

Theodosios Tsiolas: “Sustainable and prosperous environment for everyone”



With the negative impact that the pandemic has had on the economies, many EU countries including Cyprus hope to mitigate the consequences through the use of various European funding programmes. In Cyprus, the authority overseeing this filed is the Directorate General for European Programmes, Coordination and Development. Successful Business talks with its Permanent Secretary Theodosios A. Tsiolas about the current priorities and the opportunities available in the Republic.

Could you tell us about the main tasks and responsibilities of the Directorate General?

It is the second Directorate of the Ministry of Finance. The Directorate General’s mission is to promote economic growth, strategic planning, and coordination; monitor the implementation of government policy; and safeguard the optimal use of the available European funds. We are responsible for receiving and coordinating EU recommendations regarding structural and other reforms that need to go through the Parliament. We are also preparing a national Recovery and Resilience Plan which will include reforms and investments for the next 5-6 years to ensure better resilience and a stronger economy. Our areas of responsibility include as well the management of the European Structural and Investment Funds, the European Economic Area (EEA)-Norway and Switzerland Grants programmes and the European Competitive Programs. Furthermore, the Directorate General is responsible for the implementation of the Erasmus+ programme and the monitoring of the public projects announced by the President of the Republic of Cyprus.

Speaking of the European Structural and Investment Funds, how are they allocated and monitored? Does it involve only the public sector, or private as well?

We mostly work through the government departments and Ministries who receive the funds for project implementation. The aim is to prepare a solid programme to be submitted every seven years to the EU Commission for approval. We allocate most of the funds to the Ministries since the goal is to prepare a tangible plan focused on social inclusion, gender equality, non-discrimination as well as the growth and resilience of the economy. The allocation of the European Structural and Investment (ESI) Funds is carried out through a transparent programming procedure, based on the national legal and institutional framework.

How can individuals and institutions participate in the Erasmus programmes?

We monitor and supervise the two designated authorities in Cyprus as regards Erasmus+ programmes, providing also adequate co-financing to them. The ultimate goal is to fully absorb the funds available so that the society and the economy of Cyprus could feel the positive impact of Erasmus+ on the Cyprus society and economy. With this in mind, the government has designated two National Agencies: the Foundation for the Management of European Lifelong Learning Programmes which is responsible for the sectors of school education, adult education, higher education and vocational education and training, and the Youth Board of Cyprus overseeing the youth sector. These two agencies cooperate closely including the organization of joint information and other events and a common website which is updated with the latest news and mobility opportunities offered by the programme.

They collaborate with private and public universities, municipalities, non-governmental organizations and other competent authorities, and give mobility opportunities to young people through special programmes with the aim to enhance their knowledge of Europe and exchange ideas. I would like to mention that the EU Council decided to triple the Erasmus programme funding for the period 2021-2027 to enable more youngsters to get this experience. All students studying in Cypriot universities can benefit from this scheme regardless of their nationality.

Could tell us about the Recovery and Resilience Plan? How are the projects selected, what are the focus areas and major challenges?

The Recovery and Resilience Fund was established by the EU last summer to handle major problems caused by the Covid-19 pandemic. This plan aims to promote the resilience and recovery of the economy, stimulate growth, and have a stronger economy in all EU states. Cyprus will receive €1.2 billion from the EU. Of those, €1 billion will come as grants and the remaining €200 million as a loan on very favourable terms. Our aim here is to promote and implement projects in the next 5-6 years in five main areas: Public health, civil protection and lessons learned from the pandemic; Accelerated transition to a green economy; Strengthening the resilience and competitiveness of the economy; Towards a digital era; and Labour market, social protection, education, and human capital.

The funds are allocated to Ministries and Local Authorities to implement respective projects. The main challenge here is that this funding comes with the promise of the government of Cyprus, as well as any other EU state, to combine these projects with the implementation of reforms. Let me give you some examples of the difficult reforms that we had to go through during the pandemic. These are the public administration reform, the local government administration reform, the reforms of the courts, access to finance. All these are vital for the country because they will completely change the way how business is done, and ensure the robustness of the economy in the future.

At the same time, in Cyprus, implementation of laws and regulations is known to be challenging. How can we ensure that Cyprus is not behind schedule?

Every six months there will be an evaluation by the EU will be undertaken to verify that the agreed milestones for both projects and reforms are achieved on time. For the time being, we are dealing with the public and the local administration reforms and the reform of courts, that need to be approved by December 2021.

In the past, numerous attempts to reorganise the public sector had failed. Do you think there is a chance to succeed this time?

We need to proceed jointly with the trade unions and the parliamentary parties. In this context, several weeks ago, the President met with the heads of the parliamentary parties to update them about the Plan and the reforms that need to go through. Moreover, during the preparation of the Plan, a public consultation has been organized in September 2020 and as a result, a committee was established with representatives of the Ministry of Finance, the Directorate General for European Programmes, Coordination and Development and the political parties, aiming to achieve the highest possible consensus regarding the reforms and investments to be incorporated in the Recovery and Resilience Plan. We held discussions from January until May 2021, and met with trade unions and NGOs regarding the content of the Plan. Consequently, many of their suggestions were incorporated. Everyone agrees on the reforms, but there are disagreements on some specific legislative provisions.

Hopefully, after the summer holidays, we will be able to further collaborate with the political parties and start another round of consultations. Considering the fact that the absorption of the RRP funds will be based on the timely implementation of the reforms and investments, it will be sad if the available grants that could help the Cypriot economy grow, will not be utilized.

Are there any funding opportunities for private businesses or entrepreneurs?

Most of the funding opportunities for the private sector are managed by the Ministry of Energy, Commerce and Industry. There are various schemes including for the enhancement of entrepreneurship; for the enhancement of SMEs competitiveness; for the digital upgrade of enterprises; for promoting energy efficiency investments in SMEs, municipalities, and communities; for the reduction of CO2 emissions in industries, businesses and organisations. Businesses can benefit from these and many other schemes.

The information about these opportunities is usually published on the Ministry's website.

Furthermore, some other schemes are promoted and managed by the Deputy Ministry of Tourism and the Ministry of Agriculture, Rural Development and Environment.

Can businesses turn to the Directorate for assistance with selecting an appropriate scheme?

Even though we can advise on some matters by email, the information provided by the Ministries is comprehensive. Besides, there is a number of companies in Cyprus that specialise in and can assist with such queries.

In conclusion, is there anything you would like to say to the members of the Russian-speaking community of Cyprus?

First of all, I would like to extend my warmest greetings and say they are much welcome in Cyprus. Cyprus is a lovely place to live and do business. Despite many difficulties caused by Covid-19, we are doing our best to make the lives of people and the conditions for their business in Cyprus better. An enormous amount of money will be injected in the economy in 2021-2027, reaching about €4.4 billion. The aim is to manage these substantial funds to provide a more sustainable and prosperous environment for everyone living and working in Cyprus.

I would like to invite our Russian-speaking friends and other nationalities in Cyprus to apply for the available funding and benefit from it. We consider that all people living in the island should have the same opportunities and be able to take advantage of various funding programmes including the grant schemes and the Erasmus programmes.

I am confident that the strong economic ties between Russia and Cyprus and our friendly people-to-people contacts will build the way to prosperity and mutually beneficial cooperation.

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