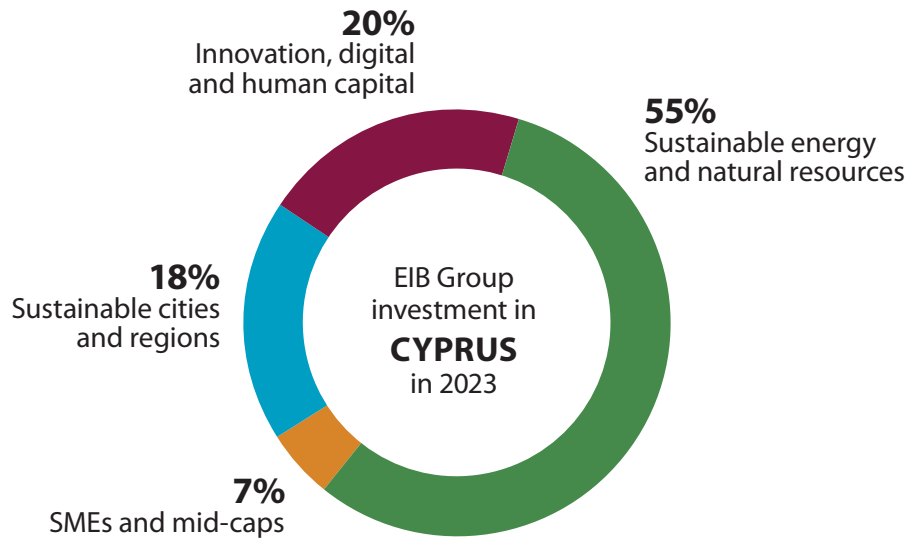


- EIB support for Cyprus was up 3% from €250 million in 2022.
- The EU financing arm focused on climate action.
- €157 million went to climate action and environmental sustainability projects.
- Support for water management accounted for 43% of the total.



In 2023, the EIB Group (the European Investment Bank and its subsidiary the European Investment Fund) recorded another year of impressive results in Cyprus. The public and private sector both turned to the EU financing arm for support for long-term investments in high-impact projects backing EU policy priorities, such as increasing economic competitiveness, mitigating climate change, and improving everyday life for residents. The financing signed was the sixth-highest among all EU countries as a share of GDP.

Climate action and green projects accounted for **61%** of the total, or **€157 million**. Among the flagship loan agreements, the EIB committed €130 million to support a programme called THALIA that targets smart and green investments, including digitalisation, urban regeneration, water, energy, environmental protection and vocational training. Wastewater investments in Nicosia, Limassol and Larnaca brought €100 million to help Cyprus comply with EU water legislation. The remaining €27 million came from the EIB's European Investment Fund subsidiary, which is supporting the nascent Cyprus equity market. The team appointed to manage the Cyprus Equity Fund, the country's first publicly supported venture capital fund, is currently fundraising. Investments are expected to start in



the second quarter of 2024, marking a big step towards improved access to risk finance for startups and innovative companies in Cyprus. EIB Advisory expanded its footprint in Cyprus by providing technical assistance to the public and private sectors in infrastructure projects relating to the environment, transport, climate, digital innovation and urban development. Highlights of advisory support in 2023 included assistance for the establishment of an efficient organisational and governance structure, as well as robust industrial safety procedures for the Vasilikos Energy Centre, an assignment worth €1.5 million. EIB Advisory also handled the implementation plan for the operation of the New Cyprus Museum, to be financed by the EIB in 2024.

Water management

€100 million for sewerage networks and treatment facilities in Nicosia, Limassol and Larnaca

The new **€100 million** investments in water management were signed in December 2023. They are a significant step in helping to move Cyprus towards full compliance with the **EU Urban Wastewater Treatment Directive**. The projects will fund the preparation and construction of sewerage networks and treatment facilities for peri-urban communities in the three largest cities in Cyprus, **Nicosia, Larnaca** and **Limassol**. Cyprus is one of the most water-scarce countries in the world. It has limited freshwater resources, but demand for water is increasing. While improving service efficiency, the new operations will also have other environmental and public health benefits, such as avoiding surface and groundwater pollution.



The wastewater treatment facilities in Limassol

EU co-financing investments

€130 million for smart and green investments in multiple sectors to boost the local economy

A multi-sector EU co-financing loan operation was signed in December 2023 to support the **THALIA** programme, which targets smart and green investments including digitalisation, resource efficiency (especially water and energy), environmental protection, modernising vocational and training infrastructure for employment, and social cohesion. THALIA runs from 2021 to 2027 and has a total budget of **€1.8 billion**. It is central to Cyprus' efforts to bolster economic resilience and competitiveness through innovative investment. The new support of **€130 million** will finance selected operational programmes and priorities during that period as outlined in the Cyprus partnership agreement, with the EIB playing an important role in helping the country steer its economy towards smart, digital and sustainable investments, while also maintaining robust employment and social cohesion.

Equity ecosystem support from the EIF

In 2023, the EIF supported the nascent equity market in Cyprus. The team appointed to manage the Cyprus Equity Fund, the country's first publicly supported venture capital fund, is currently fundraising. The EIF's **€27 million** commitment was signed in September 2023. Investments are expected to start in the second quarter of 2024, marking a big step towards improving access to risk finance for startups and innovative companies in Cyprus.

EIB Advisory expands footprint

EIB Advisory has further expanded its already significant presence in Cyprus by providing technical assistance to the public and private sectors in important infrastructure projects relating to the environment, transport, climate, digital innovation and urban development. A key objective for EIB Advisory's activity in Cyprus is to maintain a strong link with EU policy priorities and an investment project focus, and this is offered independently of EIB lending activity. There are currently five active assignments and three recently completed assignments in Cyprus. The highlights of advisory support in 2023 included assistance with the establishment of an efficient organisational and governance structure, as well as robust industrial safety procedures, for the **Vasilikos Energy Centre**, an assignment worth **€1.5 million**. EIB Advisory also handled the implementation plan for the operation of the **New Cyprus Museum**, to be financed by the EIB in 2024.



Plans for the redesign of the Pancyprian Gymnastic Association area in Nicosia, which utilises EU co-financing

Overall EIB Group achievements in 2023

In support of all relevant projects

the EIB Group signed

€87.85 billion

New jobs expected to be created by 2027

1.4 million

across the EU27

REPowerEU projects made up

€21.38 billion

of all EIB Group projects financed in 2023

With €49 billion for climate action

55.8%

of all EIB Group projects in 2023 were green

EIB Group support for 400 000 SMEs and mid-caps
amounted to

€20 billion

Supporting cohesion

Over 45% of financing in the European Union
went to less developed regions, totalling

€36 billion

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