technical studies to establish national criteria for the end-of-waste status of the specific waste types</li> </ul>	The study has been completed	€115,000 National Funds
<b>3.2</b>	<b>Creation of an online resource exchange platform (sharing marketplace for circular economy)</b> Development of an online platform that will enable businesses, industries and public organizations to share equipment, services, facilities, waste, materials and personnel	A study is currently carried out to prepare the specifications and requirements for the platform	€20,000 plus maintenance costs RRF
<b>3.3</b>	<b>Integrated project management, information, communication and monitoring system</b>	A study is currently carried out to prepare the specifications and requirements for the platform <b>Completion by 2026</b>	€2,000,000 Structural Funds National Resources
<b>3.4</b>	<b>Standardization and certification based on standards of management systems and/or products/services.</b> Monitoring, updating, adoption of European and International standards and preparation of possible national standards and/or specifications that contribute to the circular economy.	Under implementation	
<b>3.5</b>	<b>Pilot programs in relation to circularity standards</b> Pilot application of circular economy standards in industries, supply chains and products: Implementation of circular economy pilot programs in collaboration with Cyprus research centers for the development of indicators or specifications to contribute to the circular economy in Cyprus (e.g. determination of technically feasible percentages of recycled raw materials in the production of products, e.g. construction products, plastics, etc.).	This action is expected to be implemented after the completion and publication of the standards.	
<b>4. MUNICIPAL WASTE MANAGEMENT</b>			
<b>4.1</b>	Programme for the techno-economic support of local authorities for the establishment of a separate collection system for municipal solid waste and the implementation of the Pay-As-You-Throw Scheme	Under implementation 2021 – 2027	For the implementation of the separate collection and PDO system, support will be given to local authorities through €25,000,000.  From the Program «Thalia» (the cost includes the cost of action 1.2)
<b>4.2</b>	Programme for the prevention, separate collection and recovery of municipal waste for the mountainous areas of Cyprus	Under implementation 2021 – 2027	€2,000,000 Structural Funds
<b>4.3</b>	Creation of a coordinating body between central government and local government for waste management, support of local authorities in the implementation of actions within the framework of prioritization in waste	Under implementation 2021 – 2027	€900,000  Structural Funds

	management, and participation in research and pilot programs and information campaigns on issues of prevention and separate collection of waste.		
4.4	Creation of 2 reuse and repair centers and a network of stores in all urban centres	Under implementation 2021 – 2027	€4,000,000  LIFE IP CYzero WASTE National Funds
4.5	Installation of 50 green recycling kiosks in remote and semi-remote areas	Under implementation 2021 – 2027	€3,500,000  RRF
4.6	<b>Sorting at source and home composting of organic waste</b> Installation 7 autonomous mechanical composters and 4000 domestic composters in rural communities	Under implementation 2021 – 2027	€13,300,000  Structural Funds
4.7	<b>Infrastructure for the treatment of separately collected organic waste</b>	Under implementation 2021 – 2029	€15,000,000 Structural Funds
4.8	The Municipal Solid Waste Reduction Program for Coastal Hotel and Related Tourism Infrastructure in Limassol and Paphos	Under implementation 2023 – 2026	€10,500,000  Structural Funds
4.9	Expansion of the Green Points Network	Under implementation 2023 – 2026	€10,000,000 RRF

### *New initiatives*

The Council of Ministers on November 13, 2020, approved the new National Development Strategy Governance System in relation to the European Green Deal, under the coordination of Directorate General Growth and the Department of Environment of the Ministry of Agriculture, Rural Development and Environment. The new structure operates under the guidance of a five-member Ministerial Committee and a corresponding Committee of General Directors, while, at a technical level, the individual initiatives of the Green Deal are coordinated by assigned Technical Committees. Technical Committee 10 oversees the Circular Economy, monitors the implementation of the national circular economy action plan and coordinates the multi-level cooperation required by all the agencies involved. The Committee operates under the chairmanship of the Ministry of Agriculture, Rural Development and Environment, the Ministry of Energy, Trade and Industry and the Deputy Ministry of Research, Innovation and Digital Policy, while representatives of Directorate General Growth and business representatives, as well as specialized experts where this is deemed necessary.

There are no circular or zero waste cities in Cyprus yet.

### **Circular economy policy elements included in other policies**

<b>Circular economy policy element</b>	<b>Included in policy</b>
Waste management	<a href="#">Municipal Waste Management Plan 2022-2028</a> (in Greek)
Construction	Waste Prevention Programme 2024–2030 (construction and demolition waste as a priority sector under the programme), to be adopted shortly <a href="#">Regulations for the management of C&amp;D waste</a> (preparation of CDW management plans and participation in collective or individual producer responsibility schemes aimed to promote reuse and recycling and recovery of CDW) (in Greek)
Food loss	<a href="#">Municipal Waste Management Plan 2022-2028</a> (in Greek) Waste Prevention Programme 2024–2030 food waste as a priority sector under the programme), to be adopted shortly
Plastics	<a href="#">Municipal Waste Management Plan 2022-2028</a> (in Greek)

	Waste Prevention Programme 2024–2030 plastics as a priority sector under the programme), to be adopted shortly
The setting up of standards for the construction industry	<a href="#">Regulations for the management of C&amp;D waste</a> (preparation of CDW management plans and participation in collective or individual producer responsibility schemes aimed to promote reuse and recycling and recovery of CDW) (in Greek)
Support the establishment of reuse and repair centres	Programme for the establishment of two reuse centres and a network of reuse stores in all major urban centres (funded under EU Structural Funds)

## Monitoring and targets

### Assessment of circular economy performance

The European Commission has set up a [monitoring framework](#) to keep track of progress towards a circular economy. This framework provides a holistic view as it:

- measures direct and indirect benefits of 'becoming circular' and
- values the contribution of a circular economy in living well within the limits of the planet
- addresses energy and material supply risks.

It consists of **5 thematic sections** with a total of **11 statistical indicators**, some of which have additional sub-indicators. In some cases policy targets exist which should be achieved in the future, and the indicators monitor progress towards these targets. The current monitoring framework is a revision of the original framework which was set up in 2018.

This section elaborates on the assessment of Cyprus' progress in terms of observed trends over the last 5 years and what country characteristics or policy actions may explain differences between the country its performance and the average EU performance.

Cyprus is below the EU average on circular economy indicators, like material footprint, circular material use rate, resource productivity and the reuse/recycling of waste.

With respect to waste, the introduction of obligatory separate collection of municipal waste, including organic and of PAYT schemes throughout Cyprus and the implementation of the waste management programmes under the Circular Economy Action Plan and the Municipal Waste Management Plan are expected to contribute significantly towards the reuse and recycling targets.

Regarding resource efficiency, support is needed for industry and business to boost circular economy investments and changes in production processes and business models.

### Circular economy monitoring frameworks and their indicators beyond the ones from Eurostat

A monitoring framework for the circular economy has not been developed yet. The Eurostat Sustainable Development Goals and Circular Economy indicators (in many instances estimates) are used to monitor progress.

### Circular economy targets

No circular economy targets have been adopted yet.

## Innovative approaches and good practices

### Examples of public policy initiatives (national, regional or local)

- ➔ *Good practice example: Support programme targeting circular economy: Change in consumption patterns and consumer behaviour*

One of the best practice examples in Cyprus is the **Measure for the Promotion of the Circular Economy in Hotel Facilities**, under the Circular Economy Action Plan.

The Measure has a total budget of €1.4m and is implemented by the Federation of Employers & Industrialists, in collaboration with the Deputy Ministry of Tourism. It aims to promote and consolidate the circular economy among Cypriot hotel businesses, through the creation of a relevant Certification Scheme and the provision of relevant advisory services and guidance to these businesses. Additionally, the Measure includes the provision of guidance and capacity building for the Officials of the Deputy Ministry of Tourism, with the aim of understanding the circular economy and its application in the Hotel industry.

Specifically, the programme aims to provide services to hotel businesses, including capacity building services (workshops, training programs), professional guidance, preparation and certification with the National Circular Economy Certification Scheme in the Hotel Sector which has been developed in collaboration with the Cyprus Certification Company, based on the international standard for circular economy ISO/WD 59020.2 Circular economy — Measuring circularity.

The main objective is to strengthen the competitiveness and resilience of hotel businesses by adopting a sustainable long-term development model and facilitating and accelerating their transition to a sustainable and resilient business model. In addition, the establishment of a circular economy networking hub for hotel businesses will facilitate the exchange of best practices, knowledge transfer as well as promote networking between stakeholders.

Through training, diagnostic assessment, business guidance, monitoring and certification services, participating business will benefit through:

- Reduction of business operating costs through the reduction of energy consumption, the prevention of waste production, the supply of circular products and services, etc.
- Acquiring necessary knowledge to identify and develop new business opportunities, create new products and services based on circular practices and promote their business as a Circular business.
- Preparation for possible participation in other projects / financing programs, from national and / or European resources that will aim, among other things, to implement the circular economy in hotels.
- Complying with the existing legislative framework in related areas (e.g. waste management), understanding and adopting European guidelines and good practices for the implementation of circular models, as well as preparing for compliance with upcoming legislative regulations, in the context of achieving the ambitious European goals for climate neutrality.
- The creation of a Sustainable and Circular Tourism Product, thereby gaining a competitive advantage at national and international level.

All hotel businesses that have joined the Measure have benefited from receiving the services, as detailed in the "Silver Circle of Services". Subsequently, a number of the benefiting hotel businesses that have successfully completed the Silver Circle of Services will be approved for inclusion in the Gold Circle of Services.

The Measure is implemented based on Regulation (EC) no. 1407/2013 (de minimis). The intensity of the funding amounts to 100% of the cost of each cycle of Services. The Measure is funded from the RRF.



	Eligible service	No of beneficiaries	Funding	% funded
Silver Cycle	3-day workshop on the CE	50 Hotels	€10,700	100%
	Developing tools for implementing CE practices			
	Personnel training			
	Preparation of the CE plan			
	Implementation of CE actions			
	Business coaching			

	Eligible service	No of beneficiaries	Funding	% funded
Gold Cycle	3-day workshop on the CE	20 Hotels	€28,400	100%
	Developing tools for implementing CE practices			
	Personnel training			
	Preparation of the CE plan			
	Implementation of CE actions			
	Business coaching			
	Monitoring of plan implementation			
	Preparation for certification with the CE Certification Scheme for Hotels			

### **Silver Circle of Services**

As part of the “Silver Circle of Services”, a mapping of the needs presented to hotel businesses in circular economy issues was carried out, through specially designed tools. Subsequently, a diagnostic evaluation was carried out in each hotel business and a specially designed implementation plan was developed for circular actions. In the implementation plan of circular actions, the sectors that need improvement in the hotel business was identified, along with good circular economy practices to be implemented. 67 circular practices are promoted, grouped in 6 circular economy categories – sharing models, circular supply chains, product life extension models, resource recovery, products as service and resource efficiency. Practices include common use of machines and equipment, use of second-hand products, leases for machines and equipment, reuse of glass bottles by local producers, use of timers for water and electricity, reduction of food waste etc.

### **Golden Circle of Services**

The right to participate in the “Golden Circle of Services” have those hotel businesses that have successfully completed the "Silver Circle of Services" and, at the same time, have been approved by the Evaluation Committee, in accordance with the objectives of the Measure. For the selection of Beneficiary

hotel businesses for participation in the “Golden Circle of Services” a diagnostic evaluation will be applied. Depending on the degree of readiness of the hotel business in terms of the adoption of the circular practices that will be proposed, it will be included in the "Golden Circle of Services".

The purpose of the “Golden Circle of Services” is, the certification of the participating hotel businesses with the Circular Economy Certification Scheme. The hotel businesses will be monitored in terms of the correct implementation of the circular actions implementation plan that will have been prepared during the “Silver Cycle of Services”, while consulting services will be provided for any adjustments to the plan, at the various stages of implementation of. There will be a systematic audit and preparation of hotel businesses for the preparation of Certification, which will be carried out by an independent certification body and the hotel business will be subject to an Inspection for Certification with the Circular Economy Certification Scheme.

### **Progress in implementation**

Under the Measure, 67 applications for participation were received, 50 of which proceeded with positive approval for their inclusion. A series of 3-day training seminars was held in all the participating Hotel facilities. In addition, a training seminar was held for Officials of the Deputy Ministry of Tourism on the subject of the Circular Economy in the Hotel sector. Following on-site visits to all hotel facilities the diagnostic reports have been completed, outlining the current situation, regarding the level of circularity, of each hotel facility. At the same time, business guidance tools were developed and delivered for the implementation of the circular economy in hotel facilities. Based on the reports the action plans for the implementation of the circular economy in the participating hotel facilities have been prepared.

20 of the participating hotel facilities are now continuing with the golden circle of services and will have 2 years to implement the actions of the circular economy plan prepared in the silver circle of services. Finally, at the beginning of 2026, the 20 hotel facilities will be certified by an independent certification body with the circular economy certification scheme

### **Examples of private policy initiatives (sectoral)**

➔ *Good practice example: New business models*

The **Measure for the Promotion of the Circular Economy in Hotel Facilities** outlined above is considered a good circular economy practice as it aims to **promote a new business model for the tourism industry**, which is one of the key economic sectors in Cyprus. The tourism sector is a resource intensive sector, in terms of energy and water consumption and at the same time generates significant quantities particularly of food waste and waste from single use products. The transition into a more circular business model for the hospitality industry is therefore important, while the development of a certification schemes will provide the incentive to businesses to participate, as well as a competitive advantage.

## **The way forward**

### **Identifying and addressing barriers and challenges**

**Market barriers** are among the top-ranking challenges in Cyprus. Due to economies of scale, Cyprus primarily imports products and exports pre-treated waste for recycling. This limits the extent of the measures which can be implemented regarding product design, as well as the use of recycled products. Furthermore, the economic costs associated with changes in production processes or traditional business models often deter businesses from initiating changes, while the current economic situation is an additional barrier to circular economy investments. Market research has shown that although most businesses understand the reasons why the transition to a circular economy is necessary, as well as the benefits they may gain from implementing more circular business models, they also perceive significant challenges in this. These are ranked below:

1. Lack of infrastructure and of a supporting framework;
2. Lack of technology to support the Circular Economy;
3. Lack of funding schemes;
4. Lack of sustainable economic models for businesses;
5. Inability to design innovative products;
6. Lack of economies of scale;
7. Difficulties in accessing funding for new business models.

Policy initiatives should therefore focus on building a supporting framework to support businesses towards circular economy investments, as well as on promoting innovative product design and business models and strengthening the market to ensure their economic sustainability.

### Future policy plans

The **National Resilience and Recovery Plans** includes the following circular economy-related activities:

#### **Sub-component 3.1.4 Circular economy Reform 4 (C3.1R4): Enhancement of circular economy in the industry**

The objective of the measure is to enhance the circular economy model in the country through the implementation of the Cyprus National Circular Economy Action Plan 2021-2027. The Action Plan shall include a grant scheme to enhance business investment in the circular economy, as well as actions such as

- (i) raising awareness among the consumers and the business community regarding the benefits of circular products towards the environment and about the strengths and business opportunities that the circular economy offers;
- (ii) providing consulting services regarding business diagnostics, business coaching, training of employees and preparation of a roadmap for transitioning to circularity, and;
- (iii) sharing a marketplace platform for the circular economy to connect supply and demand of materials, scrub and waste.

The grant scheme shall be open to SMEs aiming to move into a circular operating model. Grants may go up to EUR 317,500 for each beneficiary, covering up to 60% of the investment cost incurred by each SME. 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 shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected. The implementation of the reform shall be completed by 30 June 2026.

#### **Investment 12 (C3.1I12): Waste management towards circular economy**

The objective of the measure 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 shall be completed by 31 December 2025.

To implement the above several sub-measures have been included in the Circular Economy Action Plan and are funded under the RRF:

1	Communication Plan	€500,000
2	"Go Circular" Funding Scheme for R&D projects with the aim of developing and creating new circularity products and services	€ 1,000,000
3	Grant Scheme to strengthen business investments in the circular economy	€13,300,000
4	Promote the Circular Economy in Hotel Facilities	€1,400,000
5	Creation of an online resource exchange platform (sharing marketplace for the circular economy)	€20,000 plus maintenance costs
6	Installation of green recycling kiosks in remote communities	€3,500,000
7	Expansion of the Green Points Network	€10,000,000

## DESCRIPTION OF THE MEASURES AND PROGRESS IN IMPLEMENTATION

### 1. Communication Plan for the promotion of the Circular Economy to Businesses and the Public

The objectives of the communication plan are to (a) cultivate a culture of circularity in the business community and raise awareness on the benefits that the circular economy offers to businesses, as well as the competitive advantage it can offer, (b) inform and raise the awareness of citizens on the concept of the circular economy and (c) inform businesses and the public regarding the measures of the Circular Economy Action Plan. The MECI has carried out an open tender for the assignment of the communication plan. Implementation began in 2022 and has a duration of four years. The expected results include:

- The development of information and publicity activities for the period 2021-2026;
- Inform and raise public awareness on the objectives, philosophy, and contribution of the circular economy to the competitiveness of the country, but also to the protection of the environment;
- The creation of a positive climate to encourage the circular economy and understanding of the opportunities arising from the transition to a circular production model in businesses;
- Inform the public and the business community about the opportunities and possibilities provided through the various actions (incentives, sponsorship plans and infrastructure) implemented under the Action Plan.

A number of actions have been implemented so far, including television and radio spots, outdoor advertising, print articles, information through social media, etc. Market research was also carried out to capture opinions and perceptions of the public and businesses on the circular economy.

### 2. "Go Circular" Funding Scheme for R&D projects with the aim of developing and creating new circularity products and services.

Four projects in the circular economy sector will be financed with a total budget of € 2.3cm as follows:

	Title	Host Organization	Partner Organisation	RIF FUNDING
CODEVELOP-GT/0322/0014	Beyond Onshore Electrification: A bioCNG Floating Power Plant for Maritime Decarbonization	InoMob LTD	PA 1: CMMI CYPRUS MARINE AND MARITIME INSTITUTE PA 2: NICOS ARMENIS AND SONS LIMITED PA 3: PetroNav Ship Management LIMITED	600,000.00

CODEVELOP-GT/0322/0023	Transitioning to Green agriculture by assessing and mitigating Carbon emissions from agricultural soils in Cyprus	ERATOSTHENES CENTER OF EXCELLENCE	PA 1: CELLOC LTD PA 2: Ministry of Agriculture, Rural Development and Environment	599,550.00
CODEVELOP-GT/0322/0079	Development of a novel eco-friendly and sustainable masonry brick	University of Cyprus	PA1: GA FYLACTOU LTD	559,384.08
CODEVELOP-GT/0322/0085	Sustainable structural insult panels from recycled clothing textiles and seaweed for the construction industry	AMDM - Advanced Materials Design & Manufacturing Limited	PA1: Erevnitiko Idryma PL PA2: Nicolaides & Kountouris Metal Company Ltd PA3: University of Cyprus	590,682.08

### 3. Grant Scheme to strengthen business investments in the circular economy

The MECI has prepared a Scheme Guide following stakeholder consultations. The total budget of the Scheme amounts to €14.4m. It is expected that the Plan will be announced within 2024 for the completion of actions by the 2nd quarter of 2026, within the framework of the Cyprus Recovery and Resilience Plan.

#### 4. Promote the circular economy in the hotel sector

The measure is analysed in detail above.

#### 5. Creation of an online resource exchange platform (sharing marketplace for circular economy).

The aim of the action is to create an online platform that will enable businesses, industries and public organizations to share equipment, services, facilities, waste, materials and personnel. Implementation of the action was planned within 2022, however initial discussions highlighted issues regarding the functionality and sustainability of the platform. For this purpose, a feasibility study is currently conducted which aims to:

- Document technical and functional specifications of a resource exchange platform;
- Record requirements on the basis of guidelines regarding the platform operator;
- Document examples of good practices applied abroad regarding similar exchange platform operating models;
- Identify economic operating models to ensure platform sustainability based on ecosystem needs research;
- Record potential risk factors that may affect the implementation and/or operation of the platform;
- Propose features that can be integrated into the platform to optimize its operation;
- Submit the final platform operating model proposal including agreed technical and functional specifications.

This study is expected to be completed within March 2024.

#### 6. Installation of green recycling kiosks in remote areas

The Project concerns the installation of 50 prefabricated Green Kiosks for recycling in mountainous and remote communities, aimed to facilitate the separate collection of recyclable municipal waste in places where they are not served by EPR systems and licensed waste collectors. The siting of the Kiosks has been determined and the tender for the construction and installation of the kiosks has been signed with a duration period of 5 months until

## **7. Expansion of the Green Points Network**

The Green Points Network was completed in 2016 with funding from the European Structural Funds and includes 23 Green Points and 4 mobile units. The Green Points were put into full operation in 2019. Developments in municipal waste management have highlighted the need to expand the existing Green Points Network. The program for the expansion of the Network is currently under implementation and is expected to be completed around the middle of 2026. It includes:

- The expansion and upgrade of existing Green Points and the provision of additional mobile/immovable equipment;
- The design and construction of new Green Points;
- The design and construction of a Network of Recycling Corners to serve the rural communities in the Troodos region, in the context of the implementation of the National Strategy for the Development of the Communities of the Troodos Mountain region.

European Topic Centre on  
Circular economy and resource use  
<https://www.eionet.europa.eu/etcs/etc-ce>

The European Topic Centre on Circular economy and resource use (ETC-CE) is a consortium of European institutes under contract of the European Environment Agency.

