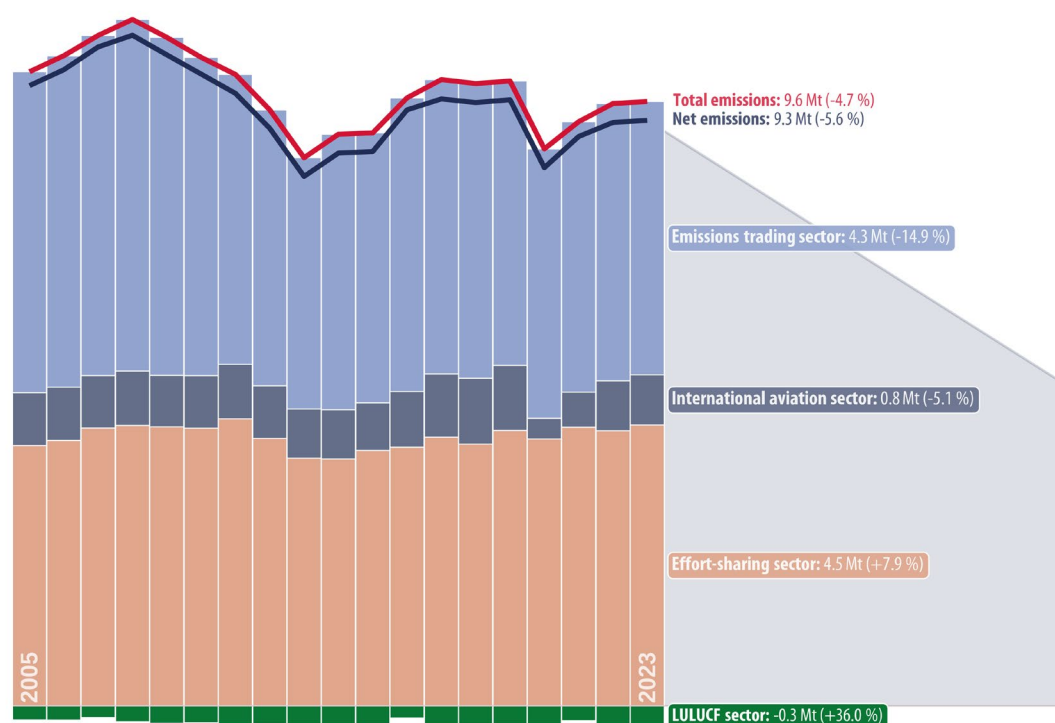


Cyprus's climate action strategy

In 2023, Cyprus accounted for around 0.3 % of the EU's net greenhouse gas (GHG) emissions, and achieved a net emissions reduction of 5.6 % compared with 2005. The country's total emissions decreased by 4.7 % between 2005 and 2023, while its net carbon removals in the land use, land-use change and forestry (LULUCF) sector increased by 36 %. Emissions from sectors covered by the effort-sharing legislation have increased by 7.9 % since 2005, and in 2023 were slightly higher than those from sectors under the EU emissions trading system (ETS), which were down 14.9 % over the same period. Although Cyprus intends to reach zero net emissions in 2050 (see trajectory in Figure 1), the level of progress towards the EU climate neutrality objective appears to be insufficient. The European Commission assessed Cyprus's draft updated national energy and climate plan (NECP) and made recommendations. The final updated NECP was submitted in December 2024. Almost half of Cyprus's national recovery and resilience plan, which includes a REPowerEU chapter, is dedicated to the green transition, with a focus on energy and transport. In a 2023 survey, 39 % of Cypriots, compared with a 46 % EU average, identified climate change as one of the four most serious problems facing the world. Most expect the national government (69 %), business and industry (67 %) and/or the EU (63 %) to tackle climate change, while 41 % think it is a personal responsibility.

Figure 1 – Cyprus's greenhouse gas emissions in million tonnes (Mt), 2005–2023



Data source: European Environment Agency ([GHG inventory](#); [approximated estimates for 2023](#)), 2024.

This briefing is one in a series covering all EU Member States.



Cyprus's starting point

In 2022, Cyprus updated its [long-term low GHG emissions development strategy](#) ('Cyprus's LTS') with [projections](#) for GHG emissions reductions, but without specifying an overall LTS goal by 2050. The strategy analyses the scenarios for developing Cyprus's energy system and end-use consumption models. The aim is to enhance energy efficiency; increase the role of renewable energy sources and ensure the sustainability of energy consumption; and promote alternative fuels and technologies. A [review](#) of Cyprus's LTS is envisaged in view of the new energy and climate targets under the 'fit for 55' package and the REPowerEU plan. In 2016, a climate change risk assessment was conducted, and Cyprus adopted a [national adaptation strategy](#) (NAS) and action plan for climate change in 2017 and 2020, respectively, to identify key areas for intervention and specific adaptation actions. The strategy, which is now under revision, includes a vulnerability assessment and lists adaptation measures in 15 priority sectors, such as water resources, maritime and coastal areas, biodiversity, forests, energy and tourism. According to the [final](#) updated NECP, the second NAS is expected in 2025.

In 2005, Cyprus accounted for total emissions of around 10.1 million tonnes of CO₂ equivalent (MtCO₂e). In 2023, these emissions were only 4.7 % lower than the 2005 level. In the 2013–2020 period, Cyprus met its annual obligations under the effort-sharing legislation using banked surpluses from previous years to cover the excesses from 2017 to 2020. However, in 2020 its emissions in the effort-sharing sectors were 2.6 % higher than in 2005; in 2023, they had increased by 7.9 % since 2005. In 2020, the country surpassed its target of a 13 % renewable share in final energy consumption by 3.9 percentage points, and this increase continued until 2023. Cyprus's 2023 per capita emissions were 24.1 % lower than in 2005. They amounted to 10.4 tonnes of CO₂ equivalent (tCO₂e), 3.2 tCO₂e above the EU average. The country also reduced the carbon intensity of its economy by 39.8 % between 2005 and 2023, yet remained 54 % above the EU average.

Cyprus ranks 44th in the 2025 [Climate Change Performance Index](#) (CCPI), receiving 'medium', 'low', and 'very low' ratings in GHG emissions and energy use, renewable energy, and climate policy, respectively. The CCPI ranks countries based on their climate protection performance using primarily quantitative data, with experts providing qualitative evaluations of a country's forward-looking climate policies.

Climate action governance

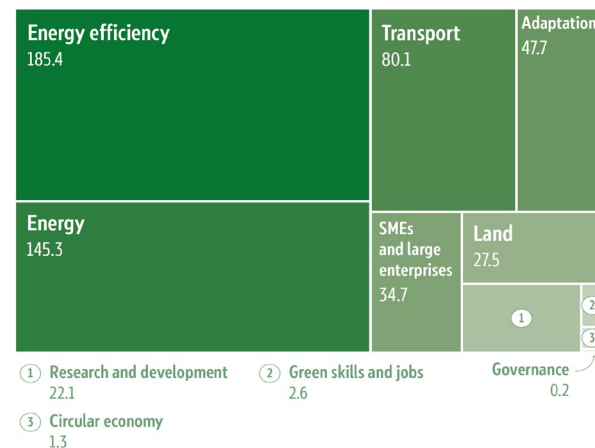
In November 2017, Cyprus's Council of Ministers set up a national governance system for climate and energy, which in 2020 became the [national governance system for the implementation of the Green Deal](#). This structure now includes five new working groups relating to the implementation of the Green Deal, dealing with issues of biodiversity conservation, the 'farm to fork' strategy, the circular economy, zero pollution, and finance and sustainability. It also includes a specialised Technical Committee on Hydrogen. A ministerial committee, co-chaired by the Minister of Finance and the Minister of Agriculture, Rural Development and Environment, is tasked with recommending to the Council of Ministers policies and measures relating to areas covered by the Green Deal, such as energy and climate change. The committee also submits the strategic documents – i.e. the NECP, the LTS, and the NAS and related action plan – for approval.

The Ministry of Agriculture, Rural Development and Environment monitors the [implementation](#) of adaptation measures and submits evaluation reports to the Council of Ministers. The revised adaptation strategy envisages the establishment of an intra-governmental working group on adaptation to climate change as a first step in the implementation process. Monitoring will be based on sector-specific indicators. [Adaptation policy](#) is of particular interest, as warming, intensification of extreme weather, and sea-level rise are already affecting Cyprus. Water scarcity and drought in particular are expected to worsen, putting further pressure on human life and ecosystems. The current institutional framework, which is [considered to be weak](#), and the non-binding approach to adaptation are the main governance challenges the country faces in adapting to climate change.

Climate action in the national recovery and resilience plan

Cyprus submitted its [national recovery and resilience plan](#) (NRRP) to the Commission on 17 May 2021. Following the 2022 [revision](#) of allocations, the plan was [amended](#) in November 2023 and now includes a REPowerEU chapter. The overall EU financial contribution to [Cyprus's NRRP](#) stands at €0.2 billion in loans and €1.02 billion in grants. The amount [received](#) by Cyprus to date totals over €377 million. Measures supporting climate objectives, primarily targeting [energy efficiency, renewables and sustainable mobility](#) account for 45 % of the plan's financial contribution (Figure 2). The plan contributes to connecting Cyprus to the EU electricity network as part of a broader investment intended to build a [cross-border interconnector](#) between Cyprus, Greece and Israel. The NRRP also includes [projects](#) aimed at promoting energy efficiency investments in small and medium-sized enterprises (SMEs), in the public sector and at local level, and at deploying smart metering infrastructure. Cyprus plans reforms relating to green taxation, the energy storage regulatory framework and the intelligent transportation system.

Figure 2 – NRRP climate dimension (€ million)

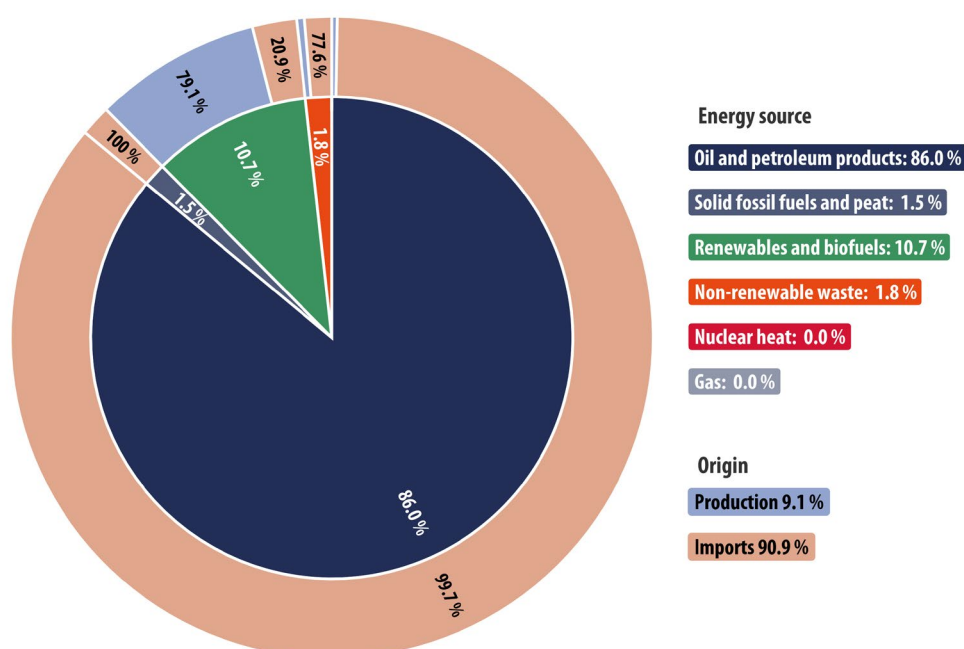


Data source: [European Commission](#), 2023; graphic by Lucille Killmayer, EPRS.

Energy situation

In 2022, Cyprus remained highly dependent on oil and petroleum products, which are entirely imported, mainly from neighbouring countries such as Greece and Israel (Figure 3). Fossil fuels accounted for almost 88 % of the country's energy mix. Transport was the largest sector in final consumption, followed by buildings. Cyprus intends to diversify the energy mix and lower its dependence on oil by importing liquefied natural gas (LNG) and pipeline gas, developing [natural gas](#) production, and deploying internal gas pipeline infrastructure. The country also seeks to reduce oil

Figure 3 – Energy mix and import dependency, 2022

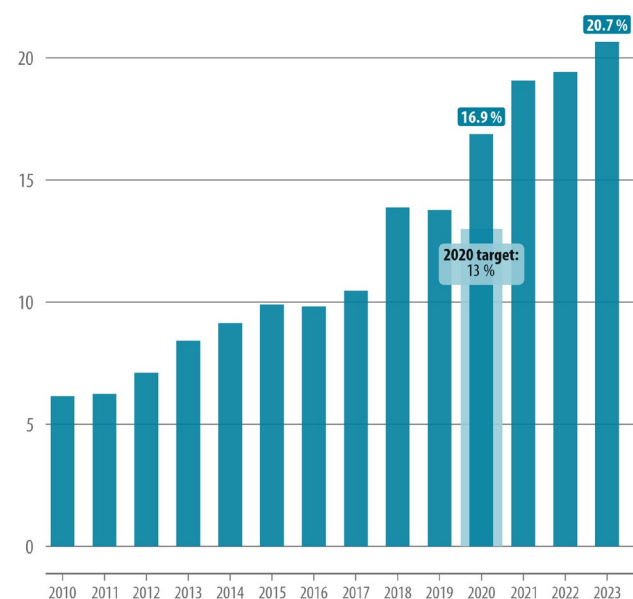


Data source: Eurostat ([nrg_bal_sd](#)), 2024.

consumption through energy efficiency measures. The fossil fuel share in the energy mix should [sink](#) to around 77 % by 2030. Increasing the share of renewable energy sources in the energy mix, especially for electricity production, is another way to make the energy system more flexible and decarbonised. Furthermore, Cyprus needs to improve its electricity grid and storage. Renewables, almost entirely produced domestically, constituted 10.7 % of the country's energy mix in 2022.

In 2023, the renewable energy share in Cyprus's final energy consumption reached 20.7 %; this is due to a significant increase in deployment of solar capacity, in particular photovoltaics, while the onshore wind energy capacity remained stable (Figure 4). The share of renewables in the 2023 electricity mix stood at 20.2 %. In the heating and cooling sector, this share was steadily growing ([41.6 % in 2022](#)), mainly because of the efforts made in the building sector. The share of RES in transport has not changed in recent years ([7.2 % in 2022](#)). In its final updated NECP, Cyprus [proposes](#) targets of a 28.8 % renewable share in 2030 to be achieved with existing measures, and 33.2 % to be achieved with additional measures.

Figure 4 – Renewable energy share in final energy consumption



Data source: Eurostat ([nrg_ind_ren](#)), 2024.

Sectoral challenges and strategies

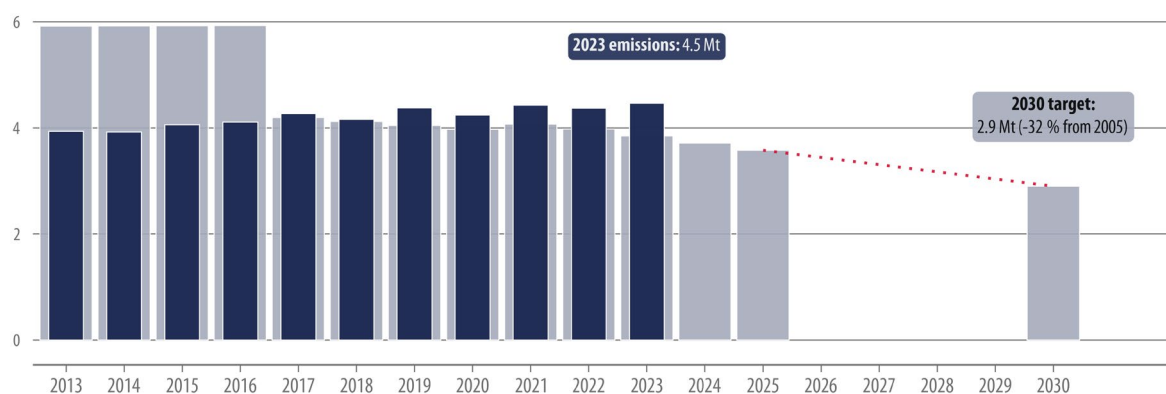
In 2023, the energy sector remained highly dependent on fossil fuels; transport was still dominated by private thermal cars; and waste management relied mainly on landfilling. That year, energy industries accounted for the largest share of Cyprus's GHG emissions, with a 32.5 % share of the total, followed by transport (21.2 %), industry (19.8 %) and buildings (13.9 %). While the energy, building, transport and industry sectors reduced their emissions by 10.3 %, 9.1 %, 3.9 %, and 1 %, respectively, agriculture and waste management exceeded the 2005 levels by 1.9 % and 19.7 %.

Most emissions from sectors under the EU ETS came from electricity production, with the rest from energy-intensive industry (mainly cement production facilities). Because of Cyprus's highly undiversified energy mix, further decarbonisation of these sectors might be a challenge. In 2030, as a result of the introduction and use of natural gas in electricity production, emissions in the ETS sectors are [expected](#) to decrease by 43 % compared with 2005. In the non-ETS sectors, the bulk of emissions came from road transport, followed by solid waste management and energy for residential, tertiary and agricultural use. Cyprus envisages introducing a carbon tax for fuels used in these sectors (mainly in transport and non-ETS industry) as part of the green taxation reform supported by the NRRP, which would prepare the introduction of the [ETS2](#) from 2027.

Emissions from sectors not included in the EU ETS, such as agriculture, transport, buildings, small industrial installations and waste, are covered by the EU effort-sharing legislation, which establishes binding [emissions reduction targets](#) for each Member State and sets up [annual emissions allocations](#)

(AEAs) (Figure 5). The revision of the [Effort-sharing Regulation](#) (ESR) in 2023 raised the national targets for 2030. Cyprus has been assigned a reduction target of 32 % compared with 2005; however, current [projections](#) indicate that the country will miss its 2030 binding target, even applying additional measures. Since 2017, ESR emissions have exceeded the annual limits, and the Commission [estimates](#) that this trend will continue until 2030. Cyprus should therefore use [flexibilities](#), such as transferring AEAs from another Member State, starting in the 2021–2025 period.

Figure 5 – Cyprus's emissions under the Effort-sharing Decision/Regulation



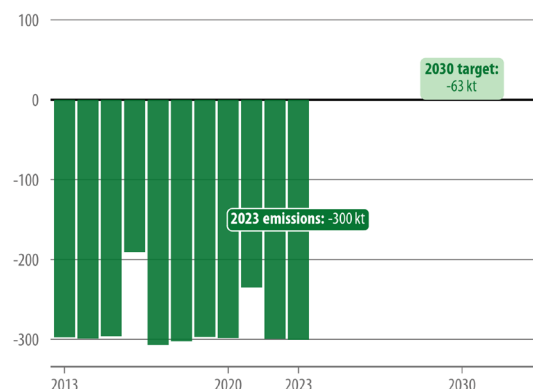
Data source: European Environment Agency ([EEA](#)), 2024.

Electrification of **transport** is a key measure to decarbonise the sector. Cyprus plans to increase the electric vehicle fleet to 8 % in 2030 through incentive schemes, and is considering the use of smart vehicle-charging and vehicle-to-grid systems. An incentive plan for the purchase and use of low- and zero-emission vehicles is being implemented. Investments are also planned in [public transport](#), which currently represents as little as 3 % of travel share, and in non-motorised mobility. It is estimated that 7 % of the public bus fleet will be electric by 2030, with the purchase of 60 electric vehicles. Cyprus aims to promote the use of alternative fuels such as biomethane and hydrogen, as well as biofuels in aviation.

To reduce **waste-related emissions**, Cyprus has [planned](#) a total of 65 measures aimed at reducing waste generation, increasing reuse and recycling, and enhancing separate collection of municipal waste. Several projects are being implemented, with an estimated budget of €82 million, co-financed by EU funds. A [charge on household/landfill waste](#) is planned as part of the green tax reform. To reduce methane emissions from waste, investments to rehabilitate waste disposal sites and landfills are envisaged. Cyprus's long-term building renovation strategy lists existing and planned [incentives](#), reforms, and [regulatory measures](#) to decarbonise the **building stock**. The energy upgrade of [public buildings](#), such as hospitals and schools, is strongly encouraged by investments to install thermal insulation, photovoltaics and heat pump systems. The installation of [RES systems for self-consumption](#) is also incentivised.

The revised [LULUCF Regulation](#) sets an EU land-based net GHG removals target to be implemented by 2030 through binding national targets (Figure 6). By 2030, Cyprus [must reduce](#) its LULUCF emissions by

Figure 6 – LULUCF emissions in Cyprus



Data source: [EEA](#) (2030 target is based on 2016–2018 baseline), 2024.

63 ktCO₂e compared with its average emissions in 2016, 2017 and 2018 (where accounting adjustments may occur). In 2023, Cyprus's carbon removals in the LULUCF sector increased by 36 % compared with 2005. Since 2013, the carbon sink has remained stable, except in 2016 and 2021, when major fires occurred. To improve the LULUCF carbon sink capacity, several measures, such as the [Plant for Climate](#) initiative, are being implemented. To deliver on its 2030 LULUCF obligation, Cyprus also [plans](#) to set up a system for carbon removals through voluntary carbon markets, and to increase carbon storage through sustainable afforestation on agricultural land. The use of state-owned land for afforestation, and additional targeted actions, are envisaged to increase [tree planting](#).

Latest policy developments

As part of the 2024 [European Semester](#), in October 2024 the Council approved [country-specific recommendations](#) for Cyprus based on the June 2024 Commission country report assessing the implementation of the NRRP. The Council points to the considerable challenges Cyprus faces in improving its climate change resilience. The country's vulnerability to climate change is significant, and the needs relating to risk prevention and preparedness are becoming increasingly urgent. The lack of sustainable water management to build resilient agriculture is of particular concern. In terms of energy policy, Cyprus still has to accelerate the deployment of renewable energy sources. One of the persistent challenges is the need to upgrade and expand the existing electricity grid and storage in order to accommodate an increasing share of renewables.

A [study](#) on the cost of climate change on households in the EU estimates that the highest increase in climate-induced health expenditure is expected to occur in Cyprus, as well as in Greece. Cyprus is also among the countries with the highest increase expected in household food expenditure.

Following the [infringement procedure](#) opened by the Commission in November 2024, Cyprus submitted its final updated NECP on 20 December 2024, which should take account of the Commission [recommendations](#) published on 18 December 2023. The final plan therefore includes some additional information regarding, for instance, the upward ambition for the share of renewables; changes in the governance structure, and monitoring and evaluation of adaptation policies; and planned measures in the LULUCF sector. The new [long-term building renovation strategy](#), adopted in July 2024, was submitted together with the final plan. Moreover, Cyprus tasked external consultants with carrying out two studies on the measures the country needs to take to achieve climate neutrality by 2050. The findings are included in the final updated NECP.

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