

The Green and Sustainable Finance Conference

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Hilton Hotel

Minister of Energy, Commerce and Industry
Ms Natasa Pilides



**MINISTRY OF ENERGY
COMMERCE AND INDUSTRY**



GLOBAL AND EU EFFORTS TO TACKLE CLIMATE CHANGE



PARIS AGREEMENT

- ✓ *The largest international reform effort, binding for 195 countries including Cyprus.*
- ✓ *Goal: Keep global warming below 2° C compared to pre-industrial levels.*

GREEN DEAL

- ✓ *40% reduction of greenhouse gas (GHG) emissions.*
- ✓ *32,5% reduction of energy use.*
- ✓ *32% RES on the gross final energy consumption.*
- ✓ *15% electricity interconnections.*

“FIT FOR 55”

- ✓ *55% reduction of GHG emissions.*
- ✓ *36% reduction of energy use in final energy consumption.*
- ✓ *39% reduction of energy use in primary energy consumption.*
- ✓ *40% RES on the gross final energy consumption.*



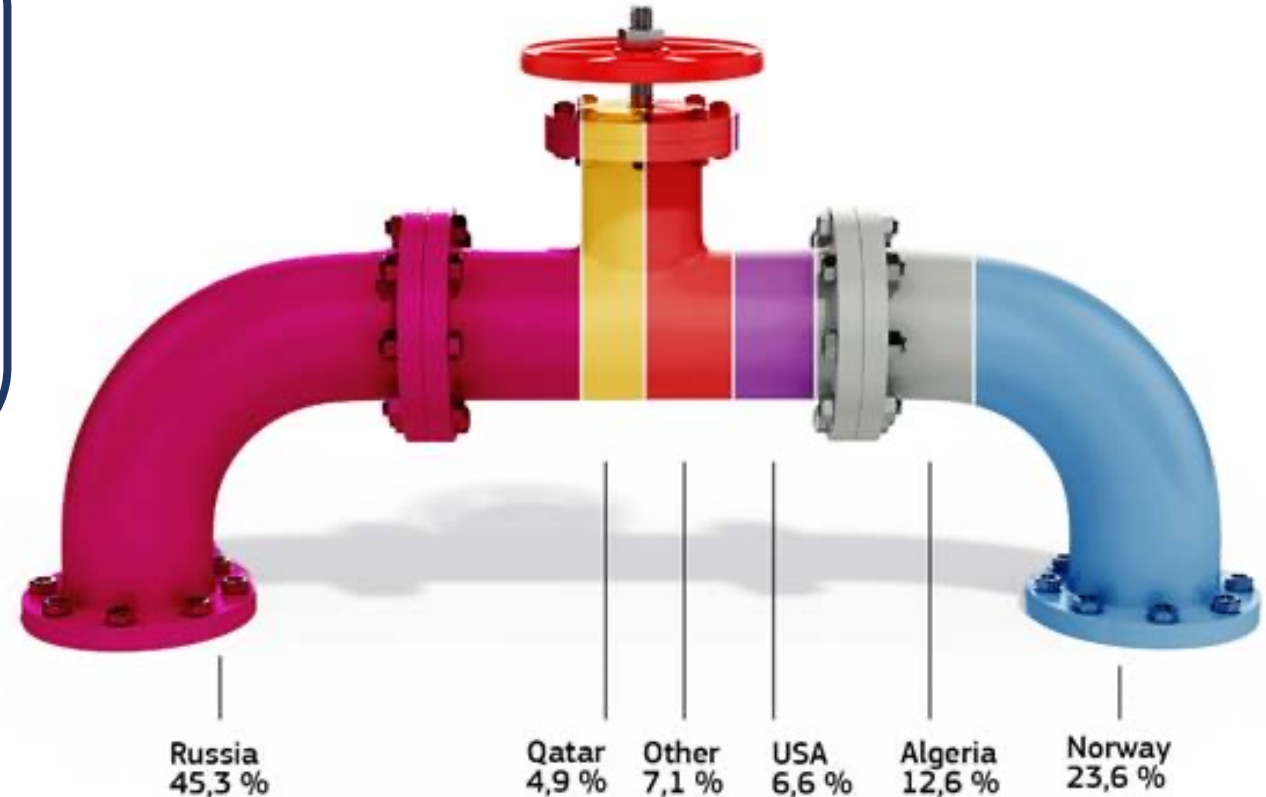
WAR IN UKRAINE – ENERGY CRISIS



EU energy imports

- EU imports 90% of its gas consumption.
- EU imports from Russia:
 - ❖ 27% of oil products.
 - ❖ 46% of coal.
 - ❖ 45.3% of natural gas.

Share in EU natural gas imports, 2021

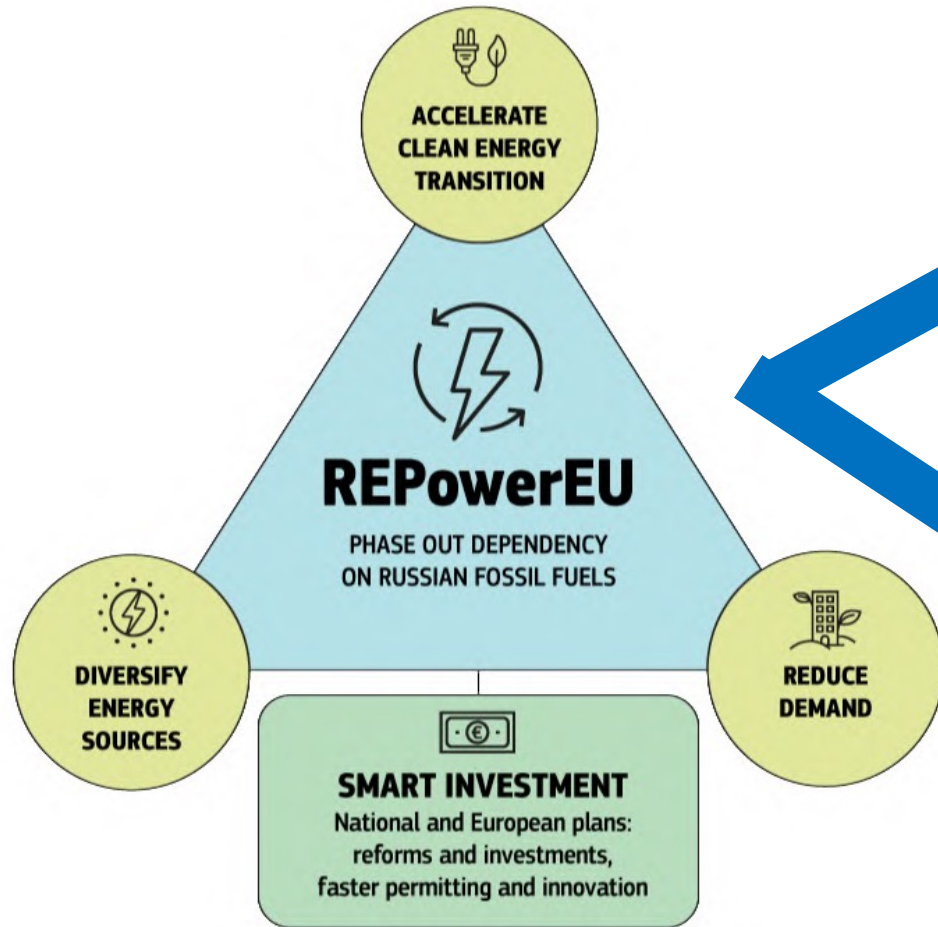


EU needs to urgently phase out Russian dependence

Source: European Commission



REPOWER EU



EU Commission estimates:
€270 billion of additional investment is required in energy efficiency, renewable energy and electricity networks to end EU dependence from Russian fossil fuels by 2030.

BloombergNEF estimates:
EU will require **€3.5 trillion** of investment in mostly wind and solar projects, and another **€1.4 trillion** would need to be spent on green hydrogen developments, to end its dependence from fossil fuels by 2050.

Source: European Commission

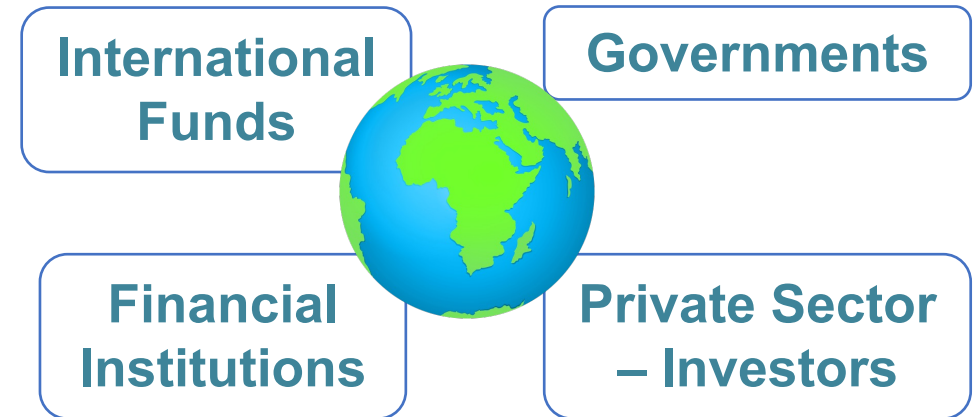


GREEN AND SUSTAINABLE FINANCING



- OECD estimates: **€6.35 trillion/year** will be required globally to meet Paris Agreement goals by 2030.
- Transforming EU economy requires large investments, especially for green and low-carbon transition.
- The public sector alone cannot cover this financial need, hence solutions should be sought to bring the private sector on board.

Who should be involved in Green and Sustainable Financing?



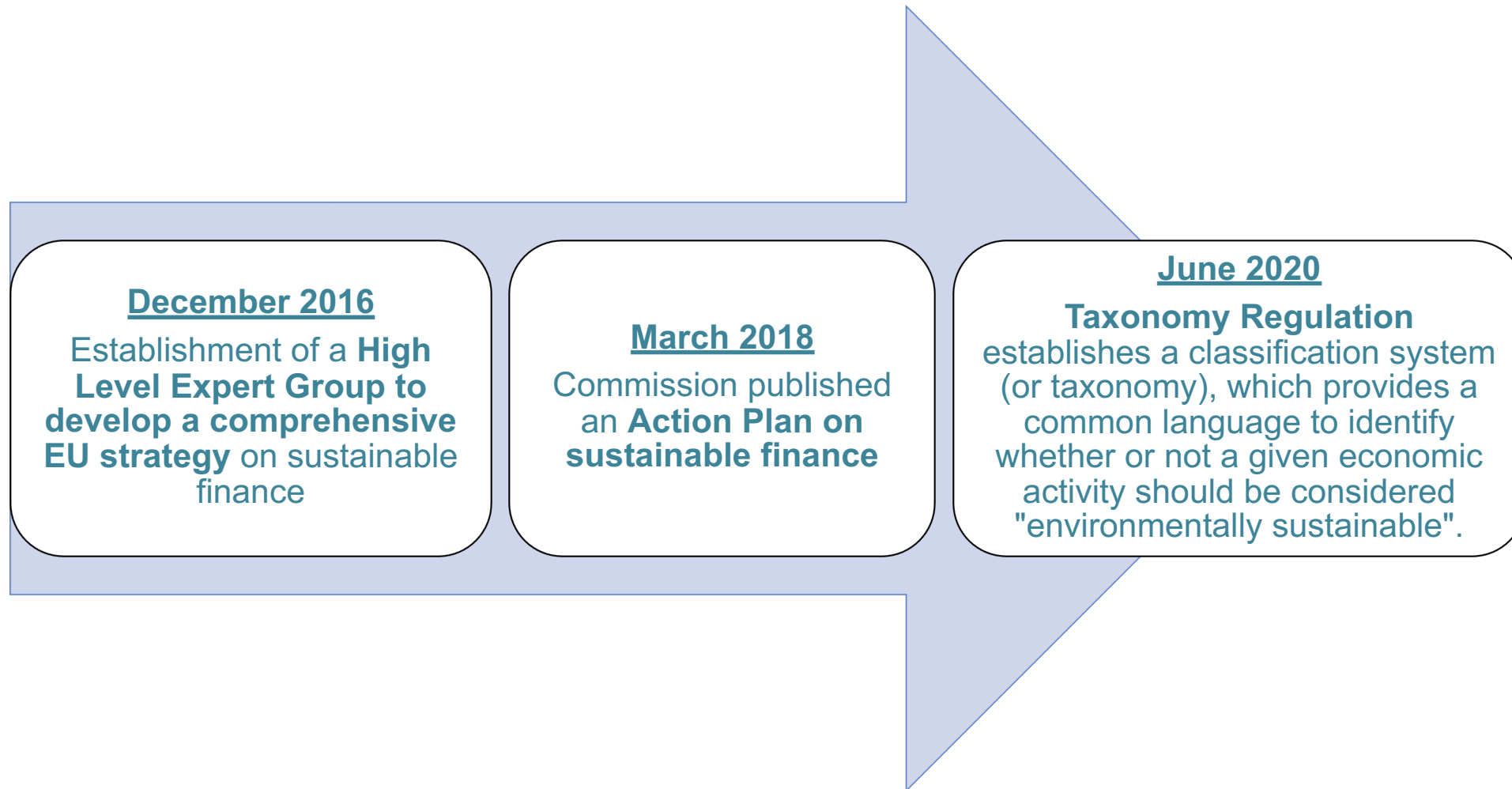
WAYS TO PROMOTE GREEN AND SUSTAINABLE FINANCING



- Making required changes for green financing to national regulatory framework.
- Aligning public sector financial decisions with sustainable development objectives.
- Encouraging different sectors to participate in this financing.
- Boosting investment in clean and green technologies.
- Encouraging private and public partnerships in green projects.



EU – A GLOBAL LEADER IN GREEN AND SUSTAINABLE FINANCING





Green Transition in Cyprus



ACCELERATING GREEN TRANSITION – CRITICAL INFRASTRUCTURE



**LIFTING
ENERGY
ISOLATION**

**ENSURING
ENERGY
SUPPLY**

01

EuroAsia Interconnector

- PCI Project 2000MW.
- €657m EU grant from CEF.
- €100m from national RRF.

02

Electricity Interconnector of Cyprus with Egypt and Greece

03

LNG Import Terminal

- PCI Project.
- €101m EU grant from CEF.

€35m for installation of smart meters (400.000 by mid 2026).

€100m investments on grid to support green transition (2021 – 2030).

€875m to support grid business-as-usual functions (2021 – 2030).

01

02

03

**UPGRADING
&
DIGITALIZING
THE
ELECTRICITY
GRID**



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ACCELERATING GREEN TRANSITION – CRITICAL INFRASTRUCTURE



- **Installation of energy storage systems (centralised and decentralised).**
 - Funding programs of **€80 million** in the pipeline.
- **Upgrading and digitalising the electricity network.**
 - Installation of smart meters (**400.000 by mid 2026**).
 - Additional cost for supporting green transition (2021-2030) estimated at **€100 million**, on top of the **€875 million** to support the business-as-usual functions of the grid, during the same time period.



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FUNDING GREEN TRANSITION IN CYPRUS



Further promotion of Renewable Energy Sources and Energy Efficiency

Main instruments: Financial Support Programmes.

~€587m by Energy Ministry for greening and recovery of the economy (2021-2027).

- 64% (€374m) for greening the economy.
- 35% (€208m) for competitiveness of the economy.

**In 2022, MECI's budget for Funding Programmes promoting RES and Energy Saving has almost tripled compared to 2021.
→ €120 million from €44 million**

- i. Promotion of energy efficiency measures and RES in SMEs: **€40 million.**
- ii. Promotion of energy efficiency measures and RES by local / public authorities and NGOs: **€9 million.**
- iii. Energy efficiency renovation of households: **€35 million.**
- iv. Information campaign on energy efficiency: **€153.090.**

RES and Energy Efficiency Fund

Promotion of individual RES and Energy efficiency measures (2022-23): **€70 million.**

- i. Installation or replacement of solar water heating systems: **€0.95 million.**
- ii. Installation of PVs for charging points for electric and plug-in hybrid vehicles in households: **€1.5 million.**

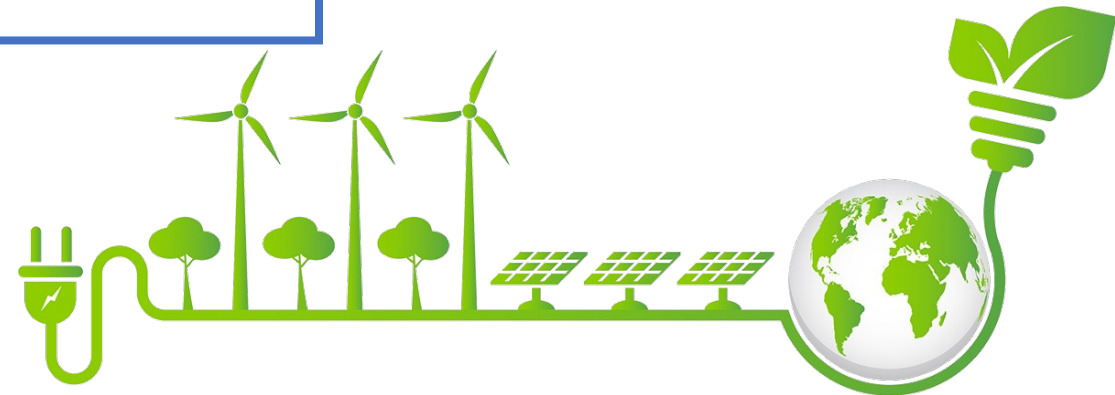


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ACCELERATING GREEN TRANSITION – NEXT STEPS



- **One-Stop Centre for licensing of commercial RES.**
 - *Creation of a digital platform.*
- **Production and use of Hydrogen.**
 - *Strategy to be finalised early 2023.*
 - *Some pilot projects already in the pipeline.*
- **New spatial planning for the installation of RES.**
 - *Based on the Strategic Environmental Assessment.*
- **Large offshore RES systems (mainly floating PVs).**
 - *New maritime spatial planning.*



CIRCULAR ECONOMY IN CYPRUS



National Action plan for the enhancement of circular economy - adopted 16th of June 2021.

- ***Aiming to shift the Industrial Base in Cyprus from the **linear** operation model to a **circular** operation model.***
- ***Total Budget €90 million – Resilience and Recovery Mechanism / Structural Funds and National Resources.***
- ***Application of circular economy to the industrial sector – exploit business opportunities, improve competitiveness, decrease operational cost.***

Circular economy is a huge opportunity for industry - More resilient, more competitive internationally.



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Thank you



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