

Climate Change

(a) Climate and Energy Package. On 17.12.2008, the European Parliament approved the new EU legislative package on climate and energy, aiming to achieve the EU's overall target of a 20% reduction in the level of greenhouse gas emissions by 2020, as compared with 1990. The package, which should be gradually transposed into national law within a defined timeframe, includes six Regulations, Directives and Decisions relevant to the environmental targets set by the Council of the EU, such as a 20% contribution of renewable energy in the EU's total energy consumption by 2020 and a 10% contribution of biofuel. Two of these legal instruments are relevant to the Energy Service of the Ministry of Commerce, Industry and Tourism, while the remaining four are the responsibility of the Department of Environment. The Department is in the process of transposing into national law two out of the four legal instruments for which it is responsible, while for the remaining two, the Department requested and was granted the approval of the Attorney General, to assign the work of drafting the national legislation to private legal consultants, following a public procurement procedure. The Permanent Secretary of the Ministry of Finance approved the purchase of the services in question, for an estimated cost of €250.000. As we have been informed by the Permanent Secretary of the Ministry of Agriculture, Natural Resources and Environment (MANRE), the public procurement procedure commenced in September 2010, whilst the transposition of the entire package is expected to be completed by 2012.

As regards the statutes the Department is responsible for, articles 1(10) and (13) of Directive 2009/29/EC, which relate to the greenhouse gas emissions trading scheme, should have been transposed into national law by 31.12.2009. Furthermore, the provisions of Directive 2008/101/EC, for the inclusion of aviation activities in the scheme for greenhouse gas emission allowance trading within the Community, should have been transposed into national law by 2.2.2010 at the latest. Due to the delay in the fulfillment of the above obligations, the European Commission issued letters of formal notice, on 27.1.2010 and 25.3.2010, respectively.

The draft of the amending Bill for the fulfillment of the above obligations was prepared and sent to the Law Office on 20.5.2010 for legal review.

(b) Policies and measures for the reduction of greenhouse gas emissions. The Republic of Cyprus ratified the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, and is therefore committed to formulate, implement, publish and regularly update a national programme containing measures to mitigate climate change. However, Cyprus is neither an Annex I party to the Convention, neither an Annex B party to the Protocol, and hence has no quantifiable commitments for the reduction of GHG emissions.

Based on the above commitments, the Strategic Plan for the Reduction of Greenhouse Gases Emissions was prepared and was approved by the Council of Ministers on 10.9.2003. The Plan, which provides for a series of measures in the sectors of electricity generation, industry, transport, waste, and the residential / tertiary sector, is expected to be updated along with the transposition of the new EU legislative package on climate and energy.

The European Commissioner for Environment, with a letter dated 18.9.2009, suggested that a proposal is submitted jointly by the European Commission and the Republic of Cyprus, so that Cyprus is added to Annex I of the UNFCCC. The Council of Ministers approved the relevant proposal, provided that the specific conditions put forward by the Department of Environment and the involved parties will be accepted by the Commission. These conditions concern primarily the reduced participation of the Republic of Cyprus in the funding mechanism for developing countries and the unhindered continuation of the operation of Clean Development Mechanism projects in Cyprus. With its letter dated 27.5.2010, the Directorate-General for Climate Action notes that, following the accession of Malta in Annex I of the UNFCCC, Cyprus is the only EU member state that is not a party to Annex I of the UNFCCC, which is, in his opinion, a highly undesirable situation. The issue is still under review and consultations with involved parties continue with the aim of a proposal submission to the Council of Ministers for a final decision to be made.

(c) Implementation of policies and measures to reduce greenhouse gases emissions. As is noted in our previous Report, the major weakness in the system for the implementation of policies and measures for the reduction of greenhouse gases emissions arises from the widespread responsibility for their implementation in various Ministries/Departments and the absence of a specific monitoring body with the responsibility/authority to monitor and control the overall implementation. This fact, along with the absence of quantified commitments for the reduction of GHG emissions, hinders the monitoring and control of the implementation of the policies and measures in question, while

the achievement of the aggregate and annual GHG emission reduction targets set in the new legislative package for the period 2013-2020 is made doubtful. An indication of this is the fact that, according to the national GHG inventory report submitted by the Department to the Commission on 15.3.2010, GHG emissions not only did not decrease in 2008, but, on the contrary, have risen by 93.6% as compared to 1990 levels.

The Department informed us that the assignment of a supervisory authority is expected to be made within 2010 with the transposition of the EU climate and energy package into national law.

(d) Reports and submission of data regarding climate change. The difference in opinion between the Commission and the Republic of Cyprus regarding the obligation to submit climate change data, as described in detail in our previous Reports, remains unresolved. Implementation of our suggestion for the clarification of the whole matter, with which the Department of Environment had agreed with, is still pending, while the matter is expected to be resolved in the event of a decision for the accession of the Republic of Cyprus in Annex I of the UNFCCC.

Adaptation to Climate Change

(a) National Climate Change Adaptation Programme. According to the provisions of the UNFCCC, all parties must formulate and implement national programmes containing measures to facilitate adequate adaptation to climate change.

At the European Union level, the framework for adapting to the impacts of climate change is set in the white paper entitled "Adapting to climate change:

Towards a European framework for action". We have been informed by the Department that the Ministry of Agriculture, Natural Resources and Environment has suggested that the development of a collective climate change adaptation strategy is one of the targets of the Cyprus Presidency of the EU.

Despite the fact that Cyprus is already experiencing the consequences of climate change, a unified national action plan for adapting to climate change has not yet been prepared, with the exception of individual programmes applied in specific sectors such as water and forests.

(b) National Action Plan for Combating Desertification. The Republic of Cyprus ratified the United Nations Convention for Combating Desertification on 23.12.1999, by the enactment of Law 23(III)/1999. The Convention aims at combating desertification and mitigating the effects of drought in the affected countries. According to the provisions of the Convention, the parties should prepare and implement national action programmes which examine of the state of the environment in affected or threatened areas, ascertain the causes and effects of desertification and formulate specific actions to combat this phenomenon.

In order to meet the above commitments, the Department of Environment assigned to private consultants the preparation of a draft National Action Plan (NAP) for combating desertification, which was completed on 13.3.2008. According to the draft, 57% of Cypriot territories are in critical condition as to the danger of desertification, while in case the various climate change scenarios are confirmed, this percentage will rise to 70.5%. Upon completion of the draft, the Department of Environment proceeded with public

consultation and contacts with all involved parties, with the objective of preparing a proposal to the Council of Ministers, which would specify the measures proposed for inclusion in the NAP. Despite the fact that it has been more than 10 years since the ratification of the Convention and over two years since the preparation of the draft, no final decision has been made as to its adoption and implementation. As we have been informed by the Department, the draft NAP proposes implementation of around 200 measures relevant to various Departments/Services, the implementation of which cannot be initiated without prior cost estimation.

The Permanent Secretary of MANRE informed us that the costing of the measures is expected to be performed through a special study which will be carried out in 2011, for which a provision has been made in the Departmental Budget.